

# Sectoral profile: Financial Activities, and Professional and Business Services



## Footprint

**Table 4a – Financial activities, Canada**

	GDP <sup>1,2</sup>	Businesses <sup>3</sup>	Workforce <sup>4</sup>
<b>Total</b>	<b>\$455B</b>	<b>1,184,500</b>	<b>1,387,000</b>
<b>Sector's share of the economy</b>	<b>20%</b>	<b>25%</b>	<b>7%</b>
<b>SMEs' share of the sector</b>	<b>46%</b>	<b>99.9%</b>	<b>41%</b>

**Table 4b – Professional and business services, Canada**

	GDP <sup>1,2</sup>	Businesses <sup>3</sup>	Workforce <sup>4</sup>
<b>Total</b>	<b>\$223B</b>	<b>714,300</b>	<b>2,565,000</b>
<b>Sector's share of the economy</b>	<b>10%</b>	<b>15%</b>	<b>13%</b>
<b>SMEs' share of the sector</b>	<b>63%</b>	<b>99.9%</b>	<b>70%</b>

The **financial activities** sector<sup>5</sup> includes businesses that are engaged in financial transactions or in facilitating financial transactions (finance and insurance). Also included are establishments primarily engaged in renting, leasing, managing real estate for others, selling, renting, and/or buying real estate for others, and appraising real estate.

The **professional and business services** sector<sup>5</sup> includes establishments that provide professional, scientific, and technical services, plus those engaged in activities that support day-to-day operations of other organizations or in waste management activities. Also included is the management of companies and enterprises sector.

Our analysis focuses only on private small and mid-sized businesses.

## Sources

- (1) Statistics Canada. Table 36-10-0434-03.
- (2) Innovation, Science and Econ. Dev. Canada, Key Small Business Statistics 2023. Table 11. Housing and Management of companies and enterprises sectors are missing.
- (3) Statistics Canada. Table 33-10-0717-01, and Table 33-10-0718-01.
- (4) Statistics Canada, Labour Force Survey data, custom tabulations. Workforce data of the Management of companies and enterprises sector is missing.
- (5) Statistics Canada. North American Industry Classification System (NAICS) Canada 2022 Version 1.0.
- (6) CFIB, Your Business Outlook Survey, January 2014 to December 2024, [cfib.ca/barometer](https://cfib.ca/barometer).
- (7) CFIB, Business Barometer®, Retrospective 2024, [cfib.ca/research](https://cfib.ca/research).

## Fitness

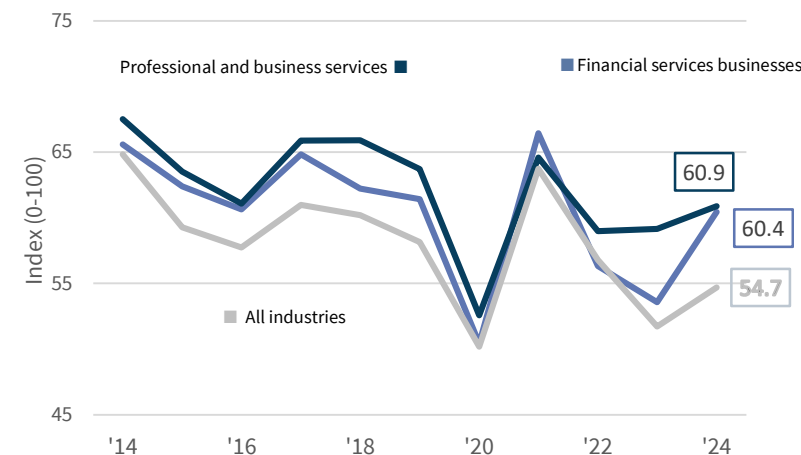
The long-term confidence index for firms providing professional services has always been above the average of all industries and has remained more resilient in the past two years (Figure 6).<sup>6</sup>

The trend for firms providing financial services is a bit different. Their optimism level dropped rapidly between 2021 and 2023 (more than a 10-point drop) but has been trending upwards since.

These two sectors rank in the top three most optimistic sectors among all industries, behind only the information, arts and recreation sector, on an annual basis.<sup>7</sup>

**Figure 6 – Firms in professional and business services, or in financial services have become less optimistic in the past two years, but their confidence levels remain well above the all-sector average**

CFIB SMALL BUSINESS 12-MONTH CONFIDENCE INDEX<sup>6</sup>, ANNUALIZED



## Challenges

A majority of businesses in the professional and financial services sectors report difficulties with insurance costs, taxes/regulations, and wage costs. Large shares also report occupancy and borrowing costs challenges (Tables 5 and 6).

**Table 5 – Professional and financial services businesses report the same top types of cost pressures as all firms on average...**

KEY COST PRESSURES CITED BY FIRMS, 2024, % RESPONSES<sup>6</sup>

	All firms	Professional	Financial
Insurance costs	68	→ 60	→ 54
Tax, regulatory costs	67	→ 62	→ 70
Wage costs	66	→ 65	→ 58
Fuel costs	53	26	38
Occupancy costs	48	→ 42	→ 49
Borrowing costs	45	→ 40	→ 45
Electricity costs	44	26	40
Product input costs	36	19	18
Capital equipment, technology costs	31	29	26
Other energy costs	20	10	19

**Table 6 – ... but shortages of skilled labour are a greater growth barrier**

KEY GROWTH LIMITATIONS CITED BY FIRMS, 2024, % RESPONSES<sup>6</sup>

	All firms	Professional	Financial
Insufficient demand	50	36	44
Shortage of skilled labour	45	61	50
Shortage of working capital	29	25	26
Limited physical space	22	16	13
Shortage of un/semi-skilled labour	20	11	13
Distribution constraints	13	4	11
Shortage of input products	9	5	8