

The Business Researcher Newsletter

March 30, 2006 Volume 9 Number 3

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Opening Comments

Hello,

Welcome to the March issue of the BR Newsletter.

Statistics Canada released their December 2005 business counts a couple of weeks ago so our Canadian Industry Profiles have been updated with the new data. For more information see: <http://www.gdsourcing.ca/SBDC.htm#CIP>

Statistics Canada undertook a "deathing project" prior to releasing the new data to "clean up" their database. While the process sounds menacing, the aim was only to eliminate inactive establishments. No civil servants were hurt in the process! The result was that there was a noticeable drop in the number of businesses identified in most industry sectors.

This decline in counts is due primarily to methodology and not to any economic factors and affects mostly small non-complex businesses in the indeterminate and 1 to 4 employee-range. In our next newsletter we will examine the issue more closely and will provide guidance on year-to-year comparisons.

I hope you find this issue helpful.

John White
GDSourcing - Research & Retrieval

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What's New at www.gdsourcing.ca - Students, Antibiotics, Asia Pacific

The following site summaries were added to the GDSourcing web site over the last month.

Canadian Federation of Students

Site: <http://www.cfs-fcee.ca>

Site Summary: <http://www.gdsourcing.ca/works/CFS.htm>

Fact Sheets and Advisories on various topics related to post-secondary student and post-secondary education. (E.g. tuition)

National Information Program on Antibiotics

Site: <http://www.antibiotics-info.org>

Site Summary: <http://www.gdsourcing.ca/works/NIPA.htm>

Information on attitudes towards antibiotics and antibiotic resistance in Canada

Asia Pacific Foundation of Canada

Site: <http://www.asiapacific.ca>

Site Summary: <http://www.gdsourcing.ca/works/Asiapacific.htm>

Data related to international trade, investment, tourism, and demographics between Canada and Asia Pacific nations.

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Statistics Canada releases

The following statistics were released by Statistics Canada over the last month. We have listed those releases we feel are of the most interest to Canadian entrepreneurs.

Very few of these statistics are available on-line. The URL listed is a direct link to the press release associated with the data. It provides contact and ordering information. If you want to purchase any publication related to these releases please see our web site:

<http://www.gdsourcing.com/works/StatCan.htm>

We offer a 20% discount on most Stats Can publications and a 10% discount on Stats Can electronic products. For more information you can reach us at contact@gdsourcing.com. Put "StatsCan" in the subject line of your e-mail.

For a complete list of all Stats Can releases click here: [Stats Link Canada](#) 

AGRICULTURE

Poultry and eggs 2005

<http://www.statcan.ca/Daily/English/060302/d060302b.htm>

Farm operating revenues and expenses 2004

<http://www.statcan.ca/Daily/English/060314/d060314f.htm>

ARTS & CULTURE

Profile of Selected Culture Industries in Ontario

<http://www.statcan.ca/Daily/English/060308/d060308a.htm>

International trade in culture services 2003

<http://www.statcan.ca/Daily/English/060328/d060328b.htm>

BUSINESS SERVICES

Automotive equipment rental and leasing 2004

<http://www.statcan.ca/Daily/English/060307/d060307c.htm>

Specialized design services 2004

<http://www.statcan.ca/Daily/English/060301/d060301d.htm>

Language Industry Survey 2004

<http://www.statcan.ca/Daily/English/060303/d060303a.htm>

Accounting services price indexes

<http://www.statcan.ca/Daily/English/060309/d060309d.htm>

Survey of Suppliers of Business Financing 2004

<http://www.statcan.ca/Daily/English/060313/d060313b.htm>

Annual Survey of Commercial and Industrial Machinery and Equipment Rental and Leasing 2004

<http://www.statcan.ca/Daily/English/060314/d060314c.htm>

Geomatics Industry Survey 2004

<http://www.statcan.ca/Daily/English/060315/d060315e.htm>

Employment services industry 2004

<http://www.statcan.ca/Daily/English/060317/d060317c.htm>

Survey on Financing of Small- and Medium-sized Enterprises 2004

<http://www.statcan.ca/Daily/English/060323/d060323b.htm>

Management, scientific and technical consulting services 2004

<http://www.statcan.ca/Daily/English/060324/d060324d.htm>

CONSTRUCTION & REAL ESTATE

Residential construction investment Fourth quarter of 2005 and annual 2005

<http://www.statcan.ca/Daily/English/060301/d060301c.htm>

Real estate rental and leasing and property management industries 2004

<http://www.statcan.ca/Daily/English/060315/d060315d.htm>

DEMOGRAPHICS

Immigrants who leave Canada 1980 to 2000

<http://www.statcan.ca/Daily/English/060301/d060301b.htm>

Women in Canada

<http://www.statcan.ca/Daily/English/060307/d060307a.htm>

Parents with adult children living at home 2001

<http://www.statcan.ca/Daily/English/060321/d060321c.htm>

New Frontiers of Research on Retirement

<http://www.statcan.ca/Daily/English/060327/d060327b.htm>

EDUCATION

Adult education and its impact on earnings 1993 to 2001

<http://www.statcan.ca/Daily/English/060324/d060324a.htm>

Who gets student loans? 2000

<http://www.statcan.ca/Daily/English/060324/d060324c.htm>

GOVERNMENT

Biotechnology spending by the federal government 2004/05

<http://www.statcan.ca/Daily/English/060309/d060309c.htm>

Federal science expenditures intended to directly benefit developing countries 2004-2005 (preliminary)

<http://www.statcan.ca/Daily/English/060323/d060323c.htm>

HEALTH

Induced abortions 2003

<http://www.statcan.ca/Daily/English/060315/d060315c.htm>

JUSTICE

Youth custody and community services 2003/04
<http://www.statcan.ca/Daily/English/060328/d060328a.htm>

MARKET

Canadian economic accounts Fourth quarter 2005, December 2005 and annual 2005
<http://www.statcan.ca/Daily/English/060228/d060228a.htm>

Labour productivity, hourly compensation and unit labour cost Fourth quarter and annual 2005
<http://www.statcan.ca/Daily/English/060310/d060310b.htm>

Business Dynamics in Canada
<http://www.statcan.ca/Daily/English/060310/d060310d.htm>

National balance sheet accounts Fourth quarter, 2005 and annual 2005
<http://www.statcan.ca/Daily/English/060317/d060317a.htm>

Trends in the prices of rurality 1949 to 2005
<http://www.statcan.ca/Daily/English/060322/d060322b.htm>

PRIMARY

Crude oil and natural gas December (Preliminary) and annual 2005 (Preliminary)
<http://www.statcan.ca/Daily/English/060228/d060228c.htm>

TRADE

Canadian exporters and a booming China 1998 to 2004
<http://www.statcan.ca/Daily/English/060314/d060314b.htm>

Canada's place in world trade 1990 to 2005
<http://www.statcan.ca/Daily/English/060316/d060316b.htm>

Annual wholesale trade 2004
<http://www.statcan.ca/Daily/English/060322/d060322a.htm>

Automotive repair and maintenance services 2004
<http://www.statcan.ca/Daily/English/060322/d060322c.htm>

Profile of Canadian exporters 1993-2004
<http://www.statcan.ca/Daily/English/060324/d060324b.htm>


Annual retail trade 2004
<http://www.statcan.ca/Daily/English/060327/d060327a.htm>

Non-store retailers 2004
<http://www.statcan.ca/Daily/English/060327/d060327d.htm>

Canada's merchandise trade with the European Union 1995-2004
<http://www.statcan.ca/Daily/English/060328/d060328c.htm>

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Researching Salaries & Wages

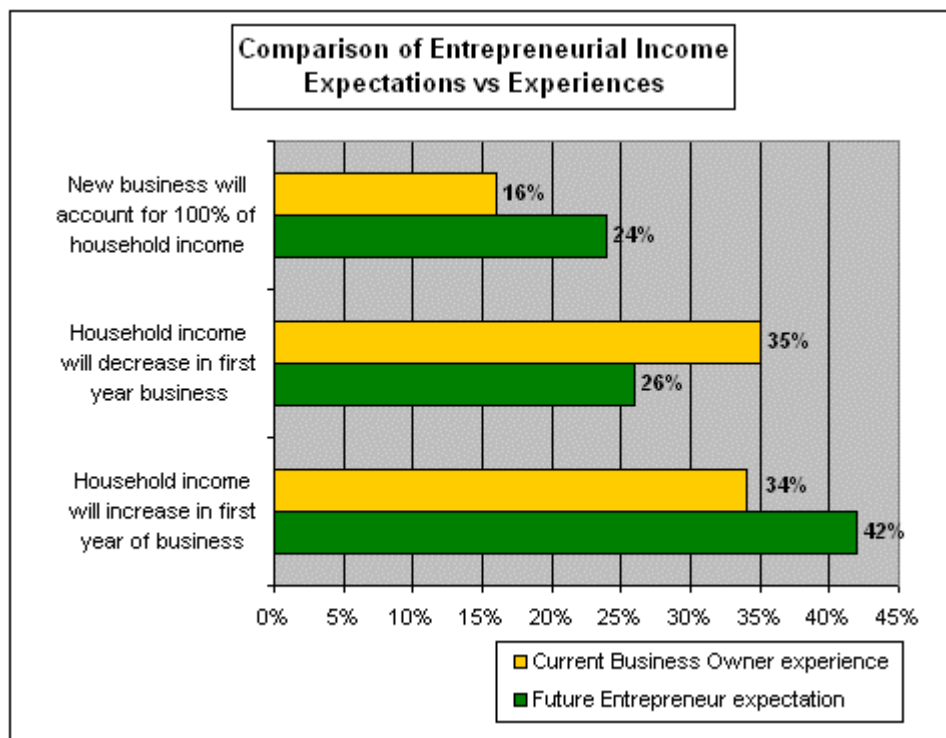
References in this article have been sourced from the [Stats Link Canada database](#) 

Salaries and wages are not usually at the top of an entrepreneur's "to research" list. Yet it is an important consideration whether you are intending to hire employees or not.

First of all it is a useful "reality check". Aspiring entrepreneurs can often let their enthusiasm cloud their performance expectations. Typically the primary advantages of self-employment, especially in the first years of business, are not financial.

According to an RBC Financial survey nearly half (42%) of new entrepreneurs expect their income situation to improve in their first year of business while in reality only 34% of business owners actual experience this growth. In fact just as many business owners see a decrease in income. Most new entrepreneurs do not even anticipate this possibility. In most cases they are overly optimistic. One quarter of new entrepreneurs expect their new venture to provide 100% of the household income yet in reality less one in six business owners (16%) achieve this income level.

[Click here to view more information about this Stats Link Canada reference](#) 



The harsh reality is that overall the average self-employed income is consistently lower than the overall average full-time employee income. In 2001 the difference was nearly \$1000 (Self-employed \$42,639 vs. Employed \$43,450) by 2004 it has grown to an estimated \$5000 discrepancy (Self-employed: \$38,000 vs. Employed \$43,000).

Average Employment Income for Full-Time Year Employment (2001 Census)		
	Self-employed	Paid Employees
Women	\$30,775	\$35,332
Men	\$47,148	\$49,611
Total	\$42,639	\$43,450

Of course the immediate objection among entrepreneurs is that these figures are averages that do not apply to their specific venture. It is a good point so it is wise to use detailed results from the 2001 Census to establish an appropriate realistic benchmark. Through the Census you can compare employee income with self-employed income by occupation, by industry, by province and metropolitan area and by the presence of paid help.

For example self-employed Dieticians & nutritionists with employees working in Alberta made on average \$65,068 in 2000 while their colleagues without employees made \$18,321.

Unfortunately there is not a more current resource that provides the same level of detail for the self-employed. 2006 is a Census year but salary and wage results will not be available until the end of 2007 at the very earliest. Make no mistake however the underlying reality of the 2001 Census data - the discrepancy in income among employees, self-employed with employees and self-employed without employees - still exists. Use the data as a benchmark to ground your expectations and refine the cash flow portion of your business plan.

To look up your own occupation and industry see the following links:

2001 Census Income Data by Province

<http://www12.statcan.ca/english/census01/shared/redirectproduct.cfm?ips=97F0012XIE2001049>

2001 Census Income Data by Metropolitan Area

<http://www12.statcan.ca/english/census01/shared/redirectproduct.cfm?ips=97F0012XIE2001053>

Some may find this whole process a bit depressing. While it is helpful to know ahead of time, people are generally reluctant to know how much less they will make when they set out on their own. Don't let it get you down. Remember "independence" and "sense of accomplishment" are "priceless" attributes of being your own boss! Besides, if the prospect of lower than expected income significantly dampens your enthusiasm perhaps you need to reconsider your entrepreneurial goals.

Salary research is also an excellent tool for determining pricing especially if you are providing a consulting service or a service that is essentially an outsourced occupation (e.g. virtual assistant). By knowing the "going rate" for full-time employees in your occupation, you can ensure that your prices are in-line with industry realities. As an outsourced occupation your rates should match employee wages plus a premium since the employer will have no training expenses or employer costs related to your specialized services.

Salary research also helps you to ensure you are compensating your employees according to industry standards. 66% of small businesses indicate that they have trouble finding qualified staff so you want to make sure you are competitive with your employee wages.

The above Census data provides a valuable baseline but clearly average wages have changed since 2000 (the salary reference year for the 2001 Census).

There are a number of online resources that can assist you on accessing more current wage information. These include:

Labour Market Information - Wages & Salaries

<http://www.labourmarketinformation.ca/standard.asp?ppid=43&lcode=E>

(Wage information by occupation and city or region)

SalaryExpert.com

<http://www.salaryexpert.com/>

(Use Free Calculator for data by occupation and metropolitan area)

Job Futures

<http://www.jobfutures.ca>

(Outlook for occupation and average hourly earnings. Also % self employed by occupation)

Robert Half Technology Releases 2006 Salary Guide for IT Professionals (U.S. & Canadian data)

<http://www.newswire.ca/en/releases/archive/January2006/25/c0396.html> (Highlights)

<http://www.roberthalftechnology.com/FreeResources> (Request free copy)

Accounting and Finance Starting Salaries to Increase 2.5 Percent in 2006 (U.S. & Canadian data)

<http://www.newswire.ca/en/releases/archive/January2006/24/c0031.html> (Highlights)

<http://www.accountemps.com/FreeResources> (Request free copy)

Starting salaries for administrative professionals to rise in 2006

<http://www.newswire.ca/en/releases/archive/January2006/31/c2042.html> (Highlights)

<http://www.officeteam.com/FreeResources> (Request free copy)

Payroll employment, earnings and hours (By industry and province but NOT occupation)

<http://www.statcan.ca/Daily/English/060227/d060227c.htm> (CANSIM tables)

Also of interest will be negotiated wage settlements. These help to determine current wage increases by province and sector. You can review these in the publication:

Major Wage Settlements by Month

(Human Resources and Social Development Canada)

<http://dsp-psd.pwgsc.gc.ca/Collection/HS22-1-2006-03-15E.pdf>

There are also a number of specialized indexes produced by Statistics Canada for various occupations and projects (e.g. Construction Union Wage Rate Index) An index tracks the relative change in expenses

and wages. For more information on these please see the Stats Link Canada database under "[Market Research - Workplace - Salaries](#)"

Your "to research" list is likely already quite lengthy. Nevertheless add this one item. Do not guess at your own and your employee's wages. Find out ahead of time and eliminate one more uncertainty from your business venture.

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Don't Forget to Ask for the Data You Need

It is easy to become lazy while researching on the Internet. If you do not immediately see the detail you are looking for there is the urge to abandon the current site in your rush to click on the next one from your search results list.

It is important to remember that "humans" are a vital part of any online research strategy. Use the Internet as a filter as opposed to a bucket. It is not simply a tool to collect information but rather one that effectively separates useless resources from those with greater potential. Once your "filter" identifies all the resources that are closely related to your research needs, follow up with any contacts that are listed. These "human resources" can often provide either further information beyond what is identified at their web site or provide guidance to other online and/or offline resources. In many cases there are no charges involved.

This is especially true when researching on the Statistics Canada web site. [The Daily](#) is the simplest and most effective way to locate data at the Stats Can web site. Its releases are dense with highlight information and consequently with keywords that are in context. Each release also contains information on how you can access more details. These include related publications as well as CANSIM tables where you can purchase specific variables. There are also names, e-mail addresses and telephone numbers of "real live human beings." It is crucial to your research success that you follow up with these individuals to find out what additional information is available.

In some cases further details will involve custom orders and research fees. But often you will be e-mailed free information or even full "data release packages". These hidden resources do not bear Stats Can publication numbers nor are they listed in the Statistics Canada online catalogue. The only way to access them is to ask.

An example of a data release package is for the survey of Specialized Design Services 2004. The Daily release is located here: <http://www.statcan.ca/Daily/English/060301/d060301d.htm>

If we were interested in Interior Design the release would tell us the following limited highlights:

Interior design firms generated one-quarter of operating revenues of the entire Specialized design services industry in 2004 and their growth rate was + 14%

If we follow up with the CANSIM table referenced we could then purchase the following details for Interior Design firms by province covering the years 1998-2004 for \$3.00 per time series:

- Operating revenue,
- Operating expenses,
- Salaries, wages and benefits,
- Operating profit margin (Percent),
- Number of active establishments (Units)

If however we request the data release package from the contact listed we are provided with all of the CANSIM information free of charge as well as additional detailed tables:

Summary data for Interior Design Firms (provincial data also provided in report)					
	Operating Revenue	Salaries, Wages & Benefits,	Operating Expenses	Operating Profit Margin	Number of Establishments
2004	618.1	173.2	540.3	12.6	3,067
2003	541.6	158.1	494.6	8.7	2,749
2002	561.2	150.9	514	8.4	2,639

Distribution of operating revenue by design activity for Interior Design Firms (%)				
	Design Consultation	Provision of Design Services	Project Management	Other
2004	32	34	13	21
2003	32	34	11	23
2002	33	38	12	17

Distribution of operating revenue by type of client for Interior Design Firms (%)				
	Households & individuals	Business	Government & Public Institutions	Foreign Consumers
2004	41	45	5	8
2003	42	46	5	7
2002	30	53	8	9

Operating Expenses by Type for Interior Design Firms (% of total operating revenue)							
	Salaries, Wages, Benefits	Professional fees & subcontract	Advertising	Depreciation	Occupancy & other rental	Materials, components & supplies	Other
2004	31	11	1	1	4	30	11
2003	33	9	1	2	5	34	11
2002	30	11	1	2	4	31	14

By simply e-mailing the contact listed we were able to get a wide variety of additional data for free. In fact we even saved \$150 - the CANSIM charge for the summary data for all provinces.

Don't be shy. Ask for the data your need. You may be pleasantly surprised!

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More Information on... the Interior Design Sector

[Click here](#) to see the **latest Interior Design stats** referenced in the Stats Link Canada database (<http://www.statslinkcanada.com>)

For more **industry performance data** see the Canadian Industry Profile:
[541410 - Interior Design Services](http://www.gdsourcing.com/SBDC.htm#CIP) (<http://www.gdsourcing.com/SBDC.htm#CIP>)

How to Start a Home-Based Interior Design Business, 4th

by Nita B. Phillips (Author), Suzanne DeWalt (Author)

[Buy from Amazon.ca](#)

How to Prosper as an Interior Designer: A Business and Legal Guide

by Robert L. Alderman (Author)

[Buy from Amazon.ca](#)

Business and Legal Forms for Interior Designers with CDROM

by Tad Crawford (Author)

[Buy from Amazon.ca](#)

Interior Designer's Guide to Pricing, Estimating and Budgeting, The

by Theo Stephan Williams (Author)

[Buy from Amazon.ca](#)

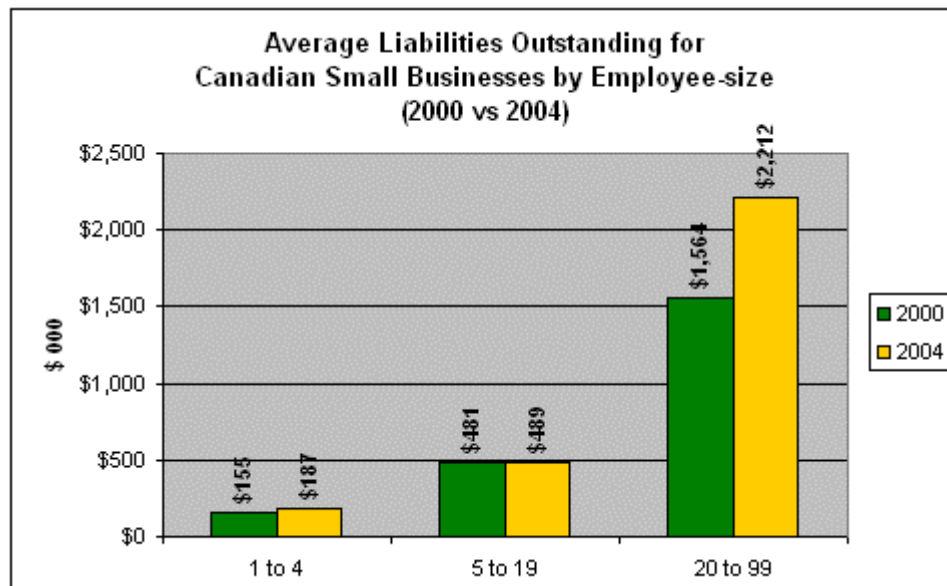
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Small Business Stats Facts

Each Business Researcher Newsletter ends with a collection of five statistics related to Canadian small businesses.

[Click here](#) to see the latest Canadian Small Business stats referenced in the [Stats Link Canada](#) database. 

1. What are the average liabilities outstanding for small businesses in Canada?



Source: Statistics Canada (March 2006)

2. Of exporters who survived from 1993 to 2002, how many were small businesses and what is their share in the value of exports in 2002?

Profile of Canadian Small Business Exporters that Survived from 1993 - 2002 (2002 Exports)				
	Number of Exporters	% of Exporters	% of Total Export Value	Average Value of Exports per Firm
1 to 4	2,478	13.7	1.0	\$1,145
5 to 19	6,087	33.8	3.1	\$1,478

Source: Industry Canada (Nov 2005)

3. What is prevalence rate of female business ownership and early-stage entrepreneurial activity in Canada?

Entrepreneurial Activity Among Canadians		
	Early-Stage Entrepreneurial Activity	Established Business Ownership
Prevalence among Canadian Women	5.56%	5.09%
Prevalence among Canadian Men	14.21%	9.72%

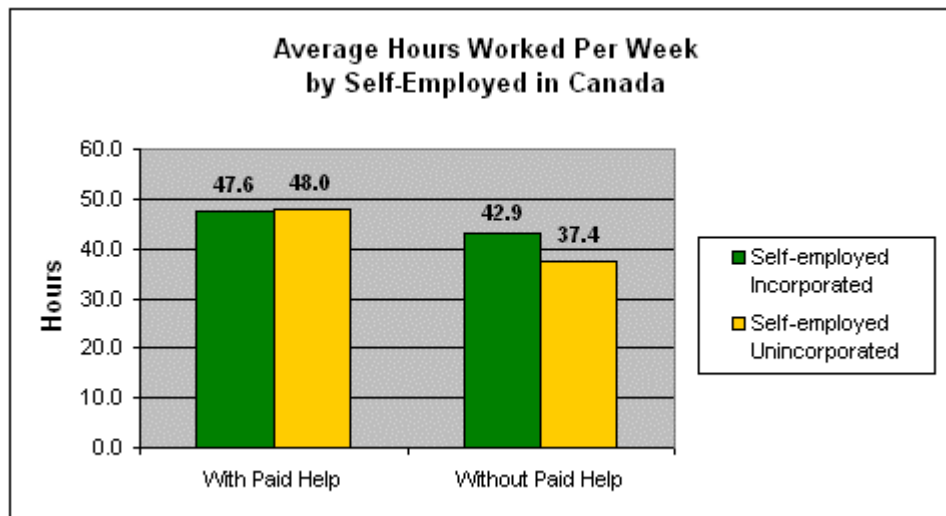
Source: GEM (March 2006)

4. Who works longer? Employees or the Self-employed?

**Average hours worked per week in 2004:
Employees: 35.5 hours / Self-employed: 41.7 hours**

Source: Industry Canada (Feb 2006)

5. Who works longer? Self-employed with paid help or without paid help?



Source: Industry Canada (Feb 2006)

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