



## Introduction: What is a small business?

Although there are different definitions for this type of organization, a small business is usually defined an enterprise that has comparably fewer employees and less capital than large firms, such as multi-national corporations. As well, most small businesses are

independently and locally operated by an individual, a family or small group of stakeholders. The defined size of a small business varies from region to region, but most would agree that an enterprise with less than 50 employees is a small business. (Canadian Encyclopedia, n.d.).<sup>1</sup>



Photo by Darren Kirby

Small businesses are found in many sectors of Canada's economy and offer products and services that benefit larger companies. For instance, thousands of Edmonton-based businesses serve larger companies that are working with projects associated with the Alberta oil industry (Financial Post, 2011).<sup>2</sup>

Canadian small businesses hire almost half of our country's workforce. This is proof that Canada's economy is dependent on the success of small businesses in this country.

## Statistics on small business in Canada

- According to a Canadian Federation of Independent Businesses report, small businesses are the second most respected institution among Canadians. (CFIP, HP, Intel, 2011)<sup>3</sup>
- 94% of Canadians think highly of entrepreneurs. (CFIP, HP, Intel, 2011)<sup>4</sup>
- 48.3% of Canada's work force (5,137,147) is employed by Canadian small businesses that have fewer than 100 employees. (CBC, 2011)<sup>5</sup>
- 2.7 million Canadians were self-employed in 2010. (CBC, 2011)<sup>6</sup>
- Between 2003 and 2008, the number of self employed Canadians who own an incorporated business increased by 15%. (Industry Canada)<sup>7</sup>
- In 2009, Canadian small businesses with less than 50 employees accounted for 28% of Canada's Gross Domestic Product. (Industry Canada)<sup>8</sup>
- The Canadian Federation of Independent Businesses estimates that Canadian businesses that employ less than 500 people account for approximately 45% of the country's GDP. (CFIB)<sup>9</sup>
- Entrepreneurs who operate small to medium sized businesses in Canada are becoming more educated, potentially leading to an increase in the number of innovative and successful small businesses in Canada in years to come. (Industry Canada)<sup>10</sup>



Photo by Darren Kirby

## Alberta's Small Businesses

- According to a September 2011 survey conducted by the Canadian Federation of Independent Businesses, small business owners in Alberta have more confidence in the economy than those in other provinces. This is largely because many Albertan small business owners are benefiting from the province's thriving oil industry. (CBC)<sup>11</sup>
- A March 2011 poll found that 3 out of 4 Albertan entrepreneurs are investing in their businesses, while 86% believed that their businesses will continue to grow or remain the same that year. (BMO Financial Group)<sup>12</sup>
- In December 2010, Alberta had 152,499 businesses with less than 100 employees. (Industry Canada, 2011)<sup>13</sup>
- Edmonton is ranked fifth on the Canadian Federation of Independent Businesses' 2011 City Entrepreneurial Index. (CFIB)<sup>14</sup>

## Small Businesses in the United States

- Like Canada, the United States' economy is dependent on small businesses. In 2008, US small businesses employed 49.6% of Americans working in the private sector. (US Small Business Administration (SBA)- Office of Advocacy)<sup>15</sup>
- Between 1993 and 2009, small businesses (with less than 500 employees) created 65% (or 9.8 million) of net new jobs in the United States. (SBA)<sup>16</sup>
- Small businesses in the United States were severely affected by the last recession. American small businesses were responsible for approximately 60% of the country's net job losses during the first three quarters of 2009. (SBA)<sup>17</sup>

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