

# Sectoral profile: Personal and miscellaneous services



## Footprint

The personal and miscellaneous services industry contributes around 2% to the Canadian GDP. Small and mid-sized enterprises (SMEs, 1 to 499 employees) and non-employer businesses account for about 87% of the sector's GDP, make up the large majority of businesses (99.99%), and employ 91% of the workforce.

**Table 4 – The personal services sector in Canada**

	GDP <sup>6,7</sup>	Businesses <sup>8,9</sup>	Workforce <sup>10</sup>
<b>Total</b>	<b>\$45B</b>	<b>280,000</b>	<b>766,000</b>
<b>Sector's share of the economy</b>	<b>2.0%</b>	<b>6.1%</b>	<b>3.8%</b>
<b>SMEs' share of the sector</b>	<b>87%</b>	<b>99%*</b>	<b>91%</b>

The personal services sector includes businesses that:<sup>11</sup>

- Are not classified to any other sector, primarily engaged in repair activities, or performing maintenance on motor vehicles, machinery, equipment, and other products to ensure that they work efficiently (28% of establishments).
- Provide personal care services, funeral services, laundry services and other services to individuals (such as pet care services and photo finishing services) (34% of establishments).
- Promote religious activities, support various causes through grant-making, advocate various social and political causes, and promote and defend the interests of their members. This category also includes private households (38% of establishments).

Our subsequent analysis will include only the first two categories.

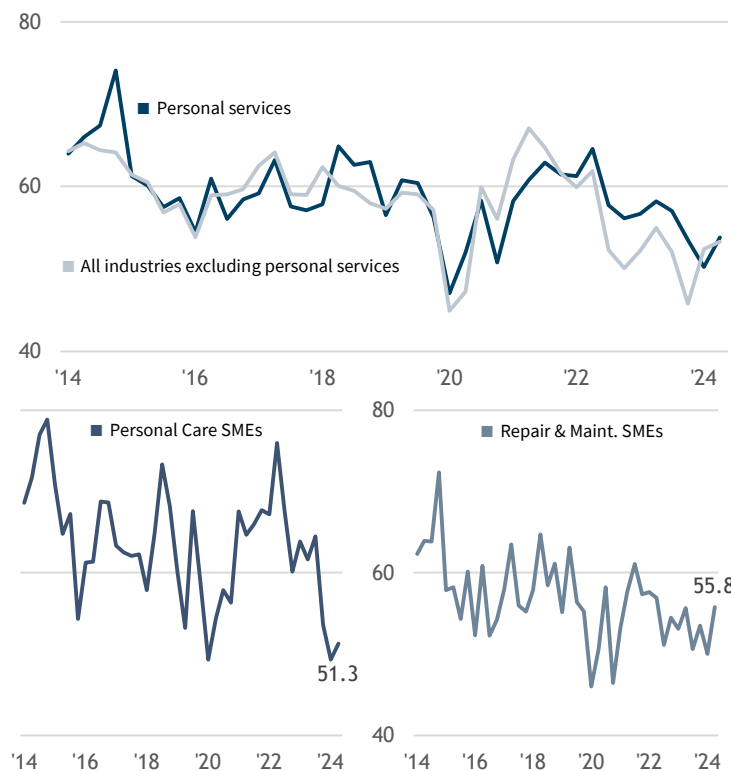
## Sources and notes

- (6) Statistics Canada. Table 36-10-0434-03.  
 (7) Innovation, Science and Econ. Dev. Canada, Key Small Business Statistics 2023.  
 (8) Statistics Canada. Table 33-10-0807-01.  
 (9) Statistics Canada. Table 33-10-0806-01.  
 (10) Statistics Canada, Labour Force Survey data, custom tabulations.  
 (11) Statistics Canada. North American Industry Classification System (NAICS) Canada 2022 Version 1.0.  
 (12) CFIB, Your Business Outlook Survey. January 2014-June 2024.  
 \* Truncated from 99.99% instead of rounded.

## Fitness

The long-term confidence for the overall sector is still low despite a recent light recovery (Figure 7a). SMEs from the personal care services sub-sector recovered well from the pandemic; however, their optimism has been decreasing since 2022 Q3 (Figure 7b). Firms operating in the repair and maintenance sub-sector are historically more cautious about their expectations, and their current optimism level remains below pre-pandemic readings (Figure 7c).

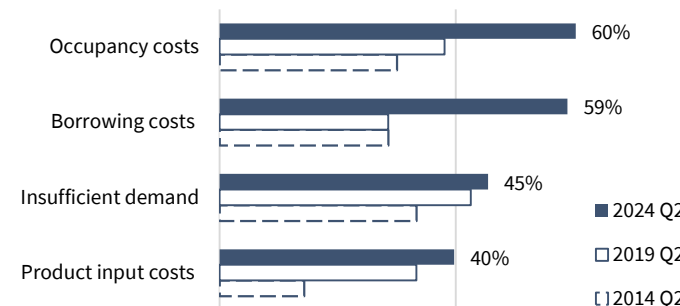
**Figure 7 – The optimism level for all businesses providing personal services is on a declining trend overall, but the personal care and repair/maintenance sub-sectors somewhat diverge<sup>12</sup> (index: 0-100)**



## Challenges

In both sub-sectors, significant shares of businesses face challenges related to borrowing costs and product input costs. They also have their own specific challenges. Currently, most SMEs operating in personal care services are reporting limitations on business growth because of occupancy costs (Figure 8). Meanwhile, the majority of SMEs in repair and maintenance report skilled worker shortages as the main limitation on growth (Figure 9).

**Figure 8 – Occupancy costs, borrowing costs, insufficient demand, and product input costs rose significantly over the past decade for personal care businesses<sup>12</sup> (% SMEs affected)**



**Figure 9 – Shortage of skilled labour, borrowing costs, and product input costs have been on an upward trend over the past decade for repair and maintenance firms<sup>12</sup> (% SMEs affected)**

