

Service bulletin

Personal Services

2006



Highlights

- Combined operating revenues for the four sub-groups in the personal services industry reached \$8.7 billion in 2006, up 3.0% over 2005.
- Personal care services, the largest of the four, covers hair salons and a variety of esthetic services. This sub-group accounted for \$3.9 billion, or 45% of total revenues. The others are dry cleaning and laundry, funeral services, and other personal services.
- Operating expenses for the entire industry reached \$7.7 billion, up 1.9% from a year earlier. As a result, overall operating profit margins increased to 10.7% from 9.7% in 2005.
- The industry is dominated by firms in Ontario, which accounted for 44% of revenues, and Quebec, at 20%.
- However, firms in Alberta (+10.9%) and British Columbia (+5.6%) recorded the fastest annual growth in revenue.
- Industry data for 2006, including revenues, expenses, salaries and wages and profit margins, are available for Canada and the provinces.

Statistical table

Table 1
Personal services industry

	Total operating revenue		
	2005	2006	2005 to 2006
	millions of dollars		percentage change
Personal care services	3,757.00	3,856.50	2.7
Funeral service	1,452.90	1,484.30	2.2
Dry cleaning and laundry	1,936.70	2,046.40	5.7
Other personal services	1,256.00	1,269.20	1.1
Total	8,402.6	8,656.4	3.0

Note(s): According to the North American Industry Classification System (NAICS 812). See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Data sources and methodology

Description

This annual sample survey collects the financial and operating data needed to produce statistics on the Personal Services industry in Canada. The survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client.

These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the Personal Services industry in Canada. The results from this survey provide data to businesses, governments, investors, and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

Target population

The target population consists of all establishments classified to the Personal Services industry (NAICS 812) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in Personal Services

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2006 was 1,955 collection entities.

Definitions

Estimates for the most recent year are preliminary. Preliminary data are subject to revision.

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

Operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Operating profit margin is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Québec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

Quality evaluation

While considerable effort is made to ensure high standards throughout all stages of collection and processing, the resulting estimates are inevitably subject to a certain degree of error. These errors can be broken down into two major types: non-sampling and sampling.

Non-sampling error is not related to sampling and may occur for many reasons. For example, non-response is an important source of non-sampling error. Population coverage, differences in the interpretation of questions, incorrect information from respondents, and mistakes in recording, coding and processing data are other examples of non-sampling errors.

Sampling error occurs because population estimates are derived from a sample of the population rather than the entire population. Sampling error depends on factors such as sample size, sampling design, and the method of estimation. An important property of probability sampling is that sampling error can be computed from the sample itself by using a statistical measure called the coefficient of variation (CV). The assumption is that over repeated surveys, the relative difference between a sample estimate and the estimate that would have been obtained from an enumeration of all units in the universe would be less than twice the CV, 95 times out of 100. The range of acceptable data values yielded by a sample is called a confidence interval. Confidence intervals can be constructed around the estimate using the CV. First, we calculate the standard error by multiplying the sample estimate by the CV. The sample estimate plus or minus twice the standard error is then referred to as a 95% confidence interval.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 73.6%. CVs were calculated for each estimate. The CVs are available upon request.

Related products**CANSIM**

Available on CANSIM: table 359-0001 - Summary statistics for personal services (all establishments), by North American Industry Classification System (NAICS), annual (375 series)

Survey(s)

Definitions, data sources and methods: survey number 2424 - Annual Survey of Service Industries: Personal Services

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: November 2008

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

To access this product

This product, Catalogue no. 63-240-X, is available free in electronic format. To obtain a single issue, visit our website at www.statcan.ca and select "Publications" > "Free Internet publications."

Frequency: Annual / ISSN 1916-6052

For information on the wide range of data available from Statistics Canada, please call our national inquiries line at 1-800-263-1136.

La version française de cette publication est disponible sur demande (n° 63-240-X au catalogue).

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2008. All rights reserved. The content of this electronic publication may be reproduced, in whole or in part, and by any means, without further permission from Statistics Canada, subject to the following conditions: that it be done solely for the purposes of private study, research, criticism, review or newspaper summary, and/or for non-commercial purposes; and that Statistics Canada be fully acknowledged as follows: Source (or "Adapted from", if appropriate): Statistics Canada, year of publication, name of product, catalogue number, volume and issue numbers, reference period and page(s). Otherwise, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, by any means—electronic, mechanical or photocopy—or for any purposes without prior written permission of Licensing Services, Client Services Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.

Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed *standards of service* that its employees observe.

To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.ca under "About us" > "Providing services to Canadians."

Note of appreciation

Canada owes the success of its statistical system to a long standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.