SMALL BUSINESS PROFILE 2018
A profile of small business in British Columbia

Small Business Profile 2018 is produced by the Ministry of Jobs, Trade and Technology of B.C. The report was prepared by BC Stats in partnership with the Small Business Branch of the ministry:

Information on programs and services for small businesses can be obtained by contacting:

Small Business BC
601 West Cordova St.
Vancouver, BC V6B 1G1
Telephone: 604.775.5525
Toll Free: 1.800.667.2272
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Statistics related to small business are available at:

BC Stats
556 Superior St.
Box 9410 Stn Prov Govt
Victoria, BC V8W 9V1
Email: BC.Stats@gov.bc.ca
Internet: www.bcstats.gov.bc.ca

Information on provincial government programs and services can be found at:

Ministry of Jobs, Trade and Technology
Small Business Branch
Box 9822 Stn Prov Govt
Victoria, BC V8W 9N3
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This publication is also available electronically on the following web sites:
www.bcstats.gov.bc.ca
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EXECUTIVE SUMMARY

Small businesses are integral to the growth of British Columbia’s economy. They support diversity in urban and rural communities, and are a foundation in all industry sectors.

British Columbia has a strong, innovative and sustainable economy, in large part due to the strength of our small business sector. This report profiles the role of small business in B.C. and the sector’s contribution to the economy by examining trends in growth, as well as cross-provincial comparisons for 2016/17.

This report is intended to aid policy and decision makers in efforts to encourage and support small business growth and innovation. The information it contains can identify areas of potential opportunity to promote access to large and diverse markets that increase business resiliency and encourage a more stable economy.

There were a total of 501,300 businesses in B.C. in 2017: Of these, 493,100 (98 per cent) were small businesses with fewer than 50 employees. Further, 414,300 (83 per cent) businesses in B.C. employed fewer than five employees, and 302,700 (60 per cent) were self-employed individuals with no paid help (zero employees).

Since 2014, B.C. has led the country in growth in the number of small businesses. Between 2014 and 2017, the number of small businesses in B.C. climbed 7.7 per cent, more than double the national average rate of growth of 3.2 per cent. Much of this growth has been concentrated in urban areas as it is no surprise that the most populous regions are also the ones with the most businesses. The Mainland/ Southwestern region of B.C. is home to about 64 per cent of small businesses, while Vancouver Island/Coast accounts for 16 per cent of the small business total.

Small businesses in B.C. employed nearly 1.1 million people in 2017, accounting for 54 per cent of private-sector employment. Conversely, the two per cent of larger B.C. businesses employed close to 937,500 people, or 46 per cent of total private employment. Larger firms tend to be more productive due to economies of scale, which supports greater capacity to invest in capital and technology, and also to pay higher salaries. In 2017, the average small business employee earned an annual salary of $43,038, compared to $52,412 for employees of large businesses.

Overall, small business in B.C. accounts for 35 per cent of overall gross domestic product (GDP). Taken together, GDP and employment estimates present a broad measure of productivity, that is labour productivity, or GDP per job.

In 2016, close to 6,900 B.C. businesses exported goods to destinations outside of Canada. Of these, over 5,900 (or 86 per cent) were small businesses that shipped around $18 billion worth of goods to international destinations (43 per cent of the total value of goods exported from the province), with an average export value per business of just over $3 million. The remaining 979 large business exporters accounted for over $24 billion of shipments, worth an average $25 million per business, more than eight times the average for small business.

A positive business climate can potentially give a province a competitive edge over other jurisdictions, helping to stimulate business formation and growth.
HIGHLIGHTS

- **Small Business** – By count, roughly 98 per cent of all businesses in B.C. are small businesses. In 2017, there were approximately 493,100 small businesses operating in the province, 3.6 per cent more than in 2016. Of these, about 84 per cent were micro-businesses with fewer than five employees.¹

- **Small Businesses Per Capita** – On a per capita basis, small businesses are consistently more prevalent in Western Canada compared to the rest of the country. In 2017, B.C. ranked second among provinces with 102.4 small businesses per 1,000 persons, marginally behind Alberta (102.6 small businesses per 1,000 persons).

- **Regional Focus** – All regions within the province recorded growth in the number of small businesses between 2014 and 2017. The Kootenay region saw the strongest growth, with the count of small businesses in the region increasing 19.8 per cent.

- **Employment** – Nearly 1.1 million British Columbians worked in small businesses in 2017, accounting for 54 per cent of private-sector employment, well above the national average of 49 per cent. This is an increase of about 3.3 per cent over 2016 levels.

- **Employment Change** – Employment in B.C.’s small business sector climbed 7.6 per cent between 2012 and 2017. There was an increase in the count of both self-employed (+6.5 per cent) and employees of small businesses (+8.4 per cent).

- **Industry** – The utilities sector saw employment grow 49.0 per cent between 2012 and 2017, the strongest growth rate of any of the industry sectors. The construction industry had the largest increase in overall number of jobs, adding 19,800 employees in the last five years.

- **Self-Employed** – On average, self-employed individuals tend to be older, male, and work longer hours than paid employees. Self-employed individuals are also less likely to be Indigenous peoples. Approximately 38 per cent of the self-employed in B.C. are women, above the national average of 37 per cent.

- **Gross Domestic Product** – B.C. small businesses accounted for around 35 per cent of the province’s gross domestic product in 2017, well above the Canadian average of 29 per cent. The per cent of GDP generated by B.C.’s small businesses has been stable at 35 per cent since 2015.

- **Earnings** – In 2017, small business payrolls in B.C. accounted for 32 per cent of all wages paid to workers. Wages among workers in firms with 50 or more employees tend to be higher than those in small businesses. In 2017, the gap was around $9,400 in B.C., the second smallest in the country and considerably lower than the national average of just over $11,400.

- **Exports** – In 2016, 5,913 small businesses exported goods to destinations outside of Canada, representing 86 per cent of all exporting businesses.² Small businesses shipped around $18.0 billion worth of goods to international destinations, accounting for 43 per cent of the total value of goods exported from the province.

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¹ The method used to calculate small business counts has changed, see page 6 for more information.

² There is a one-year lag in the availability of data for exports by businesses tabulated by employee size and, as a result, 2016 is the latest year for which data are available.
HIGHLIGHT FIGURE 1
Breakdown of Businesses in British Columbia, 2017

HIGHLIGHT FIGURE 2
Number of Self-Employed Business Owners in British Columbia, 2017

HIGHLIGHT FIGURE 3
Breakdown of Businesses in British Columbia, 2017

<table>
<thead>
<tr>
<th></th>
<th>Number of businesses</th>
<th>Per cent of total*</th>
<th>Growth 2014-2017 (#)</th>
<th>Growth rate 2014-2017**</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL BUSINESSES WITH 0 TO 4 EMPLOYEES</td>
<td>414,300</td>
<td>83%</td>
<td>29,600</td>
<td>7.7%</td>
</tr>
<tr>
<td>Self-employed without paid help</td>
<td>302,700</td>
<td>60%</td>
<td>27,400</td>
<td>10.0%</td>
</tr>
<tr>
<td>Businesses with 1 to 4 employees</td>
<td>111,600</td>
<td>22%</td>
<td>2,200</td>
<td>2.0%</td>
</tr>
<tr>
<td>BUSINESSES WITH 5 TO 9 EMPLOYEES</td>
<td>38,600</td>
<td>8%</td>
<td>2,400</td>
<td>6.6%</td>
</tr>
<tr>
<td>BUSINESSES WITH 10 TO 19 EMPLOYEES</td>
<td>25,100</td>
<td>5%</td>
<td>2,400</td>
<td>10.6%</td>
</tr>
<tr>
<td>BUSINESSES WITH 20 TO 49 EMPLOYEES</td>
<td>15,100</td>
<td>3%</td>
<td>700</td>
<td>4.8%</td>
</tr>
<tr>
<td>TOTAL SMALL BUSINESSES</td>
<td>493,100</td>
<td>98%</td>
<td>35,100</td>
<td>7.7%</td>
</tr>
<tr>
<td>TOTAL LARGE BUSINESSES</td>
<td>8,200</td>
<td>2%</td>
<td>500</td>
<td>7.1%</td>
</tr>
<tr>
<td>TOTAL ALL BUSINESSES</td>
<td>501,300</td>
<td>100%</td>
<td>35,600</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

Note: the method used to calculate small business counts has changed. See p.7 for information on business counts change.
Comparisons with earlier editions of the Profile should be avoided.
* Figures do not add due to rounding
** Due to a data break in 2014, growth rates can only be calculated from 2014-2017
Source: BC Stats using data supplied by Statistics Canada
Spotlight on British Columbia’s business landscape: Some key indicators

A positive business climate can potentially give a province a competitive edge over other jurisdictions, helping to stimulate business formation and growth. B.C. compares favourably with other provinces when considering several key business stimulus indicators, some of which are highlighted here.

Given that much of the input to their production is derived from human capital, small business owners will often seek an ideal location to establish their operations. Lower levels of taxation have the potential to attract investment and encourage a skilled labour pool—both essential to small business growth.

In 2018, the small business tax rate in B.C. (2.0 per cent) is among the lowest in the country, just above that of Manitoba, which has eliminated the small business tax, and on par with Alberta and Saskatchewan (each 2.0 per cent). Quebec’s tax rate is the highest in the country by a significant margin (8.0 per cent in 2018).

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Another measure of the overall health of an economy and business environment is strong building activity. In 2017, the province continued to record growth in planned building activity. The value of building permits issued in B.C. amounted to almost $16 billion in 2017, an 18.5 per cent increase over 2016. The residential sector (+16.6 per cent) was the primary contributor to the increase, although institutional and governmental, commercial and industrial building permits also advanced in the year. Nationally, planned spending also grew in 2017 (+10.9 per cent to $95 billion).

Unlike building permits, high numbers of bankruptcies would indicate a less favourable business environment. However, B.C. boasts one of the lowest business bankruptcy rates in the country. In 2017, B.C. was tied with Alberta with the lowest business bankruptcy rate among the provinces, at 0.2 bankruptcies per 1000 businesses, down from 0.3 in 2016. Quebec had the highest business bankruptcy rate in 2017 at 1.8 per 1,000 businesses. The Canadian business bankruptcy rate was 0.7 in 2017, unchanged from 2016.
1 SMALL BUSINESS GROWTH

It is useful to look at indicators of the overall business environment in the province to measure the suitability of B.C. as a place where small businesses have potential to flourish; however, it is also important to monitor the performance of the small business sector itself. Small business tax rates and measures of planned investment in buildings (building permits) give some indication of the health of the overall provincial business environment. On the other hand, measures such as business counts, employment, GDP and revenues are indicators that offer an objective view of the size and health of the small business sector and its overall importance for the provincial economy.

What is a small business?

A business can be classified as small, medium or large through a number of different methods, including production levels and revenues. However, the most commonly used definition focuses on the number of individuals employed. In B.C., a small business is defined as one with either fewer than 50 employees, or a business operated by a person who is self-employed without paid help.
Small Business Spotlight:

Blair Mirau | CEO
Gitmaxmak’ay Nisga’a Economic Development Corporation – Rupert Lawn & Garden, Est. 2014

Life Story
Born and raised in Prince Rupert, Blair graduated from the University of Winnipeg in 2011 with a degree in international development. Upon returning home he began his career as a grant writer for the City of Prince Rupert. Then in 2013, following one of Blair’s free grant writing seminars he hosted at City Hall, the Gitmaxmak’ay Nisga’a Society’s former Chief Executive Officer approached Blair to become an economic development officer. The organization’s businesses grew under their direction, and when Grayson left in 2016, the board quickly found a ready replacement – Blair Mirau.

Blair became the visionary behind the development of the Economic Development Corporation and was tasked with the society’s goal to achieve economic self-sufficiency over the next 10-15 years, a $1M price tag. With the freedom and flexibility to do whatever it took to get to business and start making money to be able to fund their own programs and services, Blair took a risk purchasing a small local garden centre and lawn care business. At the time with only two lawn cutters and a rusted Ford F150 Blair saw so much potential and it has “really paid itself off in spades.”

What was the motivation behind starting your own business?
Job creation was a really specific part of my mandate. A big motivation for me was finding a business that was relatively labour intensive as a way for us to not just generate margins on the labour but to create good, sustaining, family paying jobs. That is why the yard care subscription model was so appealing to me.

Who is your role model?
The founding members of the society are our role models for success here. They had the vision and leadership to see that Nisga’a citizens in Prince Rupert could be its own community and stand on its own two feet.

What has been your greatest reward to date leading a not for profit?
The biggest reward for me is to see that in running a social enterprise not only can we remain competitive with other businesses in town but we can also grow and succeed while also giving back.

What unique challenges do Indigenous entrepreneurs face when starting a small business and how can they overcome them?
The biggest challenge by far is start-up capital – the cost of doing business is always increasing. From our experience, the way to overcome that is to reach out to a cross-section of funding programs that are available. There is a lot of money out there for Indigenous entrepreneurs and start-ups. The unique thing is that there are often training supports and mentorship opportunities that come with the financing.

Looking back, what advice would you give to aspiring Indigenous entrepreneurs from your experience?
It may sound cheesy, but it’s the “Five P’s” – Prior Preparation Prevents Poor Performance. If you can spend the time up front preparing and thinking through all the different options, potential pitfalls and opportunities, ultimately it will prevent you from making a lot of mistakes.

Where is your favourite B.C. destination?
I’m biased on this, but I would have to say the Nisga’a lava beds in the Nass Valley, particularly the hot springs – it’s definitely one of my favourites.

Bottom Line
• Rupert Lawn and Garden has quadrupled their subscription client list and has grown from four to 16 staff
• 2018 BC Business Top 30 Under 30
• Stayed tuned to their next venture – a salmon smokehouse is underway that will combine traditional recipes in a modern context and facility
How many businesses operate in British Columbia and is that number growing?

There were a total of 501,300 businesses in B.C. in 2017. Of these, 493,100 (98 per cent) were small businesses with fewer than 50 employees. Businesses operated by self-employed persons with no paid employees comprised 60 per cent of all businesses in the province, slightly below the national average (61 per cent). Ontario, at 63 per cent, had the highest share of businesses run by self-employed individuals with no paid help, while Newfoundland and Labrador had the smallest share, at only 38 per cent.

The count of small businesses active in B.C. climbed 3.6 per cent in 2017 compared to 2016. The number of businesses operated by self-employed individuals without paid help rose faster, at 5.1 per cent, the fastest growing group in the small business sector for the year. Small businesses with employees grew by 1.3 per cent in 2017, with businesses employing between 10 and 19 individuals gaining the most ground in the year (+3.7 per cent). The number of large businesses also saw strong gains in 2017, advancing 3.3 per cent.

FIGURE 1.1
Growth of Small Businesses in British Columbia

Note: Due to a data break in 2014, comparisons can only be made back to 2014

Source: BC Stats using data supplied by Statistics Canada
What is the size distribution of small businesses?

Most of the small businesses operating in B.C. are very small, employing fewer than five employees. In 2017, 414,300 businesses, or 84 per cent of all small businesses fit this description. Within this group, self-employed persons without paid help made up 61 per cent of small businesses, while the remaining 23 per cent employed one to four individuals.

**FIGURE 1.2**
Breakdown of Small Businesses in British Columbia, 2017

<table>
<thead>
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<th>Description</th>
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* Due to a data break in 2014, growth rates can only be calculated from 2014-2017

Source: BC Stats using data supplied by Statistics Canada

In which sectors are small businesses concentrated?

Small businesses in B.C. operate across a number of diverse activities, ranging from family-owned and operated restaurants, to small industrial operations, to self-employed care-givers. However, four out of five (80 per cent) of all small businesses in the province are in service sector industries, the same as the per cent of large businesses in the service sector.

In 2017, the bulk of small business activity in the goods sector was in construction and utilities, which accounted for 14 per cent of all small businesses in the province. Construction is more amenable to small business operations compared to other goods industries such as manufacturing. Among the service industries, professional and business services were by far the largest, accounting for more than one in five small businesses (22 per cent). Included in this sector are a number of diverse activities, such as legal services, tax preparation services, marketing, research and public opinion polling, and industrial design services.

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3 Note that utilities comprise only a small portion of this industry aggregation.
Figure 1.3a shows the industry breakdown for small businesses with employees compared to that for businesses operated by a self-employed person with no staff. Figure 1.3b provides the same dissection for small business overall.

**FIGURE 1.3a**
Small Businesses, With and Without Employees, by Industry, 2017

Note: “Primary” is comprised of the agriculture, forestry, fishing, mining, oil and gas industries.
Source: BC Stats using data supplied by Statistics Canada

**FIGURE 1.3b**
Total Small Businesses With 0-49 Employees, 2017

Note: “Primary” is comprised of the agriculture, forestry, fishing, mining, oil and gas industries.
The total does not sum to 100 per cent as some businesses could not be classified by industry.
Source: BC Stats using data supplied by Statistics Canada
Certain industry groups are dominated by businesses without employees, while the opposite is true for others. For example, 86 per cent of small businesses providing educational services consist of self-employed individuals without paid help, while only 26 per cent of accommodation and food services businesses have no paid employees.

**FIGURE 1.4**
Small Businesses by Industry, Proportions With and Without Employees, 2017

Non-Standard Industries

This report contains information on non-standard industries that are not defined under the North American Industry Classification System (NAICS) used by Statistics Canada. The tourism, high technology and secondary manufacturing sectors are called “non-standard industries” in this report and are in fact composites of smaller parts of traditionally-defined industries under NAICS. Tourism, for example, includes data from parts of the transportation industry, accommodation and food services, and information, culture and recreation services, among others. High technology includes both manufacturing and services components.

Historically, B.C.’s economy has been defined by resource extraction, particularly the forestry and mining industries. Although those industries are still important, sectors such as tourism and high technology are continuing to grow and become critical for the provincial economy. The secondary manufacturing sector has not experienced much growth in recent years; however, it is still significant, as adding value to goods stands out as a potential source of future economic growth in the province. Despite a reduction in the relative importance of the manufacturing industry in the province in the last few decades, it continues to be an engine of economic growth. Around 7.1 per cent of the jobs in the province depend on this industry.

High technology and tourism, in particular, are well-suited for small business opportunities as they are not as capital-intensive as resource extraction activities. In the high technology sector, small businesses comprised 96 per cent of employers in 2017. Innovation in this sector can be accomplished with a small number of employees working in small plants, offices, or even homes.
Which industries show the greatest increase in the number of small businesses?

Between 2014 and 2017, the largest growth in B.C. small businesses was in the professional, scientific and technical services industry, which added 1,467 net new businesses over the last three years. Specialty trade contractors, which are typically sub-contractors for construction activities such as masonry, painting, or electrical work, added 1,440 net new businesses in the same period, ranking as the second fastest growing sector in the province.

FIGURE 1.5
Number of Net New Small Businesses – Fastest Growing Sectors in British Columbia, 2014-2017†

† Excludes self-employed without paid help
Note: Due to a data break in 2014, growth can only be calculated from 2014-2017
Source: BC Stats using data supplied by Statistics Canada

The high technology and tourism sectors each saw an increase in small businesses between 2014 and 2017. High technology led the way with the addition of 832 new businesses, while tourism added 369 net new businesses. On the other hand, the province’s secondary manufacturing sector saw a net decline of 35 businesses between 2014 and 2017.
Small Business Spotlight:

Valerie Song | CEO and Co-founder
AVA Technologies Inc., Est. 2016

Life Story
When Valerie asked her three-year old niece where the tomatoes on her pizza came from and she said “grocery stores,” Valerie knew young people were in danger of becoming even more disconnected to their food. A business graduate from UBC’s Sauder School of Business, Valerie worked in the organic food marketing industry, her first foray into gardening and knowing where good food comes from – it’s also where she found inspiration in the company’s motto: “Leave the Earth better than you found it.”

AVA Technologies Inc., launched by Valerie and co-founder Chase Ando, is a budding start-up from Vancouver trying to help people eat better while reducing food miles. AVA (Automated Vertical Agriculture) creates smart home products starting with AVA Byte – think Nespresso machine for gardening. By using modern technology, AVA wants to help the world get growing by unlocking access to the freshest, organic ingredients at home, all year round.

Who inspired you to become an entrepreneur?
A turn-key moment was when I was working for a beer company. During a sales session one day, I asked a business owner when he knew that he wanted to be an entrepreneur. He told me it was when he started losing productivity at work and didn’t enjoy it anymore, he knew he could do more. It really jogged something inside of me. A few weeks later I quit my job to start AVA.

Who is your role model?
With both my parents running different parts of their company, I gained a lot of respect for my parents. It doesn’t matter if you are a man or woman if you have the hustle, the skill and the willingness to learn then you can do anything.

What do you see as your greatest accomplishment to date?
The greatest and also the toughest accomplishment to date with AVA would have to be our fundraising. It’s something that we are very proud of and worked really hard to get there. In June, we raised our $2M USD round through a local venture capital firm. We had to push through and get over the fear of not getting investment and be bold to ask for what we needed. We pitched for $1M, and they offered us $2M – that has been the proudest moment to date.

Looking back, what advice would you give to other aspiring young female entrepreneurs from your experience?
The best thing you can do for yourself is to just go do it, practice and surround yourself with people who can support you in getting there. You need to create your own opportunities. Don’t just wait for them to come to you.

Tell us a little known fact about your company.
AVA was named after the AI robot from the movie Ex Machina.

Where is your favourite B.C. destination?
I recently did a hike at Joffre Lakes near Squamish, B.C. which was just breathtaking with the pristine water and the views. When I got to the top, I held out my hand with some of my trail mix and birds came down to eat it. That was my Disney Princess moment, it was amazing.

The Bottom Line
• AVA employs 7 full time employees
• 2018 Small Business BC Award Winner – Best Innovation Award
• AVA Byte is currently in production, with pre-purchased orders to ship later this year and the next batch will be available in store and online in Canada and the US
• AVA looks to expand globally – U.S.A, Asia, EU and UK
Which industries show the fastest rates of growth in new businesses?

Among standard industries, the fastest rate of growth in number of B.C. small businesses between 2014 and 2017 was for those in the telecommunications industry, at 132.0 per cent, with most of the increase in 2017. Other industries to record particularly robust growth included beverage manufacturing, which saw a 55.0 per cent jump in small businesses, and electrical equipment, appliance and component manufacturers, which grew by 23.1 per cent.

For the non-standard sectors, small businesses in the high technology sector grew the fastest, adding 9.0 per cent more businesses between 2014 and 2017. The tourism sector also increased, albeit at a slower pace of 2.3 per cent. Secondary manufacturing business counts declined slightly in this period, falling by 0.6 per cent over the three-year period.

<table>
<thead>
<tr>
<th>Sector Growth Rates for Number of Small Businesses, 2014-2017†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecommunications</td>
</tr>
<tr>
<td>Beverage Manufacturing</td>
</tr>
<tr>
<td>Electrical Equip., Appliances, etc.</td>
</tr>
<tr>
<td>Funds and Other Financial/Vehicles</td>
</tr>
<tr>
<td>Amusement/Gambling/Recreation</td>
</tr>
<tr>
<td>Non-Standard Sectors</td>
</tr>
<tr>
<td>Non-Standard Sectors</td>
</tr>
<tr>
<td>High Technology</td>
</tr>
<tr>
<td>Tourism</td>
</tr>
<tr>
<td>Secondary Manufacturing</td>
</tr>
</tbody>
</table>

† Excludes self-employed without paid help

Note: Due to a data break in 2014, growth can only be calculated from 2014-2017

Source: BC Stats using data supplied by Statistics Canada

Data for industries with fewer than 100 small businesses are excluded from ranking in the sub-sector growth analysis in order to avoid inflated growth rates for industries with smaller numbers of businesses (e.g., an increase of one business in an industry with just one business to begin with would equal a 100 per cent rate of growth).
How does the prevalence of small business in British Columbia compare with other provinces?

On a per capita basis, small businesses are consistently more prevalent in Western Canada compared to the rest of the country. In 2017, B.C. ranked second among provinces with 102.4 businesses per 1,000 persons, marginally behind Alberta (102.6 businesses per 1,000 persons). Along with Saskatchewan, Alberta and B.C. were the only provinces to exceed the Canadian average of 86.2 businesses per 1,000 people. Newfoundland and Labrador had the fewest small businesses per capita (61.0 per 1,000 population).

**FIGURE 1.7**
Small Businesses Per Capita by Province, 2017

Source: BC Stats using data supplied by Statistics Canada

B.C. led the country in growth in the number of small businesses since 2014. Between 2014 and 2017, the number of small businesses in B.C. climbed 7.7 per cent, more than double the national average rate of growth of 3.2 per cent. Ontario also exceeded the national rate of growth, growing by 4.8 per cent. Newfoundland and Labrador (-7.0 per cent) and New Brunswick (-6.0 per cent) experienced the largest declines in small business counts among provinces.

**FIGURE 1.8**
Small Business Growth, by Province, 2014-2017

Note: Due to a data break in 2014, growth can only be calculated from 2014-2017
Source: BC Stats using data supplied by Statistics Canada
Which regions have the greatest number of small businesses?

It is no surprise that the most populous regions are also the ones with the most businesses. Accordingly, it is useful to compare the distribution of businesses to share of population to better understand the importance of small businesses in each region. In 2017, the distribution of small businesses was quite similar to that of population. The Mainland/Southwest region, which includes Greater Vancouver, was home to about 64 per cent of businesses, higher than the 62 per cent share of total provincial population. Vancouver Island/Coast ranked second in both population and share of small business with 17 and 16 per cent, respectively. The Thompson-Okanagan and Kootenay regions had a share of businesses representative of their share of total population (12 per cent and 3 per cent respectively). The remaining regions together accounted for around 7 per cent of the province’s population and 6 per cent of small businesses in 2017.

FIGURE 1.9
Small Business Distribution by Region, British Columbia, 2017

Source: BC Stats using data supplied by Statistics Canada
In which regions are the greatest numbers of small businesses forming?

All regions within the province recorded growth in the number of small businesses between 2014 and 2017. Kootenay saw the strongest growth, with the count of small businesses in the region increasing 19.8 per cent, or around 2,600 net new businesses. Mainland/Southwest had the next highest per cent growth, at 9.7 per cent or 27,500 net new businesses, followed by North Coast and Nechako with growth of 8.6 per cent or 500 net new businesses. The smallest increases in small businesses were observed in the Vancouver Island/Coast, Cariboo and Northeast regions, which each saw fewer than 100 net new businesses in the last three years.

**FIGURE 1.10**

Net Change in Number of Small Businesses by Region, 2014-2017

<table>
<thead>
<tr>
<th>Region</th>
<th>Total, 2017</th>
<th>Net change (#)</th>
<th>Growth rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>VANCOUVER ISLAND/COAST</td>
<td>78,400</td>
<td>100</td>
<td>0.1%</td>
</tr>
<tr>
<td>MAINLAND/SOUTHWEST</td>
<td>311,400</td>
<td>27,500</td>
<td>9.7%</td>
</tr>
<tr>
<td>THOMPSON-OKANAGAN</td>
<td>56,600</td>
<td>3,800</td>
<td>7.2%</td>
</tr>
<tr>
<td>KOOTENAY</td>
<td>15,600</td>
<td>2,600</td>
<td>19.8%</td>
</tr>
<tr>
<td>CARIBOO</td>
<td>13,600</td>
<td>&lt;50</td>
<td>0.3%</td>
</tr>
<tr>
<td>NORTH COAST &amp; NECHAKO</td>
<td>5,900</td>
<td>500</td>
<td>8.6%</td>
</tr>
<tr>
<td>NORTHEAST</td>
<td>8,300</td>
<td>&lt;50</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>PROVINCIAL TOTAL†</strong></td>
<td><strong>493,100</strong></td>
<td><strong>35,100</strong></td>
<td><strong>7.7%</strong></td>
</tr>
</tbody>
</table>

† Figures do not add to the total because the provincial total includes some businesses for which the region is unknown.

Note: Due to a data break in 2014, growth can only be calculated from 2014-2017

Source: BC Stats using data supplied by Statistics Canada

Small business expansion by industry varied by region, with construction leading the way with the largest number of net new businesses in most regions. Information, culture and recreation also ranked high across several regions in increased numbers of small businesses. For detailed regional data by industry, see Appendix 1.

In what regions are the non-standard sectors growing the fastest?

Between 2014 and 2017, growth in the high technology sector was concentrated in just four regions, while the number of high technology businesses declined in the rest of the province. Thompson-Okanagan (+15.1 per cent), Mainland/Southwest (+10.2 per cent), Vancouver Island/Coast (+6.0 per cent) and Kootenay (+3.6 per cent) saw strong growth in small high tech businesses in the period.

Small tourism businesses saw the strongest per cent growth in Thompson-Okanagan (+5.8 per cent) between 2014 and 2017, followed by Vancouver Island/Coast (+4.6 per cent). Small tourism businesses also grew in Mainland/Southwest (+1.8 per cent) and Cariboo (+1.6 per cent). Meanwhile, North Coast and Nechako (-6.5 per cent), Northeast (-1.9 per cent) and Kootenay (-1.4 per cent) experienced declines in the number of tourism small businesses in the same period. Secondary manufacturing businesses dropped in most regions, falling 0.6 per cent or 35 net fewer businesses in the last three years. Kootenay, Vancouver Island/Coast and Northeast were the only regions with positive growth in secondary manufacturing that amounted to 31 net new businesses across the three regions.
Life Story
Hailing from a small village in southern Germany, Felix was headed for a career in carpentry after leaving school at 15 to study the trade. Along the way he became the best Red Seal carpenter in south Germany, earned his degree in wood engineering and worked in Ethiopia as head of product development for a start-up creating bamboo-based alternatives to wooden building materials. Then in 2014, the University of British Columbia recruited Felix to do a PhD as part of a research collaboration on structural bamboo. Here Felix learned that each year in Vancouver as much as 600,000 tonnes of wood that could be reused for construction ends up in the landfill and he knew he had to do something.

Following a sushi date and an estimation that 100,000 chopsticks are thrown out every day in Vancouver, the idea for ChopValue was born. The company collects used bamboo chopsticks from local restaurants and transforms them into beautiful home decor products. ChopValue’s team of builders, makers, designers, programmers, influencers, engineers and scientists have built a viable, carbon negative manufacturing business from 7,000,000+ chopsticks… and counting.

What was the motivation behind starting your own business?
I took my frustration and turned it into motivation, to show everyone the feasibility and viability of working with underutilized resources. The idea to upcycle chopsticks fell into my lap as a crazy idea that could be an inspiring story for the bigger picture.

Who is your mentor?
Two years ago I had said to my girlfriend I wish I had a mentor, someone to help guide my decisions. It wasn’t clear to me at the time that everyone around me, who I talked to about my ideas, was doing exactly that.

What has been your biggest lesson learned about being your own boss?
I think accepting that it is impossible that everyone is going to like you and listening to each and every team member is super important.

What unique challenges have you faced as a small business trying to manufacture innovative and sustainable products and how have you overcome them?
If you look at manufacturing or consumer based product companies these days you will notice that to produce something locally you can’t avoid importing goods or working with materials that come from all over the world, so we try to take this into account when we assess our production efficiencies. To remain carbon neutral we are collecting a resource locally and producing it locally. We take all of the touch points into consideration and try to balance it out – how much energy do we capture, how much carbon do we capture in our new product that would otherwise be released into the atmosphere and how much do we emit during production.

Looking back, what advice would you give to other aspiring young entrepreneurs from your experience?
You need a professional partner in crime to share stress, challenges and ideas. With growth comes risk and you need to constantly manage your expectations.

Your motto is?
“Do more, talk less …or talk less – say more.”

Where is your favourite B.C. destination?
I’m still exploring, but I just love everything in B.C., it just feels like home.

Bottom Line
• Plans for 2018 include expanding ChopValue’s entire concept – recycling, design and manufacturing to three major North American cities, Vancouver, Victoria and Montreal
• National Clean 50 Company Award 2018
• ChopValue employs 18 staff
• ChopValue aims to have their first US city online in 2019
How many jobs does small business provide in British Columbia?

In 2017, 1,091,721 jobs in B.C. were derived from small businesses, accounting for 44 per cent of total employment in the province.
The private sector (both small and large businesses) employed around 2,029,200 people. Therefore, over half (54 per cent) of private sector workers are employed by small businesses. In 2017, self-employed workers represented nearly a quarter (22 per cent) of total private sector employment, while 32 per cent were employed by small businesses.

In 2017, employment by B.C.'s small business sector climbed 3.3 per cent over 2016 levels. Much of the growth was derived from a 4.1 per cent jump in self-employment, although the province also saw growth of 2.8 per cent in small business employment. The number of employees of large businesses in the province rose faster, at a rate of 4.7 per cent, such that B.C.'s total private sector employment increased by 4.0 per cent in 2017.

From 2012 to 2017, employment in the small business sector increased 7.6 per cent, with both employees of small businesses (+8.4 per cent) and self-employed individuals (+6.5 per cent) gaining ground in that period. The rate of growth of employment in larger businesses was much faster during this period, climbing by 13.4 per cent.

Employment in B.C.'s small business sector grew by 8.8 per cent between 2014 and 2017, slightly faster than overall small business growth (7.7 per cent) in the same period. Both self-employed (+10.7 per cent) and employees of small businesses (+7.5 per cent) contributed to the employment gains in the past three years.

Unlike business counts, there has not been a data break with regard to employment data, such that it is possible to analyze trends over longer periods than is the case for establishment counts.
How does British Columbia’s small business employment compare with other provinces?

B.C. led all provinces, with a 7.6 per cent rise in small business jobs between 2012 and 2017. Ontario (+6.7 per cent) and Alberta (+6.0 per cent) followed, growing faster than the national average of 4.9 per cent. Small business employment in the Atlantic Provinces fell, with the exception of New Brunswick, which saw a modest increase of 0.7 per cent.

**FIGURE 2.3**
Small Business Employment Growth by Province, 2012-2017

In 2017, B.C.’s small business sector, at 54 per cent of private sector employment, was around the same proportion as in Prince Edward Island and Saskatchewan, ranking the three well ahead of other provinces in this regard. Newfoundland and Labrador and Ontario (46 per cent each) had the least reliance on small business for private sector employment. In Canada as a whole, small businesses supplied just about half (49 per cent) of private sector employment.

**FIGURE 2.4**
Small Business as a Per Cent of Private-Sector Employment by Province, 2017

Source: BC Stats using data supplied by Statistics Canada
Variation exists among provinces in small business employment, likely due to regional differences in economic structures. Saskatchewan and Prince Edward Island have large agricultural and fishing sectors, respectively, characterized by smaller operations with fewer employees. Conversely, Ontario is more likely to have employment in large businesses, being a manufacturing hub. B.C. has a large service sector, which may account for a stronger presence of small businesses.

Which industries are experiencing the most job growth?

From 2012 to 2017, the utilities sector posted the fastest growth in small business employment in B.C., adding jobs at a rate of 49.0 per cent. The construction sector ranked second in rate of growth, at 23.8 per cent, but was the leader in terms of absolute number of net new jobs, with small business employment climbing by almost 19,800 over the five-year period.

Not all industries saw growth in employment over the last five years, as small businesses involved in management of companies and enterprises lost around 1,700 jobs between 2012 and 2017, a decline of 26.4 per cent. The mining, quarrying and oil and gas extraction industry reduced small business employment by around 800 jobs or 16.6 per cent.

FIGURE 2.5
Top and Bottom Five Industries in Terms of Per Cent Change in Small Business Employment in British Columbia, 2012-2017

Source: BC Stats using data supplied by Statistics Canada

Note that data on employment by size of business are not available for the non-standard sectors.
Self-Employment

What proportion of total employment consists of the self-employed?

In 2017, self-employed persons accounted for 17.8 per cent of total employment in B.C., well above the Canadian average of 15.2 per cent. The B.C. ratio has fluctuated somewhat, but has remained at or above 17 per cent since 1993. The only province with a greater proportion of self-employed in its workforce is Saskatchewan, at 18.0 per cent. Newfoundland and Labrador (9.6 per cent) has the lowest ratio of self-employed to total employment and is the only province with a self-employment share of less than ten per cent.

**FIGURE 2.6**
Self-Employment as a Per Cent of Total Employment by Province, 2017

Source: Statistics Canada / Prepared by BC Stats
How does self-employment growth in British Columbia compare with other provinces?

Over the last five years, B.C. has shown strong self-employment growth. The province’s five-year growth rate of 6.5 per cent was well above the national average (+4.8 per cent). Alberta saw the largest growth in self-employment among provinces, at 8.6 per cent between 2012 and 2017. The largest declines in self-employment in the last five years were observed in Newfoundland and Labrador (-13.3 per cent) and Prince Edward Island (-6.3 per cent).

**FIGURE 2.7**
Self-Employment Growth by Province, 2012-2017

In what regions is self-employment growing the fastest?

While self-employment increased for the province as a whole from 2012 to 2017, the number of self-employed grew in only two regions. Mainland/Southwest was the main contributor to the rise in self-employment in the province over the last five years, with growth of 14.2 per cent. Kootenay also saw an increase in self-employment in this period, albeit more modest at 2.1 per cent. All other regions experienced a decline in self-employment. The sharpest drops were in the Cariboo (-11.1 per cent) and Northeast (-9.9 per cent) regions.

**FIGURE 2.8**
Self-Employment Growth Rate for Regions in British Columbia, 2012-2017
Small Business Spotlight:

Afke Zonderland | Owner
Okanagan Rawsome, Est. 2008

Life Story
Born and raised on a large dairy farm in the Netherlands, Afke grew up with business decisions being made at the dinner table. For her being an entrepreneur wasn’t an afterthought, it was genetic and after being self-employed for 30 years as an interior designer, Afke at 60 years of age decided to follow her second passion – healthy food. She bought a recipe book and started experimenting to create nutrient-rich, delicious raw snacks. But it wasn’t until her daughter piped up and said how great the crisps were that she had even considered selling them.

Afke decided to fill a gap in the market and as luck would have it a wonderful food grant came through from the Small Business Association of BC which allowed her to purchase a commercial grade dehydrator that she had her eyes on for a long time – it would be her ticket to scale up and support the production demand for Okanagan Rawsome.

Okanagan Rawsome is a proud family business created by Afke Zonderland and her daughter Anna. They are a family “Farm to Fork” business in the small rural area of Grindrod.

What was the motivation behind starting your own business?
I saw the crisps were filling a personal need for so many with allergies, food challenges and also for children. People have become so educated about the quality of their food, a real shift in thinking for people to be preventative in our approach to health. You need to listen to people’s needs then find innovative ways to fill them.

How has mentorship or networking played a role in where you are today?
Networking gets bigger for us all the time. We source from farms down the road that we drive by every day. We build relationships with the farmers and they grow specifically for us.

What do you see as your greatest accomplishment to date?
I’ve always been really pleased to offer some employment in a rural area. I’ve never felt that minimum wage was enough, so we pay fair, livable wages. I was also lucky to have Anna come home when she did. I was just a little sprout with an idea, but we became a team and there is a lot of accomplishment in that as well.

What unique challenges have you faced as an entrepreneur running a family owned business and how have you overcome them?
With the dynamics of a family business you have to make sure the personalities mesh, open communication is the bottom line. You need to set good boundaries, and plan ahead for different scenarios – and we always have chocolate in the fridge to get through the tough days.

What is it like operating a small business in a rural part of the Province?
It’s a little bit inconvenient, but at the same time being where we are is what makes our company work. We can grow our produce and have access to the farms. I don’t think this business would function nearly as well if we were in the city or a rented out space. We are a farm based business; we see everything grow from a little seed.

Tell us a little known fact about you.
We are both certified interior designers.

Where is your favourite B.C. destination?
The Okanagan is amazing; we love to ski and mountain bike.

Bottom Line
• In 2018 Anna has taken on a larger role with the business as Afke starts to enjoy her retirement years ahead
• 2018 Top 5 Small Business BC People’s Choice Award nominee
• Afke would love to see her product on shelves right across Canada one day and continue on a forward path as a family owned business with sustainable growth, so long as they stay on the farm
How many self-employed people are there in British Columbia?

There were 438,200 self-employed workers in B.C. in 2017, including 2,800 people working in family businesses without pay. This leaves around 435,400 self-employed business owners. Most (56 per cent) self-employed businesses were unincorporated. Unincorporated individuals without staff made up the largest portion of self-employed, with almost half of self-employed workers fitting this description.

**FIGURE 3.1**
Number of Self-Employed Business Owners in British Columbia, 2017*

<table>
<thead>
<tr>
<th></th>
<th>With paid help</th>
<th>Without paid help</th>
<th>Total</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCORPORATED</td>
<td>104,400</td>
<td>86,900</td>
<td>191,300</td>
<td>44%</td>
</tr>
<tr>
<td>UNINCORPORATED</td>
<td>28,300</td>
<td>215,800</td>
<td>244,100</td>
<td>56%</td>
</tr>
<tr>
<td>TOTAL SELF-EMPLOYMENT</td>
<td>132,700</td>
<td>302,700</td>
<td>435,400</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Note: excludes unpaid family workers
Source: Statistics Canada / Prepared by BC Stats
People choose self-employment for many reasons. Students, semi-retired persons, or persons looking to complement their income may prefer self-employment to other options as it offers more flexibility. Technological changes that afford the option of working remotely, and the increase in importance of work-life balance may also play a role in encouraging entrepreneurship. In other cases, self-employment may be chosen through necessity, in the face of loss of employment or limited opportunities in a particular area.  

In 2017, there was a 3.8 per cent boost in self-employment (excluding unpaid family workers) in B.C. Self-employment without paid help (+5.1 per cent) grew at a much faster pace than self-employment with staff (+1.1 per cent). The number of sole operators is more than double that of employers with staff in B.C. Between 2012 and 2017, self-employment with (+5.1 per cent) and without (+6.7 per cent) paid help has grown at somewhat similar rates, such that the ratio of those without paid employees over those with employees has remained fairly steady, ranging between 2.2 and 2.3.

**FIGURE 3.2**


Source: Statistics Canada / Prepared by BC Stats

What is the profile of a self-employed person in British Columbia?

Self-employed individuals and those who are paid employees differ in a number of ways. On average, self-employed people tend to be older, male and work longer hours.

Over six in ten (62 per cent) self-employed people in 2017 were 45 years or older, whereas only 40 per cent of employees were in this age group. Similarly, while just 16 per cent of self-employed business owners were under the age of 35, around 40 per cent of employees fit this description.

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7 It is also possible that some people turn to self-employed work to supplement their paid income. However, such workers are not included in the figures quoted in this report. The ‘self-employed’ as counted here are people for whom their self-employed work constitutes the job at which they work the most hours, except where specifically indicated otherwise.
There are a number of possible reasons for the different age structure of self-employed persons and employees. Many younger people under the age of 25 lack the skills and capital to start and operate a business. By comparison, for older workers, self-employment may be used as a transition from working at a full-time job to retirement or to complement retirement income. In fact, around 12 per cent of self-employed people are over the age of 65, while only 3 per cent of employees are in this age range. Furthermore, paid employees may have pensions or retirement packages as an incentive to retire, whereas self-employed persons may have fewer retirement resources available. In Canada, the median age of retirement (the age at which half of retirees are older and half younger) for self-employed people was 67.1 years in 2017. This was more than two years older than the median age of retirement for private sector employees (64.8) and almost six years older than those employed in the public sector (61.4).

It is interesting to note that although British Columbians aged 65 and over are making up a larger share of the self-employed, it is not due to a greater propensity for people in that age group to become self-employed. Rather, it is the result of the demographic shift of an aging population. In fact, as recently as 2005, 60 per cent of workers aged 65 and over were self-employed and they represented 6 per cent of total self-employed. By 2017, those aged 65 and over accounted for 12 per cent of the self-employed; however, only 42 per cent of that age group were self-employed. The doubling in the share of elderly self-employed was due to a substantial increase in the number of people aged 65 and over in the workforce. Some of this had to do with people in that age group delaying retirement—for Canadians as a whole, the median age of retirement increased from 61.0 in 2005 to 64.1 in 2017—however, much of it was simply due to the fact that British Columbians are, on average, getting older.
Gender is another factor distinguishing the self-employed from employees. Self-employed individuals are more often male. In 2017, close to two-thirds of B.C.’s self-employed were men. However, entrepreneurial women have a substantial presence in business, both in B.C. and the rest of the country. Almost 38 per cent of all self-employed business owners in B.C. were women, above the national average of 37 per cent and the third highest rate among the provinces. B.C. trailed Nova Scotia (39 per cent) and was marginally behind Ontario (38 per cent), with respect to the share of self-employed females.

**FIGURE 3.4**
Proportion of Self-Employed Who Are Women, by Province, 2017

From 2012 to 2017, the growth in self-employment among men (+4.9 per cent) in B.C. was around one half that of women (+9.1 per cent). The increase was particularly evident among women over 55 years of age. In fact, the number of self-employed women aged 55 to 64 jumped 17.6 per cent over the five-year period, while those aged 65 and over surged 42.1 per cent. A similar pattern was observed among males, with self-employment among men 65 years and older growing by 30.7 per cent in the same period. For detailed data on self-employment by age and gender, see Appendix 2.

The increase in self-employment among women was somewhat spread across the province, with all regions registering increases in the share of women among self-employed people except the Mainland/Southwest and Cariboo regions. The largest increase in the share of entrepreneurial women was in Thompson-Okanagan, where the rate grew from 33.3 per cent in 2012 to 42.5 per cent in 2017. Kootenay had the largest share of women among self-employed in 2017 at 44.4 per cent, compared to 35.6 per cent in the Northeast, the lowest share among all regions.
Exploring self-employment trends for Indigenous peoples in B.C. provides some insight into the diversity of small business owners in the province. Indigenous peoples are less likely to be self-employed than non-Indigenous people. Data for 2017 indicate that 14.3 per cent of Indigenous people in B.C. were self-employed, compared to 17.9 per cent of non-Indigenous who worked for themselves. One possible explanation for this difference may be the younger age distribution of Indigenous people relative to the overall population, given the older age composition of self-employed individuals compared to those who are employees.

The share of self-employment for Indigenous people has been variable in the last five years, ranging from a high of 14.9 per cent in 2014 to 10.7 per cent in 2015.
How do the self-employed differ from employees with respect to hours worked?

In B.C., differences in the number of hours worked per week also distinguishes the self-employed from employees. On average, the self-employed have much longer work days than employees. Almost one quarter (24 per cent) of self-employed individuals work 50 or more hours per week, compared to just 4 per cent of employees. By contrast, only 31 per cent of self-employed work 35 to 40 hours per week, compared to 64 per cent of employees. In 2017, the average work week for self-employed workers was 36.5 hours, and 35.1 for employees.

**FIGURE 3.7**

Hours Worked, Self-Employed Compared to Employees, British Columbia, 2017

Self-employed Canadians who work long hours represent an even larger portion of total self-employed than in B.C. In 2017, 28 per cent of self-employed Canadians averaged 50 hours or more per week, four percentage points more than in B.C. Nationally, the average work week for self-employed workers is approximately 38.6 hours, two hours longer than the average in B.C. Meanwhile, employed Canadians (35.3 hours), have a work week similar to that of employed British Columbians.

Source: Statistics Canada / Prepared by BC Stats
Small Business Spotlight:

Naitik Mehta | CEO and Co-founder
Nextbillion.org, Est. 2016

Life Story
In 2015, Emily Carr University of Art and Design student Naitik was in his first internship at Microsoft Corp. when he had a chance encounter with Kartik Sawhney. Naitik learned that Kartik, 100% visually impaired since birth, had been denied the chance to take the Indian Institute of Technology’s entrance exam because of his disability – eventually, he attended Stanford University on a full scholarship. While Naitik didn’t have any direct experience with disabilities, he learned through conversations that Kartik’s story wasn’t unique.

There are 1.3 billion people worldwide with disabilities and they are twice as likely to be unemployed due to barriers and stigma. In 2016, Naitik and Kartik launched Nextbillion.org with two other co-founders, Siddhant and Bijan.

The Vancouver-based social enterprise is the only online community for students with disabilities interested in tech, to receive access to personal mentors and employment opportunities, bridging the gap to enable organizations to diversify and be truly inclusive. By focusing on these factors, they curate and foster personal, successful mentorships.

What was the motivation behind starting your own business?
It ties back to my own story as well. I’ve always been interested in design; I skipped high school to launch my own design studio, which was my first company. I really got into launching ideas and bringing them to life. When I was eligible to apply for university, I got a scholarship to attend the world’s best design school in the US – California College of Arts, but my visa was denied for the 7th time on grounds of being a ‘potential immigrant.’ I know what it feels like to be denied an opportunity that you deserve and qualify for. Not having equal opportunities based on society’s assumptions about others was a strong catalyst for starting this social enterprise.

How has mentorship or networking played a role in where you are today?
We can all have a big vision, but without mentorship I think we would be a lot slower to realize it. To me, having mentors is like having access to a living and talking library of knowledge – and that is incredibly powerful.

What has been your greatest reward to date as a social enterprise supporting people with disabilities?
Listening to success stories and seeing students hit their career goals using Nextbillion.org has been my greatest reward to date. Mentors have literally changed my life and when I see the same impact on others; that is one of the most fulfilling experiences for me.

What advice would you give to other aspiring young entrepreneurs from your experience?
My biggest piece of advice is to find and have a really good, important or pervasive problem to solve. It will give you a guiding light to know what you’re going after.

Your motto is?
If the world ran out of money, would you still show up to work tomorrow?

Where is your favourite B.C. destination?
I live by the Vancouver Seawall, I love taking a walk by the water, but I also love going to Deep Cove to try donuts. It’s an hour and 40 minutes each way by bus but I will make the trip just to have a donut and come back.

Bottom Line
• Over the last year the company has mentored over 100 students with disabilities across the U.S.A and Canada – the goal this year is to support 500 students and scale up to 2,000 in 2019 with a long term goal of 10,000 students
• Solely run by Naitik and one volunteer, the core team will be staffed up over the next six months
• 2017 Internet Society Top 25 Under 25
• Receiving applications from 32 countries so far, Nextbillion.org looks to take their service to a global scale
How large is the contribution of small business to British Columbia’s economy relative to other provinces?

Small businesses contribute to the provincial economy not only by creating and maintaining jobs, but also through its production of goods and services and by meeting payrolls that stimulate further economic activity.

The key measure of economic production of a sector is its gross domestic product (GDP), which represents the value that a sector adds to the raw inputs it uses. In 2017, B.C.’s small business sector generated approximately 35 per cent of provincial GDP. This was well above the Canadian average of 29 per cent and the largest proportion among provinces. Newfoundland and Labrador had the smallest proportion of GDP generated by small business, at 24 per cent.

*Note that these GDP shares are not exact figures and should not be used to calculate actual dollar amounts.*
Despite representing 44 per cent of overall employment in the province, small businesses accounted for only 35 per cent of overall GDP. This is likely due in part to larger businesses exploiting economies of scale, which can increase their productivity compared to smaller ones.

**FIGURE 4.1**
Small Business Contribution to GDP by Province, 2017

How does average pay compare between small and large businesses?

On average, small businesses tend to pay their employees lower wages compared to larger businesses. There are several possible reasons that employees of small businesses have lower wages, including lower productivity and unionization rates. In general, larger firms tend to be more productive due to economies of scale and an increased ability to invest in capital improvements. They tend to achieve a larger output per employee, giving them the ability to offer higher wages. Workers of larger firms are also more likely to belong to a union and workers that belong to a union generally earn higher wages than those who do not. Small businesses can compensate for the wage disparity by providing benefits not offered by larger businesses, such as more flexible work hours.

In 2017, the average small business employee earned an annual salary of $43,038, compared to $52,412 for employees of large businesses, a difference of about $9,400. Between 2012 and 2017, the difference between wages of employees of small and large businesses remained steady. Employees of small businesses saw their average wage increase 10 per cent over this period, compared to an eight per cent boost for those working for large businesses.

**FIGURE 4.2**
Changes in Average Annual Earnings, British Columbia, 2012-2017

<table>
<thead>
<tr>
<th></th>
<th>Small business</th>
<th>Large business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings 2012 (payroll/employee)</td>
<td>$39,078</td>
<td>$48,465</td>
</tr>
<tr>
<td>Earnings 2017 (payroll/employee)</td>
<td>$43,038</td>
<td>$52,412</td>
</tr>
<tr>
<td><strong>PER CENT CHANGE</strong></td>
<td><strong>10.1%</strong></td>
<td><strong>8.1%</strong></td>
</tr>
</tbody>
</table>

Source: BC Stats using data supplied by Statistics Canada
How does average pay compare across industries for small versus large businesses?

With the exception of employees working in wholesale and retail trade, small business wages continue to lag behind those with businesses with 50 or more employees for all major industries. Small business employees in wholesale and retail trade earned around $1,600 more per year compared to those working for large businesses. This disparity is localized in retail trade, which is a sector that often has difficulty retaining staff. Small employers in retail trade may offer higher salaries in order to maintain staffing levels and retain experienced employees.

Among other industries, significant wage differences exist between workers of small and large businesses. In 2017, the largest wage gap was in public administration, where large businesses paid approximately $22,700 more, on average, than their counterparts in small businesses. Other industries with significant wage disparities were construction, where employees working for small businesses earned roughly $18,700 less per annum than those working for large construction companies and educational services (around $22,300). Excluding trade, at just under $1,900, the smallest difference between salaries was in accommodation and food services, whose employees earn the lowest wage of all industries on average, regardless of business size. On the other end of the scale, the highest wage earners were in mining, quarrying and oil and gas extraction.⁹

FIGURE 4.3
Average Annual Earnings by Industry, British Columbia, 2017

Note: F.I.R.E. is Finance, Insurance and Real Estate
Source: BC Stats using data supplied by Statistics Canada

⁹ The wage data are from Statistics Canada’s Survey of Employment, Payrolls and Hours, which does not include data for the agriculture and fisheries industries. Data for the accommodation and food sector does not include gratuities.
Wage gaps between small and large businesses have changed over time. Between 2014 and 2017 utilities, and mining, oil and gas extraction saw the gap narrowing by $12,100 and $11,800, respectively. On the other hand, employees in smaller firms in finance, insurance and real estate saw the wage gap increase by $4,600 in the same period. The average wage gap in B.C. shrank slightly, from $10,000 in 2014 to $9,400 in 2017. Despite the gap for employees in small businesses compared to large businesses closing somewhat in construction (-$6,900) and public administration (-$1,500) between 2014 and 2017, those industries continued to have some of the largest differences in pay relative to business size.

**FIGURE 4.4**
Difference In Average Annual Earnings for Small and Large Businesses by Industry, British Columbia, 2014 and 2017

Note: F.I.R.E. is Finance, Insurance and Real Estate
Source: BC Stats using data supplied by Statistics Canada
How does British Columbia compare with other provinces in terms of average pay by small business?

In 2017, across every province, wages among workers in firms with 50 or more employees were higher than those in small businesses. The $9,400 wage gap in B.C. was the second smallest in the country, following Nova Scotia, where small business employees earned just $9,000 less than those working in larger businesses. The largest wage gap was in Newfoundland and Labrador, at just over $17,900.

**FIGURE 4.5**

*Average Annual Earnings by Province, 2017*

The smaller gap also reflects well in the level of wages for small business employees in B.C. Workers in small businesses in B.C. ($43,000) earn the third highest annual wages among provinces, behind Alberta ($50,000) and Ontario ($44,400). This is in contrast to the fifth place ranking in wages among large businesses.

Source: BC Stats using data supplied by Statistics Canada
How does British Columbia compare in terms of the portion of total payroll generated by small business?

Of all the provinces, B.C. has the highest reliance on small business payrolls. In 2017, small businesses accounted for nearly one-third (32 per cent) of wages paid to workers. Second ranked Prince Edward Island was almost five percentage points lower than B.C., with just over 27 per cent of its provincial payroll comprising wages paid to small business employees. At 24 per cent each, Manitoba and Newfoundland and Labrador were the provinces with the smallest percentage of payroll derived from small businesses. On average, 26 per cent of Canadian payrolls are supplied by small businesses.

**FIGURE 4.6**

Small Business Share of Total Payroll by Province, 2017

The higher share of payroll attributed to small business in B.C. is partly due to the fact that small business plays a larger role in private sector employment. The industrial composition of the provinces may also factor into the relative size of small business payrolls. For example, wages in some industries that are less prevalent in B.C., such as agriculture, tend to be lower. This can affect the size of payrolls compared to provinces that rely more heavily on these industries.

Source: BC Stats using data supplied by Statistics Canada
Small Business Spotlight:

Brianna Blaney | Founder & Managing Partner
Envol Strategies, Est. 2016

Life Story
Raised in a family-owned trucking business, Brianna saw firsthand the difficulties that organizations have with building and retaining great teams. After graduating from UBC with a BComm in 2012, Brianna got into the recruitment business with a Vancouver-based company and saw an opening in the market she knew she could fill.

That’s why Brianna built Envol, an employer branding, recruitment marketing and talent acquisition firm specializing in helping businesses grow. Primarily working with small and medium-sized BC businesses, Envol helps organizations identify who they are as an employer, what makes them unique and then attract the right people to support ongoing growth. Through strategic talent acquisition, Envol provides invaluable support on the full employee life cycle. Envol prides itself on helping smaller companies grow – it’s very much a hands-on partnership.

What was the motivation behind starting your own business?
I was actually reluctant to start a business; it wasn’t an immediate path for me. I never believed in starting a business for the sake of starting a business, and I knew that whatever I built, I wanted it to be a true solution to a problem. When I realized there was a significant gap in the market, and that this gap was especially painful for small businesses, I decided to start Envol.

Who inspired you to become an entrepreneur?
Without question, my parents, who are both entrepreneurs. Also, the communities we are part of and the businesses we partner with. Community is incredibly powerful — especially as a woman entrepreneur, community is everything.

How has mentorship or networking played a role in where you are today?
My most poignant mentorship moments have been around leadership. I’ve been very lucky to be surrounded by incredible business people and community leaders. Just watching people in their element and being open to feedback can shift how you interact with people in life.

What unique challenges have you faced as a woman entrepreneur and how did you overcome them?
Being a woman entrepreneur is really only as big a limitation as you allow it to be. I try not to focus on the ‘woman’ part. As an entrepreneur, you realize that you will never stop facing challenges — that it will never be easier than it is today. The nature of the challenges you face will evolve, but you will never stop actively investing in your business.

Your motto is?
“Say yes and figure it out later.” I ripped it off from Richard Branson, but it is 100% how I operate.

Where is your favourite B.C. destination?
Definitely the Okanagan, I love wine country!

Bottom Line
• Envol employs five full-time staff and continues to grow its team with satellite offices in Toronto and Calgary to complement its Gastown HQ
• BC Business Top 30 Under 30 Award winner
• Envol sees itself becoming an even more full-service solution for small business clients in the next few years and is already expanding their service delivery to the United States
• Once Envol masters their North American market, they will look to expand their scope and adapt a more global focus
5 SMALL BUSINESS EXPORTERS

How many small businesses in British Columbia export?

In 2016, a total of 6,892 British Columbian businesses exported goods to destinations outside of Canada. Of these, 5,913 were businesses with fewer than 50 employees, representing 86 per cent of all exporting businesses. However, these small business exporters represented only 1.2 per cent of all small businesses in the province.

There are likely a number of different reasons why so few small businesses export, including the high start-up costs associated with an exporting business and the need to achieve economies of scale to compete internationally. However, even though only a small fraction of B.C. small businesses were exporters in 2016, they were the source of 43 per cent of the province’s total exports. Small businesses shipped almost $18.0 billion worth of merchandise from the province, compared to $24.2 billion exported by businesses with 50 or more employees.

---

16 There is a one-year lag in the availability of data for exports by businesses tabulated by employee size and, as a result, 2016 is the latest year for which data are available.

In addition, in order to meet confidentiality requirements, Statistics Canada has grouped the Territories (Yukon, Northwest Territories and Nunavut) into a region with B.C., such that the data for B.C. include exporters in the Territories. The bulk of exports from the Territories are diamonds from the Northwest Territories, which are generally large business exports; however, there is evidence to suggest that much of the exporting is done by small wholesalers or customs brokers. As a result, both the large and small business figures for B.C. could be overstated, particularly with respect to value of exports. The business counts in this chapter refer to establishment counts, rather than business location counts, as the data from the Trade by Exporter Characteristics database are based on the establishment framework.
FIGURE 5.1
Number of British Columbia* Exporters and Value of Exports, 2016

<table>
<thead>
<tr>
<th></th>
<th>Number of businesses</th>
<th>Value of exports ($millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small business exporters</td>
<td>5,913</td>
<td>$17,952</td>
</tr>
<tr>
<td>Large business exporters</td>
<td>979</td>
<td>$24,244</td>
</tr>
<tr>
<td><strong>TOTAL ALL EXPORTERS</strong></td>
<td><strong>6,892</strong></td>
<td><strong>$42,197</strong></td>
</tr>
</tbody>
</table>

*Includes data for the Territories
Source: Statistics Canada / Prepared by BC Stats

What is the destination of goods shipped by British Columbia small business exporters?

In 2016, 74 per cent of the province’s small business exporters shipped goods to the United States, compared to only 45 per cent that exported to non-U.S. destinations. Over half (55 per cent) of small business exporters shipped exclusively to the United States, while 26 per cent shipped exclusively to non-U.S. destinations. Small businesses were more likely to ship solely to non-U.S. destinations, as only 10 per cent of large business exporters did not have the United States as a customer. However, large businesses were more likely to ship to both the United States and at least one other country, with around one third of large businesses (36 per cent) doing so, compared to only 19 per cent of small business exporters.

While those that shipped to non-U.S. destinations (including those that shipped to both U.S. and non-U.S. destinations) comprised only 45 per cent of small businesses, they were responsible for 74 per cent of the value of small business exports. This means that although more than half of small business exporters in B.C. shipped solely to the United States, they represented just over a quarter of the value of small business exports. A similar pattern was observed among large businesses, with 55 per cent of large businesses shipping solely to the U.S., but representing less than one quarter (23 per cent) of large business exports.

FIGURE 5.2
Share of British Columbia* Exporters and Value of Exports by Destination of Exports, 2016

<table>
<thead>
<tr>
<th></th>
<th>Small businesses</th>
<th>Large businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business count</td>
<td>Export value</td>
</tr>
<tr>
<td>U.S. only</td>
<td>55%</td>
<td>26%</td>
</tr>
<tr>
<td>Non-U.S. only</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>Both U.S. and non-U.S.</td>
<td>19%</td>
<td>53%</td>
</tr>
<tr>
<td></td>
<td>Business count</td>
<td>Export value</td>
</tr>
<tr>
<td>U.S. only</td>
<td>55%</td>
<td>23%</td>
</tr>
<tr>
<td>Non-U.S. only</td>
<td>10%</td>
<td>17%</td>
</tr>
<tr>
<td>Both U.S. and non-U.S.</td>
<td>36%</td>
<td>59%</td>
</tr>
</tbody>
</table>

*Includes data for the Territories
Note: Figures do not add to 100 due to rounding
Source: Statistics Canada / Prepared by BC Stats
This phenomenon may be explained partially by the fact that it is generally more expensive to ship to non-U.S. destinations, not only due to longer distances, but also other issues, such as time zone and language differences, which increase the cost of marketing and distribution. Given the higher costs, it would make sense for exporters to need to ship larger volumes to achieve economies of scale and cover some of the additional expenses.

The fact that small exporters that ship solely to non-U.S. destinations appear to export smaller volumes (i.e., given that they account for 26 per cent of small business exporters, but only 21 per cent of the value of exports) seems odd, but it could be that these businesses offer products designed for niche markets. The volumes exported may be smaller, but they may receive a high enough price for those goods to make it economical to ship longer distances.

While the United States was the destination for 67 per cent of Canada’s total small business exports in 2016, B.C. was one of four provinces where less than one half of the value of goods shipped by small businesses ended up in the United States. Only 44 per cent of B.C.’s small business exports were destined for the U.S., compared to 29 per cent for Manitoba, 32 per cent for Saskatchewan, and 46 per cent for Newfoundland and Labrador. For each of the three western provinces, Asia was a primary destination for small business exports. Around 43 per cent of B.C.’s small business commodity exports were shipped to Asia and the ratio was similar for the other two provinces.

At the other end of the spectrum, Alberta shipped 94 per cent of the value of small business exports to the United States, and shipped only two per cent to Asian destinations.

**FIGURE 5.3**

Destination Share of Small Business Exports, by Province, 2016

Canada’s exports to Asia consist primarily of resource-based goods, such as forest products, agricultural goods and products of the mining industry, which is likely why small businesses in provinces such as B.C., Saskatchewan and Manitoba have a larger share of exports to that region. For B.C., the province exports the bulk of all wood products destined for Asia, as well as a substantial portion of pulp and paper, metallic mineral and coal shipments from Canada to Asia. Saskatchewan is the primary source of vegetable products, and chemicals and chemical products sent to Asia, while Manitoba ships a large portion of Canadian meat products and metallic minerals to the region. It is possible that small businesses are the source of a significant share of these exports.
How do British Columbia small business exporters compare to those in other parts of the country?

In 2016, B.C. had 5,913 small business exporters, representing 15 per cent of Canada’s small business exporters, and almost as many as the three Prairie provinces combined. Ontario and Quebec were the regions with the most business exporters, with 43 and 21 per cent of Canada’s total, respectively.

The value of shipments per small business exporter in the country (export intensity) was $10.5 million for Saskatchewan and $9.8 million for Alberta in 2016. Even though the Prairies were home to only 17 per cent of exporters, the region was the origin of almost half (48 per cent) of all Canadian small business exports. B.C. on the other hand, exported $3.0 million per small business exporter, the fourth highest among provinces, behind the three Prairie provinces. On average, export intensity for Canada as a whole was $3.1 million, just slightly above B.C.

Ontario and Quebec, the regions with the most small business exporters, had the lowest export intensity, along with Prince Edward Island, at $1.6 million, $1.9 million and $1.1 million respectively. Ontario was responsible for only 22 per cent of the value of the nation’s small business exports, despite being home to two out of five small business exporters. Similarly, Quebec was home to 21 per cent of small business exporters, but accounted for only 13 per cent of the value of exports.

FIGURE 5.4
Export Intensity for Small Businesses by Province, 2016

*Includes data for the Territories
Source: Statistics Canada / Prepared by BC Stats

11 The high export intensity of small businesses in these provinces may be the result of large producers hiring small firms in the wholesale trade industry to export their goods.
Life Story
Engineer Sam Mod was out of his element when he emigrated from India to Victoria in 2013 to pursue an MBA at UVic. With experience developing mobile apps for large corporations in India, Sam and his business partner, Rohit Boolchandani, were in over their heads with a failed first attempt as entrepreneurs. Little did they know that starting a business took a lot of time and effort especially in a new environment. Full of ambition and hustle they found their niche in Victoria’s thriving tech scene. With no network, finances and full of culture shock, they worked tremendously hard to achieve what is seemingly impossible for most. That was then and this is now…

Co-founded in early 2014 by Sam and Rohit, FreshWorks Studio is now a multimillion-dollar, award-winning Victoria, Vancouver and Seattle-based firm working in the space of digital transformation.

Who inspired you to become an entrepreneur?
I give partial credit to James DeGreef, he saw what we didn’t have the experience to see, the big opportunity that it could become. He once told us “It’s not the destination that matters, it’s the journey.” There will be challenges, but enjoy the journey, the destination is just a matter of time.

What do you see as your greatest accomplishment to date?
We came to Victoria as job seekers, and now we are job providers. What I feel happy about when I go to sleep is that we were able to create 50+ jobs here in our small city – that gives me the most satisfaction.

What has been your biggest lesson learned about being your own boss?
Humility really helps me keep a level head regardless of what is happening outside. Humility is about being a constant learner in life and learning from the good stuff as well as bad situations.

What unique challenges have you faced as an immigrant entrepreneur and how did you overcome them?
It was more of a mental challenge that we created for ourselves, the fact that we were immigrants, but as we became more confident we removed that tag. You have to switch off that way of thinking that being an immigrant is different. There will always be challenges around culture and language in coming to a new country; that is something that you won’t be able to change. You should be aware of the challenges and accept them but don’t create any other mental challenges which can alter your judgment. Communicate what you are good at and own it.

Your motto is?
Lately I’ve become really good at “working hard at working smart”.

Tell us a little known fact about your company.
I have known my business partner for 12 years, yet we started out as adversaries during our undergrad back in India. Initially, we didn’t get along we had two different points of views – I was the studious one and he was the troublemaker that knew how to work smartly. The more we spent time together we realized that we really complimented one another. We’ve learned so much from one another.

Where is your favourite B.C. destination?
Salt Spring Island is where we go ever year for our company trip.

Bottom Line
• Initially outsourcing from India, FreshWorks now employs its staff locally and has doubled in size to some 50 staff in the past year
• 2018 Small Business BC – Best Immigrant Entrepreneur Award
• Sam is focusing on sustainable, practical growth and a diversified client base outside of BC while still maintaining the headquarters in Victoria and creating jobs locally
CONCLUSION

It is clear that small business plays a vital role in the economy of B.C. with the large majority of the businesses in the province having fewer than 50 employees. In B.C., the small business sector continues to be a key instrument of job creation and economic growth, representing 54 per cent of private sector employment and almost one-third of the provincial payroll. The majority of international exporters in B.C. are also small businesses and are responsible for 43 per cent of total provincial exports.

The small business sector in B.C. is a more integral component of the economy compared to most other provinces. In 2017, B.C. ranked second among provinces with 102.4 businesses per 1,000 persons, marginally behind Alberta (102.6 businesses per 1,000 persons). B.C. led the country in growth in the number of small businesses between 2014 and 2017. Additionally, B.C. led all provinces in small business jobs, with a 7.6 per cent increase between 2012 and 2017.
TECHNICAL NOTES

All statistics presented in this document are based on the best data currently available. A comprehensive listing of all businesses operating in B.C. or elsewhere does not exist; therefore, business counts must be estimated to some extent. BC Stats has combined data from several sources to produce estimates of the total number of large and small businesses operating in B.C. and other provinces, as well as the employment and payrolls generated by these businesses.

The results may differ from estimates produced in other studies using different data and different methodologies. Differences will potentially be more in terms of absolute numbers, rather than the direction of trends or the relative standing of B.C. compared to other provinces. This edition of the Small Business Profile incorporates statistical revisions and methodological changes, such that year-over-year comparisons should not be made using previous editions.

With this edition of the Profile, the calculation of the number of small businesses has been changed to include incorporated businesses without paid help. It was thought that including these businesses would result in double-counting of businesses with fewer than 50 employees; however, it has been determined by BC Stats that this is not the case. As a result, earlier editions of the Profile that excluded incorporated businesses without paid help underestimated the number of small businesses in B.C. All business count figures in this report, including data for earlier years, reflect this change in methodology.

Data Sources

Estimates of the number of businesses have been produced using data from Statistics Canada’s Business Register and Labour Force Survey. Estimates of employment and payrolls have been produced using Statistics Canada’s Survey of Employment, Payrolls and Hours and Labour Force Survey. All self-employment numbers have been obtained directly from the Labour Force Survey. Data describing small business exporters are derived from Statistics Canada’s Trade by Exporter Characteristics data set. Supplementary data are from Statistics Canada, the B.C. Ministry of Finance’s B.C. Budget 2018, and Innovation, Science and Economic Development Canada’s (The Office of the Superintendent of Bankruptcy Canada) insolvency statistics.

Prepared by:
Cristina Campbell, BC Stats
Debbie Sun, BC Stats
GLOSSARY

Small Business
Although there are a number of different ways a small business can be defined, the most commonly used definition focuses on the number of employees. In B.C., a small business is defined as one with fewer than 50 employees, or a business operated by a person who is self-employed, without paid help. (Back)

Incorporated Businesses
Incorporated businesses consist of those organized and maintained as legal corporations. A corporation is created (incorporated) by one or more shareholders who have ownership of the corporation, represented by their holding of common stock. (Back)

Self-employed
Self-employed individuals are defined as individuals who spend most of their working hours operating their own businesses. The self-employed can be categorized as either incorporated or unincorporated. Each of these classifications can be further divided between those operating with paid help (i.e., with employees) or without paid help (i.e., working by themselves). This produces four major categories of self-employed workers. (Back)

Unincorporated Businesses
Unincorporated businesses consist of those not organized and maintained as legal corporations, and wherein the tie between members need not be a legally enforceable contract. (Back)

North American Industry Classification System (NAICS)
The North American Industry Classification System (NAICS) is an industry classification system used in Canada, the United States and Mexico, which is designed to provide common definitions of the industrial structure of the three countries. NAICS is Statistics Canada’s comprehensive system encompassing all economic activities. It has a hierarchical structure: at the highest level, it divides the economy into 20 sectors; at lower levels, it further distinguishes the different economic activities in which businesses are engaged. (Back)
Non-Standard Sector Definitions
Tourism includes industries such as transportation, accommodation, food services and other tourism-related activities. Further information on the tourism sector is available at BC Stats. (Back)

High technology industries may employ a high proportion of scientists and researchers or invest a high proportion of revenues in research and development. Other industries that produce high technology products are also included. Further information on the high technology sector is available online at BC Stats. (Back)

Secondary manufacturing industries are those that produce goods from the products of other manufacturers. For example, a sawmill is a manufacturing operation, but not a secondary manufacturer, because its logs do not come from another manufacturer. On the other hand, a factory producing wooden doors with lumber obtained from sawmills is a secondary manufacturer. (Back)

Gross Domestic Product (GDP) refers to the total market value of all the goods and services produced within national or provincial borders during a specified period. The growth rates of GDP provide an indication of how well an industry or an economy is doing. The GDP of an industry (also referred to as value added) equals output by the industry minus the value of intermediate inputs that were purchased from other industries, domestic or foreign. Value added is a measure of how much an industry has contributed to the value of its output over and above the value of intermediate inputs. GDP by industry for the economy as a whole is the sum of values added by all industries resident in Canada. (Back)

Small Business Exporter
For the purposes of this report, a small business exporter is defined as an enterprise with fewer than 50 employees that exports goods out of the country, regardless of the value of exports. Small firms can be large exporters and, conversely, some large firms are small exporters. While shipments of goods to other provinces and services provided to out-of-province residents or businesses are also considered exports, such data tabulated by business size are unavailable. (Back)
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# APPENDIX 1

Counts of Small Businesses with Employees by Industry by Region, 2014-2017

## BRITISH COLUMBIA

<table>
<thead>
<tr>
<th>Industry</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining, Oil &amp; Gas</td>
<td>1,314</td>
<td>1,282</td>
<td>1,245</td>
<td>1,175</td>
<td>-139</td>
<td>-10.6%</td>
</tr>
<tr>
<td>Forestry and Logging</td>
<td>2,323</td>
<td>2,320</td>
<td>2,352</td>
<td>2,269</td>
<td>-54</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Other Primary</td>
<td>4,339</td>
<td>3,959</td>
<td>4,077</td>
<td>3,856</td>
<td>-483</td>
<td>-11.1%</td>
</tr>
<tr>
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<td>648</td>
<td>646</td>
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<td>16,201</td>
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## VANCOUVER ISLAND/COAST

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<th>2017</th>
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<th>%</th>
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<td>740</td>
<td>770</td>
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## MAINLAND/SOUTHWEST

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<th>%</th>
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<td>128</td>
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## THOMPSON-Okanagan

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<th>2017</th>
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<th>%</th>
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### Kootenay (2014-2017 Change)

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<th>#</th>
<th>%</th>
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<td>588</td>
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### Cariboo (2014-2017 Change)

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<th>2016</th>
<th>2017</th>
<th>#</th>
<th>%</th>
</tr>
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<td>0.0%</td>
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<td>443</td>
<td>450</td>
<td>452</td>
<td>13</td>
<td>3.0%</td>
</tr>
<tr>
<td>Trade</td>
<td>1,012</td>
<td>996</td>
<td>992</td>
<td>954</td>
<td>-58</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Finance, Insurance &amp; Real Estate</td>
<td>426</td>
<td>413</td>
<td>407</td>
<td>394</td>
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<td>-7.5%</td>
</tr>
<tr>
<td>Health &amp; Education</td>
<td>606</td>
<td>617</td>
<td>634</td>
<td>640</td>
<td>34</td>
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</tr>
<tr>
<td>Public Administration</td>
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<td>29</td>
<td>29</td>
<td>32</td>
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<tr>
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<td>678</td>
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<td>674</td>
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<tr>
<td>Information, Culture &amp; Recreation</td>
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<td>147</td>
<td>155</td>
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<td>Other Services</td>
<td>965</td>
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<td>948</td>
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<td>-27</td>
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<td>6,081</td>
<td>6,124</td>
<td>6,083</td>
<td>-53</td>
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### NORTH COAST & NECHAKO

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<tr>
<th>Industry</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>#</th>
<th>%</th>
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<td>Mining, Oil &amp; Gas</td>
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<tr>
<td>Forestry and Logging</td>
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<td>Construction</td>
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<td>95</td>
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<td>266</td>
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<td>Health &amp; Education</td>
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<tr>
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</tr>
<tr>
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<td>387</td>
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<td>Information, Culture &amp; Recreation</td>
<td>120</td>
<td>108</td>
<td>102</td>
<td>102</td>
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<td>598</td>
<td>589</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
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<td>3,616</td>
<td>3,629</td>
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<tr>
<td>High Tech</td>
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<td>109</td>
<td>113</td>
<td>106</td>
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<td>-6.2%</td>
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<td>435</td>
<td>412</td>
<td>416</td>
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</tr>
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<td>Secondary Manufacturing</td>
<td>62</td>
<td>60</td>
<td>68</td>
<td>60</td>
<td>-2</td>
<td>-3.2%</td>
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### NORTHEAST

<table>
<thead>
<tr>
<th>Industry</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining, Oil &amp; Gas</td>
<td>381</td>
<td>391</td>
<td>397</td>
<td>372</td>
<td>-9</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Forestry and Logging</td>
<td>80</td>
<td>78</td>
<td>80</td>
<td>70</td>
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<td>-12.5%</td>
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<td>Other Primary</td>
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<td>138</td>
<td>137</td>
<td>128</td>
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<td>-8.6%</td>
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<tr>
<td>Utilities</td>
<td>12</td>
<td>9</td>
<td>13</td>
<td>12</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Construction</td>
<td>624</td>
<td>662</td>
<td>641</td>
<td>602</td>
<td>-22</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>67</td>
<td>65</td>
<td>65</td>
<td>68</td>
<td>1</td>
<td>1.5%</td>
</tr>
<tr>
<td>Transportation &amp; Storage</td>
<td>499</td>
<td>513</td>
<td>470</td>
<td>442</td>
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<td>-11.4%</td>
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<tr>
<td>Trade</td>
<td>455</td>
<td>455</td>
<td>458</td>
<td>426</td>
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<td>-6.4%</td>
</tr>
<tr>
<td>Finance, Insurance &amp; Real Estate</td>
<td>239</td>
<td>246</td>
<td>245</td>
<td>236</td>
<td>-3</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Health &amp; Education</td>
<td>226</td>
<td>224</td>
<td>224</td>
<td>224</td>
<td>-2</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>50.0%</td>
</tr>
<tr>
<td>Professional &amp; Business Serv.</td>
<td>541</td>
<td>545</td>
<td>504</td>
<td>461</td>
<td>-80</td>
<td>-14.8%</td>
</tr>
<tr>
<td>Information, Culture &amp; Recreation</td>
<td>77</td>
<td>73</td>
<td>71</td>
<td>73</td>
<td>-4</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Other Services</td>
<td>646</td>
<td>664</td>
<td>652</td>
<td>613</td>
<td>-33</td>
<td>-5.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,258</td>
<td>4,342</td>
<td>4,207</td>
<td>3,998</td>
<td>-260</td>
<td>-6.1%</td>
</tr>
<tr>
<td>High Tech</td>
<td>197</td>
<td>179</td>
<td>174</td>
<td>160</td>
<td>-37</td>
<td>-18.8%</td>
</tr>
<tr>
<td>Tourism</td>
<td>259</td>
<td>256</td>
<td>253</td>
<td>254</td>
<td>-5</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Secondary Manufacturing</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>60</td>
<td>4</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

*Figures do not add to the total because the provincial total includes some businesses for which the region is unknown.*

*Figures do not add to the regional total because some businesses could not be classified by industry.*

*There was a data break in 2014, such that growth can only be calculated from 2014 to 2017.*

*Source: BC Stats using data supplied by Statistics Canada*
### APPENDIX 2

#### British Columbia Self-employment by Age and Gender (Thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Both Sexes</td>
<td>15 years and Over</td>
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<td>415.3</td>
<td>395.9</td>
<td>413.5</td>
<td>420.9</td>
<td>438.2</td>
<td>6.5%</td>
</tr>
<tr>
<td></td>
<td>15 - 24 years</td>
<td>10.8</td>
<td>9.2</td>
<td>11.4</td>
<td>11.4</td>
<td>10.5</td>
<td>10.7</td>
<td>-0.9%</td>
</tr>
<tr>
<td></td>
<td>25 - 34 years</td>
<td>55.2</td>
<td>58.0</td>
<td>56.2</td>
<td>57.3</td>
<td>58.7</td>
<td>60.3</td>
<td>9.2%</td>
</tr>
<tr>
<td></td>
<td>35 - 44 years</td>
<td>89.0</td>
<td>89.0</td>
<td>84.9</td>
<td>92.3</td>
<td>91.0</td>
<td>94.7</td>
<td>6.4%</td>
</tr>
<tr>
<td></td>
<td>45 - 54 years</td>
<td>121.6</td>
<td>119.4</td>
<td>115.6</td>
<td>111.3</td>
<td>107.7</td>
<td>117.3</td>
<td>-3.5%</td>
</tr>
<tr>
<td></td>
<td>55 - 64 years</td>
<td>97.0</td>
<td>101.3</td>
<td>86.4</td>
<td>99.7</td>
<td>103.3</td>
<td>104.3</td>
<td>7.5%</td>
</tr>
<tr>
<td></td>
<td>65 years and Over</td>
<td>37.8</td>
<td>38.5</td>
<td>41.5</td>
<td>41.5</td>
<td>49.6</td>
<td>50.8</td>
<td>34.4%</td>
</tr>
<tr>
<td>Male</td>
<td>15 years and Over</td>
<td>258.3</td>
<td>258.6</td>
<td>248.4</td>
<td>254.8</td>
<td>259.8</td>
<td>271.0</td>
<td>4.9%</td>
</tr>
<tr>
<td></td>
<td>15 - 24 years</td>
<td>6.1</td>
<td>4.3</td>
<td>6.9</td>
<td>7.4</td>
<td>5.9</td>
<td>6.6</td>
<td>8.2%</td>
</tr>
<tr>
<td></td>
<td>25 - 34 years</td>
<td>33.8</td>
<td>36.8</td>
<td>34.0</td>
<td>33.3</td>
<td>34.4</td>
<td>36.4</td>
<td>7.7%</td>
</tr>
<tr>
<td></td>
<td>35 - 44 years</td>
<td>56.8</td>
<td>57.2</td>
<td>50.4</td>
<td>55.7</td>
<td>58.7</td>
<td>57.2</td>
<td>0.7%</td>
</tr>
<tr>
<td></td>
<td>45 - 54 years</td>
<td>74.2</td>
<td>72.7</td>
<td>73.2</td>
<td>67.0</td>
<td>65.3</td>
<td>74.5</td>
<td>0.4%</td>
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<td>61.7</td>
<td>63.5</td>
<td>55.5</td>
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<td>65.0</td>
<td>62.8</td>
<td>1.8%</td>
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<tr>
<td></td>
<td>65 years and Over</td>
<td>25.7</td>
<td>24.2</td>
<td>28.4</td>
<td>28.8</td>
<td>30.6</td>
<td>33.6</td>
<td>30.7%</td>
</tr>
<tr>
<td>Female</td>
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<td>156.7</td>
<td>147.6</td>
<td>158.7</td>
<td>161.1</td>
<td>167.1</td>
<td>9.1%</td>
</tr>
<tr>
<td></td>
<td>15 - 24 years</td>
<td>4.7</td>
<td>4.9</td>
<td>4.5</td>
<td>4.1</td>
<td>4.7</td>
<td>4.1</td>
<td>-12.8%</td>
</tr>
<tr>
<td></td>
<td>25 - 34 years</td>
<td>21.4</td>
<td>21.2</td>
<td>22.2</td>
<td>24.0</td>
<td>24.3</td>
<td>24.0</td>
<td>12.1%</td>
</tr>
<tr>
<td></td>
<td>35 - 44 years</td>
<td>32.2</td>
<td>31.8</td>
<td>34.4</td>
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<td>55 - 64 years</td>
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<td>30.9</td>
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<td>38.4</td>
<td>41.5</td>
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<tr>
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<td>13.1</td>
<td>12.7</td>
<td>19.0</td>
<td>17.2</td>
<td>42.1%</td>
</tr>
</tbody>
</table>

Note: Includes unpaid family workers.

Source: Statistics Canada
HOW B.C. HELPS SMALL BUSINESS OWNERS

This handout provides information to support small business startup and growth highlighting services for entrepreneurs and small business owners. The list of services is not exhaustive, but it identifies some key resources to support your business startup and grow.

Regulatory and Service Improvement – When dealing with government, small businesses want understandable and predictable requirements, and accessible services. Check out recent improvements at: www.gov.bc.ca/regulatoryreform

ONLINE PUBLICATIONS AND RESOURCES

Starting a Small Business Guide  (in English and 4 translated languages) www.gov.bc.ca/startingasmallbusiness

Import / Export Guide  (in English and 4 translated languages) www.gov.bc.ca/importexportguide


Starting a Restaurant in B.C. www.gov.bc.ca/startingarestaurant


Starting a Franchise in B.C. www.gov.bc.ca/startingafranchise

Small Business Profile www.gov.bc.ca/smallbusinessprofile

Civil Resolution Tribunal www.civilresolutionbc.ca

More small business resources www.gov.bc.ca/smallbusiness

SMALL BUSINESS RESOURCES

Business Advisory Services
Government Service
Tools and Resources
Education
Financing
Online Registration
Permits and Licences
Mentorship
Export

Small Business BC  B.C.’s premier resource centre for comprehensive small business information, products and services. Funded by the provincial and federal governments, Small Business BC can assist you with business planning, financing, registration and any other topics related to starting and growing a business in B.C. www.smallbusinessbc.ca

OneStop Business Registry  Complete the most commonly required business registrations and transactions online. www.bcbusinessregistry.ca

BizPal  A free online service that provides simplified access to information about business permits and licences that may be required for a particular business type and its related activities from the Provincial, Federal and local government. www.bcbizpal.ca

Mobile Business Licence Program  Allows businesses to operate across municipal boundaries. Please contact your local municipality to see if a Mobile Business Licence is available in your community. www.gov.bc.ca/smallbusiness
Innovation Canada
Provides a personalized list of funding, loans, tax credits, wage subsidies, internships and more in less than three minutes.
http://innovation.canada.ca/

Investment Capital Programs
Offering tax credits to investors making equity capital investments in qualifying British Columbia based small businesses.
Ph: 1 800 665-6597
www.equitycapital.gov.bc.ca

Provincial Sales Tax (PST)
Have PST questions? Contact us for provincial sales tax information and assistance, including a helpline, email rulings support, videos, forms and publications to answer questions about PST.
Ph: 1 877 388-4440
gov.bc.ca/PST

Western Economic Diversification Canada
Working to diversify the western economy, by supporting business development through initiatives like the Western Innovation Initiative to assist small and medium sized enterprises to commercialize new and innovative technologies.
Ph: 1 888 338-9378
www.wd-deo.gc.ca/eng/home.asp

Women’s Enterprise Centre
B.C.'s leading resource for women entrepreneurs, offering skills development, business loans, free business guidance, business resources, mentoring, networking and events.
Ph: 1 800 643-7014
www.womensenterprise.ca

WorkBC Employment Services Centres
With 84 main locations across B.C., WorkBC Centres support employees locating and retaining a job through two categories of service. Self-Service Services and Personal Services Support.
www.WorkBCCentres.ca

WorkSafeBC
Employers must ensure the health and safety of their workers. WorkSafeBC can help you understand what’s required to meet your legal obligations for a healthy and safe workplace.
www.worksafebc.com