



The Conference Board of Canada Le Conference Board du Canada

FOR IMMEDIATE RELEASE
CONTACT INFORMATION
Corporate Communications
Telephone: 613-526-3280
corpcomm@conferenceboard.ca

Link to publication: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8410>

News Release 17-51

FINANCIAL SERVICES SECTOR A SOURCE OF CAPITAL AND GROWTH FOR CANADA'S ECONOMY

Ottawa, November 24, 2016– The financial services sector has been a strong source of growth for the Canadian economy over the past decade. Beyond the jobs it supports and GDP it generates, the financial services sector also facilitates growth for other businesses in the economy, according to a [new Conference Board of Canada report](#) released today.

“Financial institutions provide consumers and businesses access to a diverse array of capital sources, which is an important driver of economic growth,” said Michael Burt, Director, Industrial Trends, The Conference Board of Canada. “Canada’s financial institutions are effective in their roles as facilitators and are ranked among the top 10 globally when it comes to access to capital.”

Highlights

- Financial services are a critical component of the Canadian economy, accounting for 4.4 per cent of Canadian employment in 2015, at 791,000 jobs, and 6.8 per cent of Canadian GDP.
- Canada is ranked among the top 4 countries in the world in terms of access to public equity, private equity, and venture capital. Access to credit is also adequate, with business credit growing more quickly than business investment.
- Financial services exports have more than doubled over the past decade, reaching \$11.7 billion in 2015, more than any other sector.

- Financial services employed 250,790 people and accounted for 7.9 per cent of Toronto's employment in 2015.

The report, *An Engine for Growth: 2016 Report Card on Canada's and Toronto's Financial Services Sector*, reveals the financial services sector, which includes banking, insurance, and asset management businesses, directly accounted for 791,000 jobs and 6.8 per cent of Canada's gross domestic product (GDP) in 2015. What is more, the sector's importance to the Canadian economy is increasing, with its share of employment, GDP, international trade, outward FDI outpacing the average for all sectors. In fact, financial services have been Canada's largest and fastest growing source of services exports, more than doubling since 2005. The sector also accounted for 53 per cent of Canada's outward FDI in 2015.

One of the core functions that financial services firms carry out is the redistribution of capital from those with excess funds (or savers) to those with a shortage of funds (or borrowers). This activity is critical to the functioning of a modern economy as access to sufficient capital is a necessary ingredient for the operation of any business. Canada ranks highly when it comes to equity financing; it is ranked third in the world in terms of public listings of domestic companies, it is ranked fourth in terms of private equity investments relative to GDP, and third in terms of venture capital investment relative to GDP. In terms of debt, growth in business credit has outpaced growth in both the economy and business investment in recent years, suggesting that access to credit is not a restraint on business activity.

Within Canada's financial services sector, Toronto is the leading financial centre in the country and accounts for a growing share of the sector. More than 30 per cent of all financial services headquarters are located in Toronto and 43.0 per cent of headquarters employment is located in the metro area. The sector made up a little over 13 per cent of Toronto's GDP and close to 8 per cent of the metro area's employment in 2015, compared with 7.0 per cent and 4.4 per cent nationally. In addition, the sector indirectly employed another 106,290 people in the metro area. In total, Toronto's

financial services sector generated a combined \$16.1 billion in revenues for federal, provincial and municipal governments in 2015.

The report, [*An Engine for Growth: 2016 Report Card on Canada's and Toronto's Financial Services Sector*](#), was sponsored by the Toronto Financial Services Alliance and is available from the Conference Board's e-Library.

–30–

FOR MORE INFORMATION

Yvonne Squires, Media Relations

The Conference Board of Canada

Tel.: 613- 526-3090 ext. 221

E-mail: corpcomm@conferenceboard.ca

or

Juline Ranger, Director of Communications

The Conference Board of Canada

Cell.: 613-915-3953

E-mail: corpcomm@conferenceboard.ca

If you would like to be removed from our distribution list, please e-mail

corpcomm@conferenceboard.ca.

