

Workforce Focus

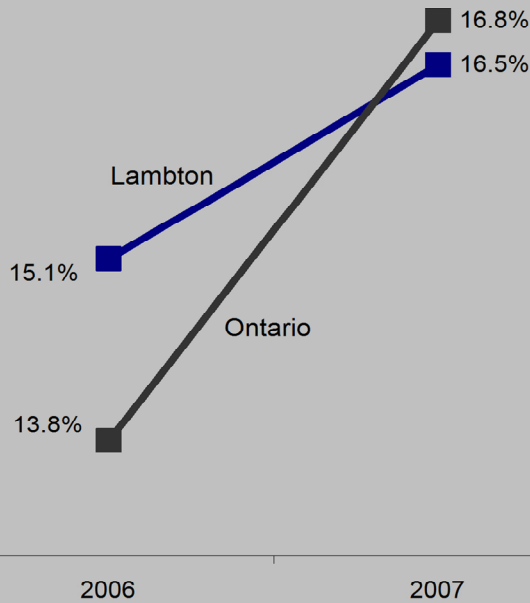
From the Sarnia Lambton Workforce Development Board

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Small Business and Self-employment

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Recent Trends

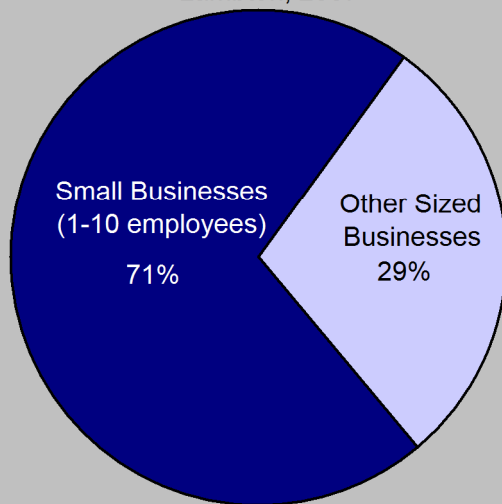
Estimated share of total employment in small businesses
 (Excludes self-employed)
 Lambton, 2006-2007



Source: Canadian Business Patterns, 2006-07.

Establishment Composition by Size

Small business share of all local business establishments
 (Excludes self-employed)
 Lambton, 2007



Source: Canadian Business Patterns, 2007.

The Nature of Small Business

Small business activity is highly cyclical, usually outpacing the overall economy during periods of an economic recovery, and under-performing the economy during periods of economic weakness. The out-performance of small business in recent years also reflects the fact that small firms were less damaged by the rising dollar than larger companies.

There has been a reduction in the growth orientation of small firms in Canada. Almost 60% of small business owners in Canada consider themselves as “lifestylers” that use their business as a means of generating income, while balancing other commitments and choices.

Source: CIBC, Small business in Canada, Tal, 2006.

Small Business Share by Sector

Share of establishments employing 1 to 10 people
 (Excludes self-employed)
 Lambton, 2007

Other Services (except Public Administration)	89%
Agriculture, Forestry, Fishing and Hunting	86%
Professional, Scientific and Technical Services	84%
Real Estate and Rental and Leasing	79%
Health Care and Social Assistance	77%
Construction	76%
Administrative and Support, Waste Management and Remediation Services	73%
Management of Companies and Enterprises	71%
Retail Trade	68%
Finance and Insurance	67%
Transportation and Warehousing	67%
Wholesale Trade	63%
Educational Services	59%
Arts, Entertainment and Recreation	55%
Utilities	53%
Information and Cultural Industries	52%
Mining and Oil and Gas Extraction	50%
Accommodation and Food Services	45%
Manufacturing	45%
Public Administration	39%



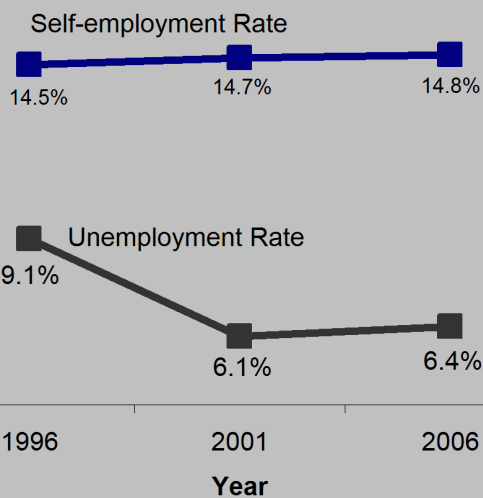
For more information contact The Sarnia Lambton Workforce Development Board at:
 265 Front St. North Suite 504, Sarnia ON. N7T 7X1 (519) 332-0000

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Created by : Dane Rice

Employment Trends

Self-employment and unemployment rates, Ontario 1996, 2001, 2006



Source: Statistics Canada, 1996-2006

Top Self-employment Occupations

Lambton, 2006

Occupation and number of people self-employed

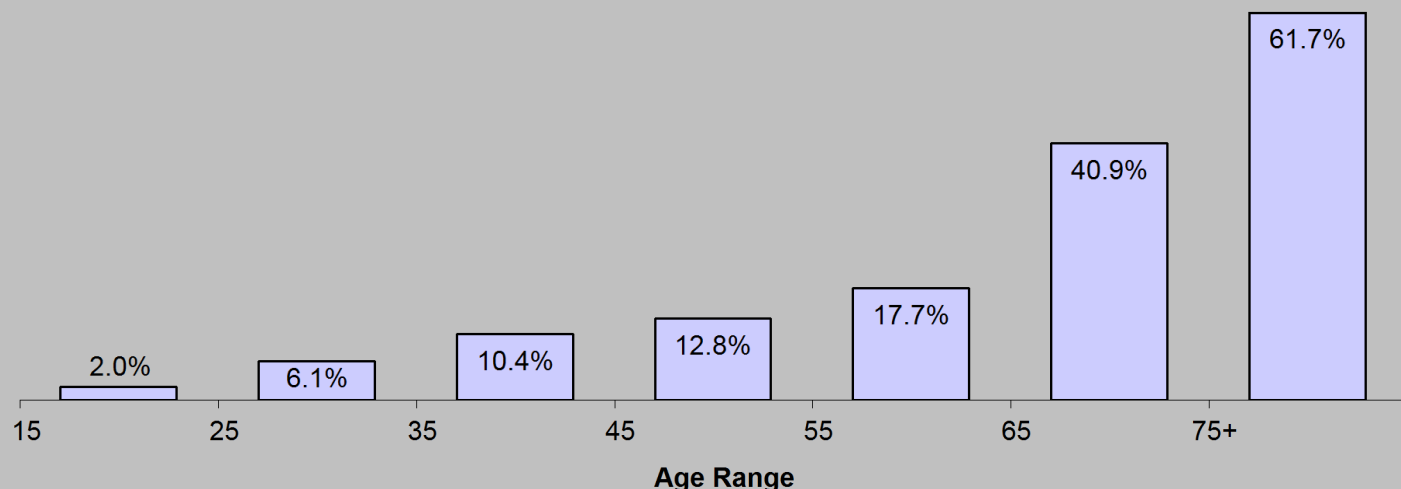
Occupations unique to agriculture, excluding labourers	1,815
Managers in retail trade, food and accommodation services	640
Other sales and service occupations	560
Construction trades	390
Transportation equipment operators and related workers, excluding labourers	340
Other managers	340
Professional occupations in health	235
Professional occupations in business and finance	215
Technical occupations in art, culture, recreation and sport	185
Mechanics	170

Individuals tend to enter self-employment when economic conditions are better. Ontario's self-employment rate has remained quite stable, despite a lower un-employment rate. This is likely due to a balance in the number of people entering self-employment due to a healthy economy, and declining employment in agriculture where self-employment is very common. If economic conditions deteriorate, some people may be pushed into self-employment because of poor job opportunities, but just as many could be pushed out, as self-employment and small business is vulnerable to decreases in consumer spending.

Source: Bank of Canada, Kamhi and Leung, 2005.

Self-employment Rate by Age

Lambton, 2006



Self-employment remains more prominent among older workers. Higher levels of experience, skills, capital and contacts, work to pull many older workers into this avenue of employment. Another factor is that older displaced workers may have more difficulty than younger ones in finding paid employment, leaving self-employment as the only alternative.

Source: Canadian Labour Market, Drost and Hird, 2000.

**EMPLOYMENT
ONTARIO**

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ON THE WEB AT WWW.SLTB.ORG**



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