

# The Daily

Statistics Canada

**Thursday, July 5, 2012**

Released at 8:30 a.m. Eastern time

---

## Releases

---

Study: Firm Dynamics: Employment Growth Rates of Small Versus Large Firms in Canada, 1999 to 2008	2
---	---

Canadian Foreign Post Indexes, July 2012	4
--	---

---

<b>New products and studies</b>	<b>5</b>
---------------------------------	----------

---



---

## Releases

---

### **Study: Firm Dynamics: Employment Growth Rates of Small Versus Large Firms in Canada, 1999 to 2008**

The drivers of employment growth are firm age, industry-specific factors and time-specific circumstances relating to macroeconomic events.

While small firms in the business sector create proportionally more jobs than large firms, this pattern disappears once the age of the firm, industry and time period are taken into account.

Once these characteristics are considered, firms above the size threshold of 20 employees, on average, expand their workforce proportionately more than firms below this threshold.

Among firms that have fewer than 20 employees, the smallest ones grow more slowly than the largest ones. This is partially the result of higher exit rates among the youngest small firms.

The size of a firm *per se* is not a contributing factor to employment growth, except in the case of the very smallest firms, which grow more slowly, not more quickly, than larger firms. It is really age that is the key distinguishing factor behind slow- and fast-growing firms.

These results are consistent with those obtained by American researchers who studied the annual employment of business-sector firms in the United States over the 14-year period from 1992 to 2005.

The Canadian study analysed the year-over-year employment growth patterns of firms between 1999 and 2008.

As of 2008, the Canadian business sector comprised more than one million incorporated and unincorporated firms with employees. Close to half (48%) the firms—slightly more than half a million—had more than 1 but fewer than 10 employees.

#### **Note to readers**

*This study analysed the annual employment growth rates of business sector firms between 1999 and 2008 using files in Statistics Canada's Longitudinal Employment Analysis Program.*

**Definitions, data sources and methods: survey number 8013.**

The research paper "Firm Dynamics: Employment Growth Rates of Small Versus Large Firms in Canada," part of the *Canadian Economy in Transition* series (11-622-M2012025, free), is now available from the *Key resource* module of our website under *Publications*.

Highlights of the findings of this paper are available in the article "Small Firms Create Proportionally More Jobs than Large Firms: Myth or Reality?," part of the *Economic Insights* series (11-626-X2012011, free), from the *Key resource* module of our website under *Publications*.

Similar studies from the Economic Analysis Division are available online ([www.statcan.gc.ca/economicanalysis](http://www.statcan.gc.ca/economicanalysis)).

The American research mentioned in the text can be accessed on the National Bureau of Economic Research website ([www.nber.org/papers/w16300](http://www.nber.org/papers/w16300)).

For more information, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)).

To enquire about the concepts, methods or data quality of this release, contact Anne-Marie Rollin (613-951-3116), Economic Analysis Division.

---

## Canadian Foreign Post Indexes, July 2012

Data on Canadian Foreign Post Indexes are now available for July.

### **Definitions, data sources and methods: survey number 2322.**

The July 2012 issue of *Canadian Foreign Post Indexes* (62-013-X, free) is now available from the *Key resource* module of our website under *Publications*.

For more information, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)).

To enquire about the concepts, methods or data quality of this release, contact Claudio Perez (613-951-1733; [claudio.perez@statcan.gc.ca](mailto:claudio.perez@statcan.gc.ca)), Consumer Prices Division.

---

## New products and studies

---

### New products

**Canadian Foreign Post Indexes**, July 2012  
Catalogue number 62-013-X (HTML, free)

### New studies

**The Canadian Economy in Transition: "Firm Dynamics: Employment Growth Rates of Small Versus Large Firms in Canada"**, No. 25

Catalogue number 11-622-M2012025 (HTML, free | PDF, free)

**Economic Insights: "Small Firms Create Proportionally More Jobs than Large Firms: Myth or Reality?"**, No. 11

Catalogue number 11-626-X2012011 (HTML, free | PDF, free)



### **Statistics Canada's official release bulletin**

Catalogue 11-001-X.

Published each working day by the Communications Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

To access or subscribe to *The Daily* on the Internet, visit our website at <http://www.statcan.gc.ca>.

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2012. All rights reserved. Use of this publication is governed by the [Statistics Canada Open Licence Agreement](#).

<http://www.statcan.gc.ca/reference/copyright-droit-auteur-eng.htm>