

Service bulletin

Specialized Design Services

2007



Highlights

- Operating revenues for specialized design services reached \$2.7 billion in 2007, up 7.3% from 2006.
- Graphic design services, the largest of the three industries in specialized design services, accounted for \$1.4 billion, or 50% of total revenues. The interior design services represented 34% of the revenues, while the remainder (16%) was generated from the industrial design and other specialized design services industry.
- Operating expenses for the three industries reached \$2.4 billion in 2007, up 6.9% from 2006, while the overall operating profit margin was 12.5%.
- Firms in Ontario accounted for 53% of revenues, followed by Quebec (20%), British Columbia (14%) and Alberta (10%).

Statistical tables

Table 1

Summary statistics for specialized design services, by province and territory, 2006 and 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2007					
Newfoundland and Labrador	5.5	4.8	1.5	12.3	52
Prince Edward Island	x	x	x	x	x
Nova Scotia	19.4	14.0	4.2	27.9	188
New Brunswick	17.6	13.8	4.6	21.4	109
Quebec	532.5	455.3	159.9	14.5	3,130
Ontario	1,428.6	1,273.8	433.9	10.8	6,960
Manitoba	38.2	30.2	12.9	21.1	253
Saskatchewan	13.6	10.1	3.9	25.8	100
Alberta	274.3	236.5	74.4	13.8	1,468
British Columbia	382.9	335.9	106.9	12.3	2,262
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	2,723.3	2,384.0	805.6	12.5	14,578
2006					
Newfoundland and Labrador	3.7	3.6	1.0	3.1	30
Prince Edward Island	x	x	x	x	x
Nova Scotia	18.1	14.1	4.2	21.9	152
New Brunswick	16.1	13.8	3.9	14.1	100
Quebec	525.4	453.5	143.3	13.7	2,736
Ontario	1,300.2	1,163.6	372.6	10.5	5,946
Manitoba	33.9	28.8	11.4	15.0	178
Saskatchewan	10.8	8.4	3.4	22.2	86
Alberta	259.0	224.7	67.4	13.2	1,201
British Columbia	360.5	308.8	90.8	14.3	1,937
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	2,538.9	2,230.3	700.5	12.2	12,411

Note(s): According to the North American Industry Classification System (NAICS 5414). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 2
Summary statistics for interior design services, by province and territory, 2006 and 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2007					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	4.2	3.6	1.6	15.6	41
New Brunswick	3.2	2.4	0.6	23.9	32
Quebec	126.6	107.5	33.8	15.1	854
Ontario	494.3	442.7	119.9	10.4	2,156
Manitoba	11.5	8.6	3.8	25.3	91
Saskatchewan	3.6	2.6	0.7	28.2	30
Alberta	120.3	104.0	29.6	13.5	500
British Columbia	161.3	144.9	35.0	10.2	766
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	928.7	819.8	225.9	11.7	4,500
2006					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	3.3	2.8	1.1	12.7	33
New Brunswick	2.6	2.1	0.5	18.3	25
Quebec	122.4	107.2	32.6	12.4	756
Ontario	418.6	378.6	106.4	9.6	1,642
Manitoba	10.5	8.4	3.0	20.1	58
Saskatchewan	3.9	2.8	0.9	26.9	28
Alberta	108.3	97.1	24.2	10.3	403
British Columbia	142.4	130.3	32.6	8.5	572
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	814.9	731.9	201.6	10.2	3,537

Note(s): According to the North American Industry Classification System (NAICS 54141). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 3
Summary statistics for industrial and other specialized design services, by province and territory, 2006 and 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2007					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	x	x	x	x	x
New Brunswick	x	x	x	x	x
Quebec	128.3	118.6	42.5	7.6	601
Ontario	182.7	167.1	57.6	8.5	1,224
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	61.6	54.9	18.7	10.9	362
British Columbia	58.3	51.7	20.5	11.2	426
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	444.7	402.2	143.7	9.6	2,748
2006					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	x	x	x	x	x
New Brunswick	x	x	x	x	x
Quebec	124.1	110.5	38.5	11.0	522
Ontario	162.8	144.3	43.6	11.4	1,071
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	59.8	51.8	18.8	13.4	296
British Columbia	56.9	49.7	17.4	12.7	384
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	412.6	363.7	121.1	11.8	2,373

Note(s): According to the North American Industry Classification System (NAICS 54142 and 54149). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 4
Summary statistics for graphic design services, by province and territory, 2006 and 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2007					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	13.5	9.3	2.1	31.2	109
New Brunswick	11.6	9.5	3.3	18.1	58
Quebec	277.6	229.2	83.6	17.4	1,675
Ontario	751.7	664.0	256.3	11.7	3,580
Manitoba	22.9	18.7	7.6	18.3	127
Saskatchewan	7.1	5.5	2.2	23.0	50
Alberta	92.4	77.5	26.0	16.0	606
British Columbia	163.3	139.3	51.4	14.7	1,070
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	1,349.9	1,162.1	436.0	13.9	7,330
2006					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	13.7	10.5	2.9	23.7	91
New Brunswick	11.6	10.2	2.9	12.4	57
Quebec	278.8	235.8	72.2	15.4	1,458
Ontario	718.8	640.7	222.6	10.9	3,233
Manitoba	20.3	17.9	7.3	11.9	94
Saskatchewan	4.9	3.6	1.9	25.7	42
Alberta	90.8	75.8	24.4	16.6	502
British Columbia	161.1	128.8	40.8	20.0	981
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	1,311.3	1,134.7	377.9	13.5	6,501

Note(s): According to the North American Industry Classification System (NAICS 54143). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Data sources, definitions and methodology

Description

This annual sample survey collects the financial and operating data needed to produce statistics on the Specialized Design Services 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 Specialized Design 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 Specialized Design Services industry (5414) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in interior design services (54141), industrial design services (54142), graphic design services (54143) and other specialized design services (54149).

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 2007 was 1,138 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.
- **Salaries, wages and benefits** include vacation pay and commissions for all employees for whom T4 slips were 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.
- **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.

- An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogenous a set of goods and/or services as possible; which does not cross provincial boundaries, and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Data quality

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.

For this survey, the CVs are excellent (less than 5%) for operating revenue and operating expenses and wages, salaries and benefits of employees variables.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

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 81%. CVs were calculated for each estimate and are available upon request.

Related products

CANSIM

Available on CANSIM: table 360-0002 - Summary statistics for specialized design services (all establishments), by North American Industry Classification System (NAICS), annual (450 series)

Survey(s)

Definitions, data sources and methods: survey number 4719 - Annual Survey of Service Industries: Specialized Design

Publications

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

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

Release date: March 2009

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

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