



Western Economic  
Diversification Canada

Diversification de l'économie  
de l'Ouest Canada



# Community Futures Program

## Western Economic Diversification Canada Performance Report

### ROUND TEN (2012-17)

Network Partners Unit

Policy and Strategic Direction Branch

2021

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## EXECUTIVE SUMMARY

This report is a continuation of a performance measurement strategy used to evaluate Community Futures (CF) loan client success by comparing several indicators of business success with results from comparable firms for the period 2012 to 2017. These indicators include industry concentration, employment growth, firm longevity, sales growth, and labour productivity growth, which are measured using a series of data tables obtained from Statistics Canada.

Notwithstanding the data suppression issue when analyzing the industry concentration for CF assisted firms, the data analyzed at an aggregate level showed the following results:

- CFs in Western Canada were able to obtain business numbers (BN) for 4,562 active clients, more than the previous round of 2011-2016 (4,396 BN) and less than the period of 2010-2015 (5,362 BN). Of these, 1,834 (40%) were linked to the Longitudinal Employment Analysis Program (LEAP) and 1,523 (33%) were linked to both Longitudinal Employment Analysis Program (LEAP) and T2 information.
- In terms of employment growth from 2012 to 2017, CF assisted firms increased their number of employees by 6.82% compared to a 0.82% compounded annual employment growth rate in non-assisted firms.
- In terms of sales from 2012 to 2017, CF assisted firms exhibited a 7.68% compounded annual sales growth rate compared to a 2.49% compounded annual sales growth rate for non-assisted firms. In addition, it appears that CF loan clients were able to withstand shocks to economic activity better than firms without CF assistance.
- CF assisted firms exhibited significantly stronger business survival rates than those firms in the comparable group. CF assisted firms are nearly 20 percentage points higher (65% compared to 46%) for business survival at five years after start-up.

Overall, the data demonstrates Community Futures organizations' lending activity is making a difference. While the comparable group appears to lend to a slightly more diversified clientele base, CF assisted businesses continue to increase in diversity according to the Herfindahl index. In general, CF assisted businesses are outperforming the comparable group.

## MATCHING PROCESS

### Methodology

The performance report requires linking CF assisted businesses to a number of administrative data files from Statistics Canada in order to obtain data for performance indicators such as dynamics of employment (employment and payroll growth), firm longevity (business survival rate calculated using the entries and exits of firms), and financial performance (sales growth). The Longitudinal Employment Analysis Program (LEAP) is an administrative databank maintained by Statistics Canada. In order to track firms along with their performance, the LEAP file was linked to the Corporate Income Tax File (T2) to create T2-LEAP, which covers all incorporated employers in Canada in the private sector. The General Index of Financial Information (GIFI) is a standard list of codes that businesses use to prepare their financial statement information, and is filed with T2 returns.

In round five, the methodology for matching was slightly changed. A list was compiled and provided to Statistics Canada by each regional development agency (RDA) of CF assisted firms by ACOA, CanNor, CED-Q, FedDev, FedNor, and WD. Duplicate clients were removed based on business numbers (BNs) and the legal and/or operating names. Unlike previous rounds that linked the list of clients to the Business Registry (BR), then LEAP and GIFI files, the list of clients was directly linked to the LEAP files after cleaning the list of duplicates. Only those enterprises that had matching records in LEAP and T2 were retained for analysis of financial performance.

This same methodology was used for this year's client lists, without any modifications. As with round nine, data for CanNor was excluded from the matching process.

**Table 1: Results from the Matching Process by Regional Development Agency**

	ACOA	CanNor	CEDQ	FedDev	FedNor	WD
Number of non-duplicate records	6,346	N/A	4,947	3,258	1,486	4,562
Number/Share of firms found in 2017 T2-LEAP	2,482 (39%)	N/A	2,258 (46%)	1,723 (53%)	647 (44%)	1,834 (40%)
Final linkage rate 2020 (matches with both T2 and LEAP Information)	2,205 (35%)	N/A	1,950 (39%)	1,274 (39%)	552 (37%)	1,523 (33%)

The final linkage rates for the RDAs have shifted slightly compared to the previous round. Three RDAs had higher linkage rates, with increases of 3 percentage points for ACOA, 3 percentage points for FedDev, and 2 percentage points for FedNor. The final linkage rates for both CEDQ and WD decreased by one and three percentage points respectively when compared with round nine data.

Statistics Canada has suppressed some data for confidentiality reasons, ensuring that data is not disclosed that could identify respondents. It is crucial to note that while there is data suppression within certain industries for some indicators, it is not high enough to warrant excluding the analysis of performance in some areas. The

strength of the analysis of the CF program in Western Canada overall is not lessened, but the ability to investigate differences between some industries for employment growth and business survival rates is compromised. In comparison to round nine, this round saw a decrease in the instance of suppression for the share of firms, the same amount of suppression in employment and sales growth, and increased suppression for business survival rates.

Statistics Canada also provided a set of tables for firms that did not receive support under CF programs. Therefore, performance results for CF assisted firms can be evaluated against a group of comparable firms that are similar in size and geographic location. The comparable group of non-assisted firms are then compared to the group of CF-assisted firms by:

- industry concentration including share of firms by industry and the Herfindahl Index;
- employment dynamics;
- business survival rates; and
- financial indicators.

Statistics Canada provided us with data from the LEAP and T2 matching processes. For those firms matched to the LEAP; data for employment, payroll, number of enterprises, and financial performance were only provided for the years 2012 and 2017. We then chose to calculate measures for the share of firms by industry, penetration rates, employment growth, and sales growth using the dataset retrieved from the LEAP matching process.

Since growth in terms of sales or employment is not constant over a five-year period, an average annual growth rate can misrepresent the fluctuations of sales or employment figures from year to year. In order to overcome this limitation, we chose to calculate growth rates using the compounded annual growth rate formula. In doing so, the growth rate incorporates the compounded effect of growth in employment and sales. The average annual growth rate and compounded annual growth rate are as follows:

$$\text{Average Annual Growth Rate} = \frac{\text{Total Growth Rate}}{\# \text{ of years}}$$

$$\text{Compounded Annual Growth Rate} = \left( \frac{\text{End Value}}{\text{Beginning Value}} \right)^{\frac{1}{\# \text{ of years}}} - 1$$

## RESULTS

This section summarizes results for CF assisted firms in western Canada. Performance results for CF assisted firms in other parts of Canada are carried out by the respective RDA. Data tabulations are presented by industry as classified by North American Industry Classification Systems (NAICS), and by enterprise size as measured by the number of employees, referred to as average labour units (ALUs). The crude petroleum and liquid natural gas extraction sectors<sup>1</sup>, the utilities sector, and the finance and insurance sector are excluded from this analysis. Larger enterprises with more than 100 ALUs are also excluded.

### Share of Firms by Industry

The distribution of firms by industry during 2017 for both CF assisted firms and comparable firms is represented in Table 2. This demonstrates the concentration or importance of specific industries relative to the pool of CF assisted enterprises in Western Canada. Note that the same measure is provided for the share of firms by industry in the group of comparable firms.

**Table 2: Share of Firms by Industry for Western Canada, 2017**

<i>Industry</i>	<i>Enterprise size (ALU)</i>	<i>CF Assisted Firms</i>	<i>Comparable Firms</i>
<b>Total (All selected NAICS)</b>	All sizes	100.00%	100.00%
	Less than 20 ALU's	94.94%	93.62%
	20 to 100 ALU's	5.06%	6.38%
Agriculture, Forestry, Fishing and Hunting	All sizes	4.97%	10.19%
Mining and Oil and Gas	All sizes	X	3.09%
Construction	All sizes	11.82%	18.61%
Manufacturing	All sizes	9.14%	3.66%
Wholesale Trade	All sizes	2.38%	3.33%
Retail Trade	All sizes	17.68%	9.75%
Transportation and Warehousing	All sizes	9.73%	7.50%
Information and Cultural Industries	All sizes	1.49%	0.79%
Real Estate and Rental and Leasing	All sizes	2.18%	5.55%
Professional, Scientific, and Technical Services	All sizes	6.45%	15.53%
Management of Companies and Enterprises	All sizes	X	0.87%
Administrative and Support, Waste Management and Remediation Services	All sizes	3.77%	4.74%
Arts, Entertainment, and Recreation	All sizes	X	1.55%
Accommodation and Food Services	All sizes	13.31%	6.72%
Other Services <sup>1</sup>	All sizes	13.21%	8.12%
Note: X refers to suppression due to confidentiality Source: CDER, Statistics Canada, 2020			

<sup>1</sup> Service industries that support the repairs and maintenance of equipment and capital used in oil and gas extraction are included in "Other Services".

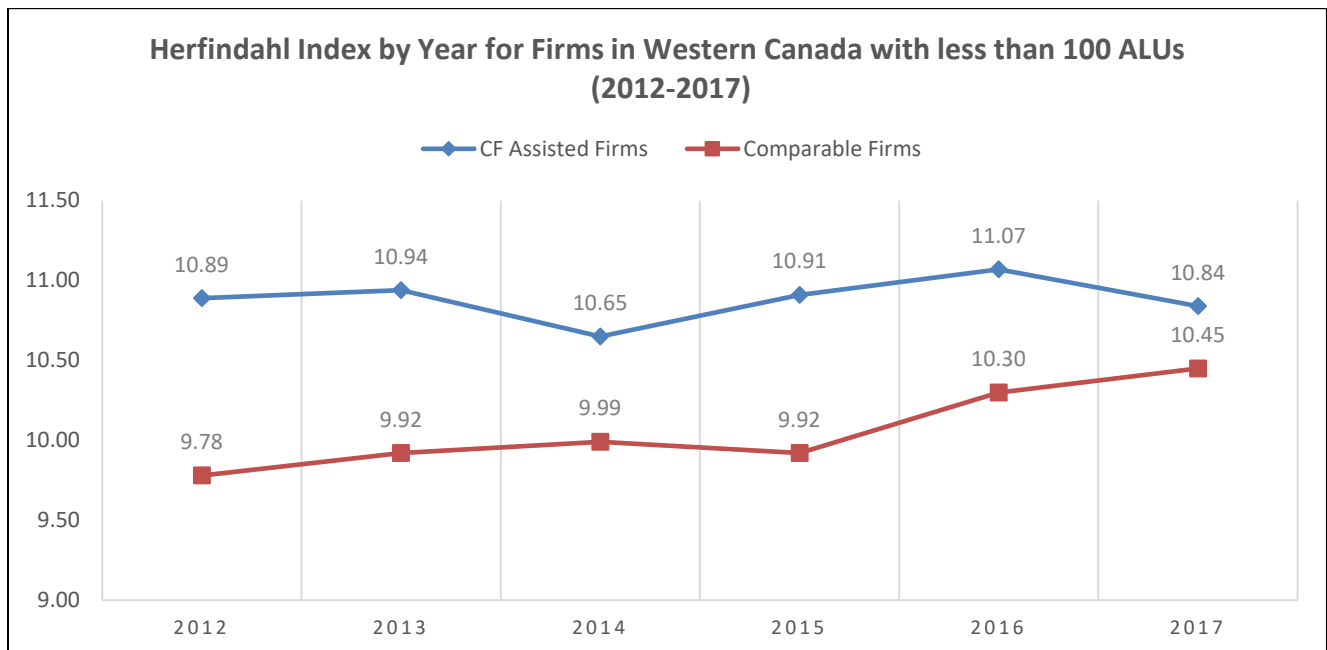
The shares of firms by industry varied between the CF assisted and comparable firms. Of the CF assisted firms, Retail Trade had the highest industry concentration (17.68%), followed by Accommodation and Food Services (13.31%), and Other Services (13.21%). Meanwhile, of comparable firms, Construction; Professional, Scientific, and Technical Services; and Agriculture, Forestry, Fishing and Hunting firms were the largest industries.

**Concentration Index**

The Herfindahl Index (HI) is a measure of economic diversity as it indicates the extent to which a regional economy is dominated by a number of industries. The index ranges from zero, where several industries have small and equal shares of the market economy, to 100, where one industrial sector has perfect market composition (full specialization). Thus, a lower HI measure indicates a highly diversified economy.

In 2017, the HI for the group of CF assisted firms measured 10.84. This is a decrease from last year, where the index measured 11.07. The HI has seen a decrease of 0.05 since 2012, at which point it was at 10.89, which suggests that the diversity amongst CF loan clients has increased slightly. Since 2007, at which time it was at a low of 9.68, the HI for CF assisted firms has been rising with some fluctuations. From 2012 onwards, the average HI for CF assisted firms is 10.88.

The HI for comparable firms has also been trending upwards in recent years. In 2017, the index measured 10.45, which is an increase from 10.30 in 2016. Overall, the HI in 2017 has increased by 0.67 since 2012, when it was at 9.78. Since 2012, the average HI for the group of comparable firms is 10.06. Thus, in the past – and presently – this group of firms appears to be slightly more diversified than the group of CF loan clients, but the gap is lessening.



## Employment Dynamics

This section investigates employment trends for firms that have received CF assistance over a five-year period and compares the results to those of the comparable group. Note that growth rates for some industries were not calculated if either the number of ALUs for 2012 and 2017 were suppressed for confidentiality. Table 3 summarizes compounded annual job growth rates for CF loan clients and comparable firms between 2012 and 2017 by industry.

**Table 3: Compounded Annual Growth in Employment by Industry in Western Canada, 2012-2017**

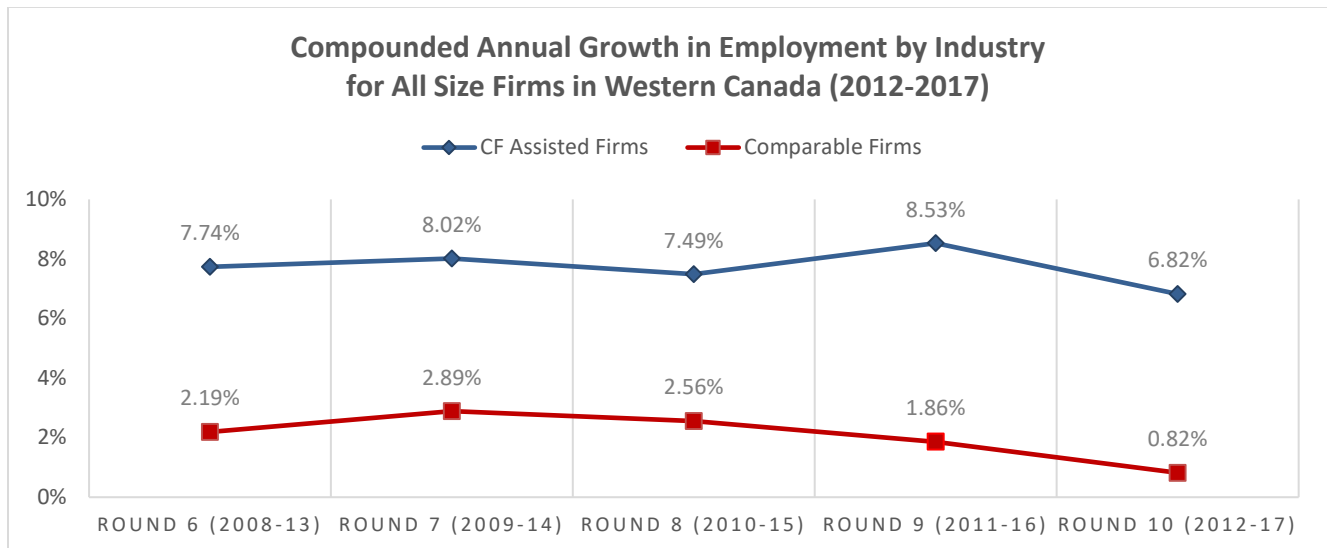
<i>Industry</i>	<i>Enterprise size (ALU)</i>	<i>CF Assisted Firms</i>	<i>Comparable Firms</i>
<b>Total (All selected NAICS)</b>	All sizes	6.82%	0.82%
	Less than 20 ALU's	6.60%	0.66%
	20 to 100 ALU's	7.26%	1.01%
Agriculture, Forestry, Fishing and Hunting	All sizes	3.27%	4.26%
Mining and Oil and Gas	All sizes	X	-2.59%
Construction	All sizes	6.36%	1.23%
Manufacturing	All sizes	1.95%	-0.17%
Wholesale Trade	All sizes	13.70%	-0.62%
Retail Trade	All sizes	2.52%	1.29%
Transportation and Warehousing	All sizes	6.44%	1.22%
Information and Cultural Industries	All sizes	X	-2.83%
Real Estate and Rental and Leasing	All sizes	X	0.98%
Professional, Scientific, and Technical Services	All sizes	12.87%	0.75%
Management of Companies and Enterprises	All sizes	X	-9.43%
Administrative and Support, Waste Management and Remediation Services	All sizes	X	2.69%
Arts, Entertainment, and Recreation	All sizes	X	-1.96%
Accommodation and Food Services	All sizes	14.68%	1.92%
Other Services	All sizes	8.39%	-2.20%
Note: X refers to suppression due to confidentiality Source: CDER, Statistics Canada, 2020			



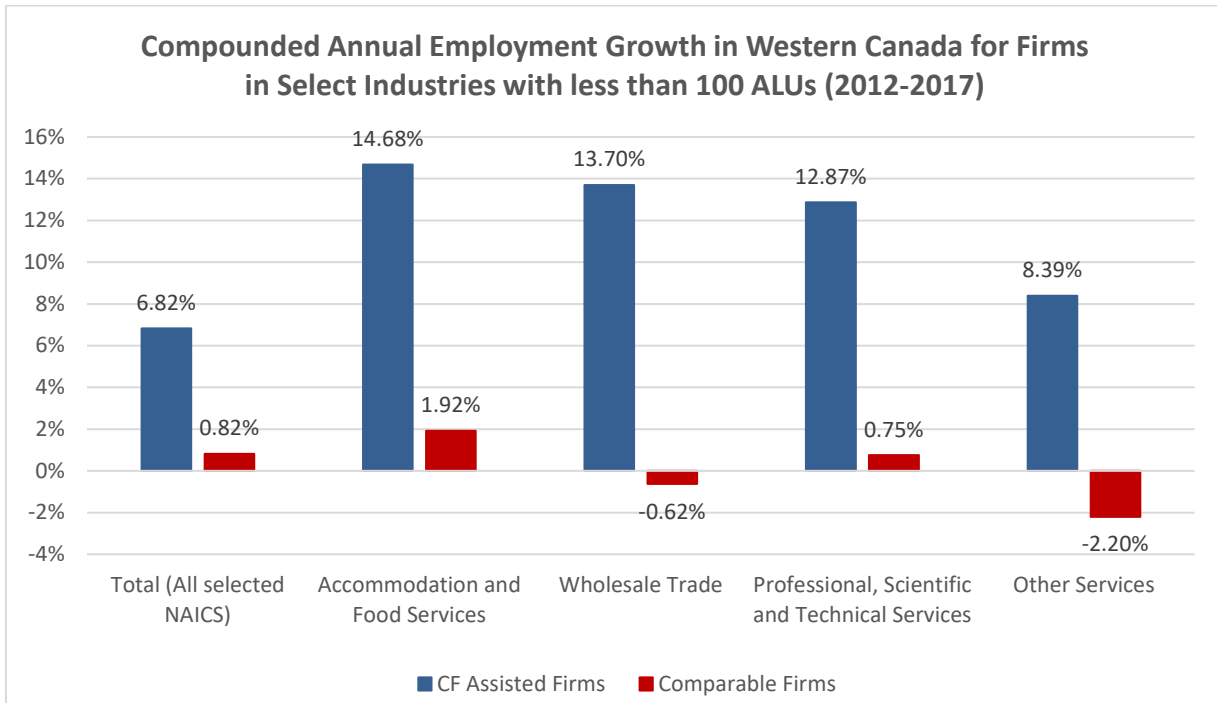
In general, CF assisted firms outpaced comparable firms in terms of job growth across most industries.

- All sizes of CF assisted firms were more successful in creating jobs than the comparable group of firms (6.82% vs. 0.82%).
- Larger-sized firms (between 20 and 100 employees) demonstrated considerable job growth of 7.26% compared to 1.01% for comparable firms, while the smaller firms (less than 20 employees) had 6.60% job growth compared to 0.66% for comparable firms.
- Several industries exhibited positive growth rates for the CF assisted group while the comparable group had negative growth rates. These included Manufacturing, Wholesale Trade, and Other Services categories, where CF assisted firms had positive growth rates. Other industries with negative growth rates for comparable firms could not be compared to the CF assisted group due to data suppression, and include Mining and Oil and Gas Extraction; Manufacturing; Wholesale Trade; Information and Cultural Studies; Management of Companies and Enterprises; Arts, Entertainment, and Recreation; and Other Services.
- The only industry where CF assisted firms did not outperform the comparable group was the Agriculture, Fishing, Forestry and Hunting sector, with a 3.27% compounded annual growth rate compared to 4.26% for the comparable group.
- CF assisted firms in the Manufacturing industry saw the least growth with a 1.95% compounded annual growth rate, as opposed to comparable firms with negative growth of -0.17%.

For a majority of studied industries (except in cases where data was unavailable due to suppression), CF assisted firms outpaced those firms in the comparable group in terms of job growth. In some industries, CF loan clients outperformed the comparable group by more than 10 percentage points, including Wholesale Trade; Accommodation and Food Services; Professional, Scientific and Technical Services; and Other Services. The only sector where CF assisted firms did not outperform comparable firms was the Agriculture, Forestry, Fishing and Hunting sector, with 3.27% compounded annual growth compared to 4.26%.



CF assisted firms have outperformed comparable firms over the last five rounds. CF assisted firms have demonstrated a significantly higher average compounded annual employment growth in comparison to comparable firms, including the 2012-17 period.

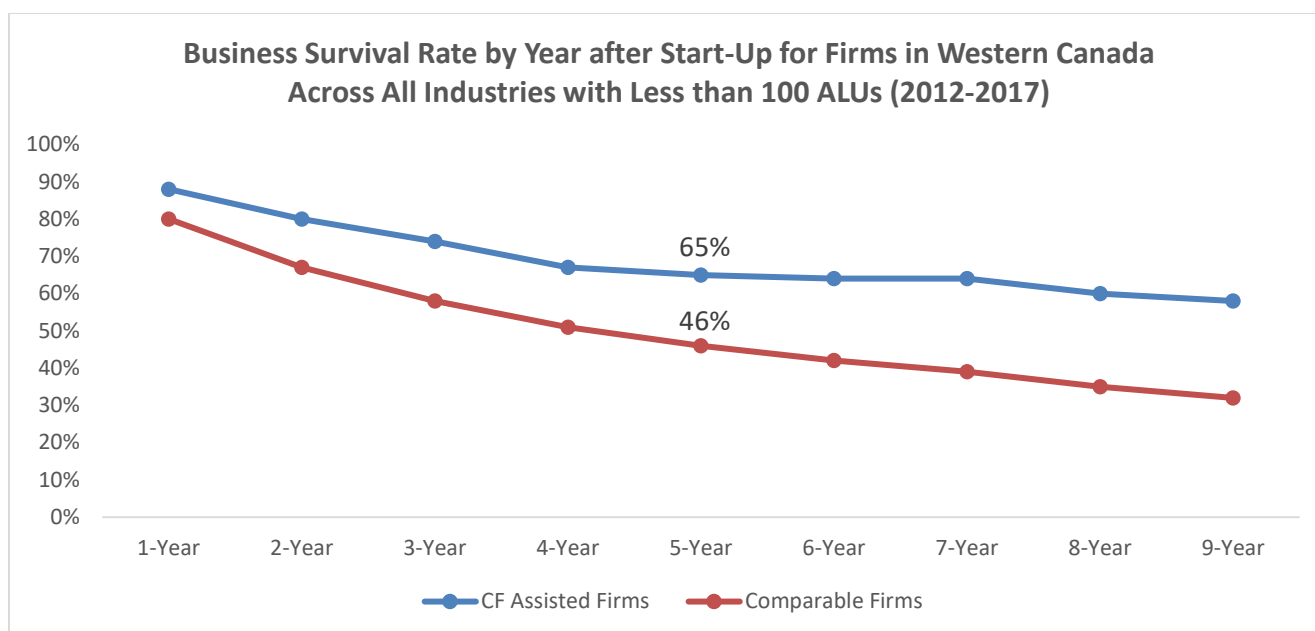


CF assisted firms outperformed comparable counterparts in all industries except for the Agriculture, Forestry, Fishing and Hunting industry. Employment growth was lower for CF assisted firms across nearly all industries in 2017 compared to 2016, with the exception of Construction firms, which were 0.76 percentage points higher in 2017. In comparable firms, employment growth decreased across nearly all industries, with the exception of Retail Trade, which increased from 1.21% in 2016 to 1.27% in 2017. The decline in growth in the number of jobs within certain industries may be due to the ongoing effects of the 2015 recession.

### Business Survival Rates

Firm longevity is evaluated by using a measure of the overall business survival rate for CF assisted firms and comparable firms. For this report, business survival rates are calculated as the ratio of the number of firms that remain in the market after a specific period of time over the number of firms that were in operation in 2008. For example, the five-year business survival rate is interpreted as the percentage of businesses that remain in the market after five years.

The chart below shows that CF loan clients in Western Canada have been more successful in remaining in business than those firms in the comparable group. Firm longevity for those assisted by CF remains higher than the comparable firms across all years. The business survival rate for CF assisted firms was 65% for the fifth year following entry, compared to 46% for comparable firms. This is an almost identical difference (67% vs. 46%) compared to round nine.



**Table 4: Business Survival Rates for the Fifth Year Following Entry by Industry in Western Canada, 2007-2017**

Industry	Enterprise size (ALU)	CF Assisted Firms	Comparable Firms
<b>Total (All selected NAICS)</b>	All sizes	65%	46%
	Less than 20 ALU's	X	46%
	20 to 100 ALU's	X	76%
Agriculture, Forestry, Fishing and Hunting	All sizes	60%	53%
Mining (excluding Oil and Gas Extraction)	All sizes	X	43%
Construction	All sizes	59%	43%
Manufacturing	All sizes	58%	50%
Wholesale Trade	All sizes	X	47%
Retail Trade	All sizes	63%	54%
Transportation and Warehousing	All sizes	62%	45%
Information and Cultural Industries	All sizes	X	40%
Real Estate and Rental and Leasing	All sizes	X	41%
Professional, Scientific, and Technical Services	All sizes	69%	43%
Management of Companies and Enterprises	All sizes	X	28%
Administrative and Support, Waste Management and Remediation Services	All sizes	X	48%
Arts, Entertainment, and Recreation	All sizes	X	48%
Accommodation and Food Services	All sizes	83%	53%
Other Services	All sizes	72%	52%

Note: X refers to suppression due to confidentiality

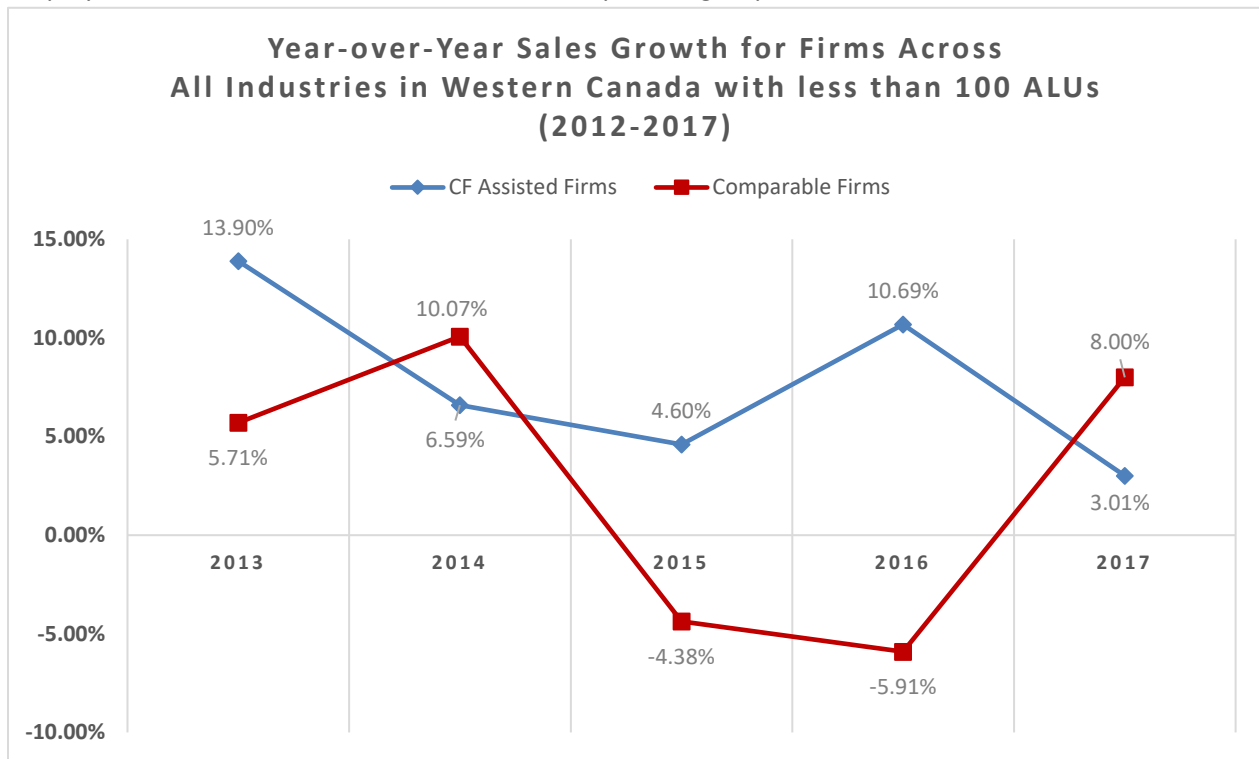
Source: CDER, Statistics Canada, 2020

In round 10, there is increased data suppression for CF assisted firms with seven suppressed industries compared to five in round nine. CF assisted firms in industries that were not suppressed had higher survival rates than firms in the comparable group, with several industries demonstrating significantly better long-term survival rates than the comparable group of firms. These industries include Accommodation and Food Services (30 percentage points higher), Professional, Scientific and Technical Services (26 points higher), Other Services, Transportation and Warehousing (17 points higher), and Construction (16 points higher).

**Financial Indicators**

The financial performance of CF assisted firms relative to comparable non-assisted firms is evaluated in this section using growth in sales and labour productivity.

The graph below depicts the year-over-year sales growth rates for firms across all industries with less than 100 employees for both CF assisted firms and the comparable group.



Year-over-year sales growth has remained positive for CF assisted firms, while the comparable group had periods of negative growth between 2014-15 and 2015-16. By the end of 2017, there was a significant decline in sales growth for CF assisted firms across all industries at 3.01% compared to 13.90 percent in 2013, dipping below the year-over-year growth for comparable firms at 8.00%. The decline in sales growth may be due to the ongoing effects of the 2015 recession, nevertheless, CF assisted firms still managed to outperform comparable firms, illustrating their resilience during economic downturns.

Overall, it appears that CF loan clients were able to withstand initial shocks to economic activity better than those firms without CF assistance. Moreover, their year-over-year sales growth outperformed that of comparable firms during three out of the five years, with the exception of 2014 and 2017.

The table below depicts the compounded annual growth in sales for firms across all industries with less than 100 employees.

**Table 5: Compounded Annual Growth in Sales by Industry in Western Canada, 2012-2017**

<i>Industry</i>	<i>Enterprise size (ALU)</i>	<i>CF Assisted Firms</i>	<i>Comparable Firms</i>
<b>Total (All selected NAICS)</b>	All sizes	7.68%	2.49%
	Less than 20 ALU's	8.09%	1.53%
	20 to 100 ALU's	6.45%	3.75%
Agriculture, Forestry, Fishing and Hunting	All sizes	7.54%	7.08%
Mining and Oil and Gas	All sizes	X	-0.88%
Construction	All sizes	9.65%	1.42%
Manufacturing	All sizes	-1.22%	1.57%
Wholesale Trade	All sizes	12.65%	1.76%
Retail Trade	All sizes	4.23%	3.29%
Transportation and Warehousing	All sizes	7.64%	1.49%
Information and Cultural Industries	All sizes	X	5.57%
Real Estate and Rental and Leasing	All sizes	X	1.96%
Professional, Scientific, and Technical Services	All sizes	18.44%	1.62%
Management of Companies and Enterprises	All sizes	X	1.27%
Administrative and Support, Waste Management and Remediation Services	All sizes	X	2.52%
Arts, Entertainment, and Recreation	All sizes	X	2.34%
Accommodation and Food Services	All sizes	14.95%	2.94%
Other Services	All sizes	8.97%	-0.29%
Note: X refers to suppression due to confidentiality source: CDER, Statistics Canada, 2019			

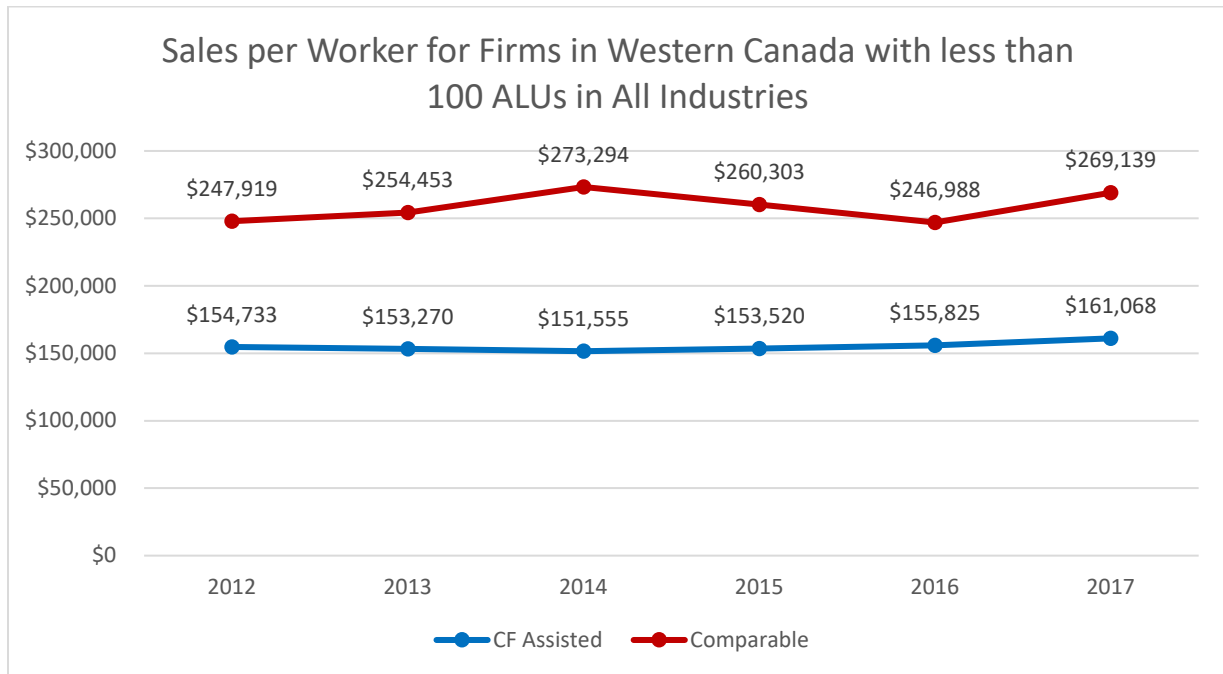
Overall, a majority of CF assisted firms outperformed the comparable group in terms of sales growth between 2012 and 2017.

- Sales by small-sized CF assisted firms increased by a compounded annual rate of 8.09% per year, more than 6 percentage points higher than firms in the comparable group (1.53%).
- Larger CF assisted firms increased their sales by a compounded annual rate of 6.45% per year, while sales by firms in the comparable group rose by 3.75% per year.

In most industries, the CF assisted firms outperformed the comparable group in terms of sales growth. Professional, Scientific, and Technical Services; Accommodation and Food Services; and Wholesale Trade had the strongest sales growth figures for CF assisted firms. Only CF assisted firms in the Manufacturing industry did not outperform comparable firms with a compounded annual growth of -1.22% while comparable firms experienced growth of 1.57%. The largest overall sales growth was in the Professional, Scientific, and Technical Services sector, outpacing firms in the comparable group with a compounded annual rate of 18.44% versus only 1.62% for comparable firms.

Labour productivity, which is estimated using sales per worker (ALU), is an additional measure to evaluate competitiveness of small and medium-sized businesses. CF assisted firms exhibited a slight growth in labour productivity between 2012 and 2017, but was at lower levels overall than comparable firms.

- Over the five year period, sales per worker increased at a compounded rate of 0.81% in CF assisted firms and at 1.66% in comparable firms.
- CF assisted firms had lower sales per worker than comparable firms between 2012 and 2017, and less variation between years. The number has trended upwards since 2014 and reached its highest point in 2017 with \$161,068 in sales per worker. In contrast, the comparable group experienced its highest sales per worker in 2014. The gap between CF assisted and comparable groups has varied between 2012 and 2017, from a low of \$91,163 in 2016 to a high of \$121,740 in 2014.



Sales by western SMEs were impacted by the economic recession in 2015, but both CF assisted and non-assisted firms have endured recessionary impacts. While comparable firms’ labour productivity increased at a slightly higher compounded annual growth rate and CF assisted firm’s decreased slightly (0.48% vs. -1.52%), the reason as to why comparable firms continue to be more productive with their labour resources is not clear. It is possible that small CF assisted firms are more likely to be start-up businesses that have not reached

economies of scale yet, whereas firms in the comparable group may be more established and therefore more experienced and efficient with their resources. However, the firm's length of time in business is unavailable in the data provided, so this cannot be verified. The slight decrease in sales per worker of both assisted and comparable western SME may have been due to the ongoing effects of the 2015 recession.

## CONCLUSION

Using the data on firms in Western Canada retrieved by Statistics Canada, the performance of CF assisted firms is compared to a group of similar firms that did not receive assistance from 2012 to 2017. Indicators including industry concentration, employment dynamics, firm longevity, and sales performance are calculated and compared for both groups of firms. Though the sample size does not capture all CF clients, the results give insights as to how CF assisted firms perform relative to unassisted SMEs.

The methodology for retrieving the data for this round remained unchanged from the last round, with no modifications made to the matching process. There remains some data suppression for certain industries and overall instances of suppression remained roughly constant from rounds nine to ten. While an increase in data suppression does limit the ability to perform analysis, the amount of suppression is not high enough to warrant exclusion of the analysis altogether.

The data demonstrates Community Futures organizations' lending activity is making a difference. According to the Herfindahl Index, the comparable group continues to lend to a slightly more diversified clientele base, while CF assisted firms continue to increase in their diversity. Industry concentration varies between the two groups, with CF assisted firms showing more concentration in Retail Trade, Accommodation and Food Services, and Other Services, while comparable firms are more concentrated in Construction, Agriculture, Forestry, fishing and Hunting, and Professional, Scientific and Technical Industries.

CF assisted firms outperformed the comparable group in terms of job growth, firm longevity, and compounded annual sales growth. The overall trend of labour productivity (sales per worker) is lower and less variable for CF assisted firms than the comparable group between 2012 and 2017, and the gap between the two groups grew in 2017. This is most likely a result of the recession caused by the fall in the price of oil in 2015, with comparable firms recovering slightly quicker. The reason for the gap in productivity is unclear, but it is likely due to lower economies of scale in younger CF assisted firms.

It should be noted that CF loan clients out-performed comparable firms, including after the financial crisis of 2008 as well as the recession of 2015. Year by year, CF assisted firms outperformed comparable firms in year-over-year business survival rates but not in year-over-year sales growth. Further analysis should continue to evaluate how each group performs over time, and whether or not the trends will deviate with time.

## APPENDIX: ACRONYMS AND DEFINITIONS

### ACRONYMS

ALU	Average Labour Unit
BN	Business Number
BR	Business Register
CF	Community Futures
HI	Herfindahl Index
LEAP	Longitudinal Employment Analysis Program
NAICS	North American Industry Classification System
RDA	Regional Development Agency
SMEs	Small and Medium size Enterprises
WD	Department of Western Economic Diversification Canada

### DEFINITIONS

**Business Register (BR):** The Business Register (BR) is the central repository of information on businesses in Canada. The BR is used as the principal frame for the economic statistics program of Statistics Canada. The Business Register's role is to provide Statistics Canada with a comprehensive quality frame in terms of coverage and a set of stratification variables such as industrial classification, revenue, number of employees and total assets.

**Herfindahl Index (HI):** indicates the extent to which a particular regional economy is dominated by a few industries. The HI ranges from zero (highly diversified; indicating that the economy has a large number of industries, with small and equal shares) to 100 (highly concentrated; indicating that one industry accounts for all economic activity). A positive change in the HI indicates that industrial concentration has increased, while a negative change indicates an increase in industrial diversity.

**Longitudinal Employment Analysis Program (LEAP):** The Longitudinal Employment Analysis Program (LEAP) is a database that contains annual employment information for each employer business in Canada, starting with the 1991 reference year. The information in LEAP is generated from the annual statements of remuneration paid (T4 slips) that Canadian businesses are required to issue to their employees for tax purposes. LEAP covers incorporated and unincorporated businesses that issue at least one T4 slip in any given calendar year, but excludes self-employed individuals or partnerships where the participants do not draw salaries.