

Where the Hiring Gap Sits: Business Age, Hours and Sales Among Businesses Owned by Recent Immigrants in Canada, 2019 to 2026

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Prepared by CFIR's research team with AI-assisted analysis. Every number was traced to Statistics Canada data, the key calculations were recomputed independently, and the text went through repeated rounds of review.

Abstract

New Statistics Canada tables link the 2021 Census of Population to business and payroll records and report, for 2019, 2020 and 2021, how many enterprises have employees by characteristics of their owner. Pooled over the three years, 13.58% of enterprises owned by immigrants admitted less than 5 years earlier were employer enterprises, compared with 18.62% of enterprises owned by non-immigrants, a gap of -5.04 percentage points (pp). The gap arises within industries (industry mix +4.00 pp, within industries -9.54 pp, on the industry table), and over six revenue groups it comes entirely from revenue: revenue mix -7.33 pp, within revenue groups +2.29 pp. 66.71% of recent-immigrant enterprises earn less than \$30,000; with \$30,000 to \$2,499,999 of revenue they have employees more often than non-immigrant enterprises (27.17% compared with 19.18% at \$30,000 to \$249,999). At \$30,000 to \$249,999, published productivity estimates account for only part of that advantage. The study proposes a first-hire ladder of three revenue rungs as an instrument for programs, funders and lenders, and states what remains to be tested: whether sales growth precedes the first hire. The gap is positive in Prince Edward Island and Saskatchewan in 2019-2021. Labour Force Survey microdata show the same direction for Canada to September 2026; in Saskatchewan the positive gap continues, and in Prince Edward Island it is no longer visible in 2024-2026. In Labour Force Survey microdata to September 2026, most of the gap goes with business age: at equal business age it falls from -7.96 pp to -0.94 pp. Among businesses three to nine years old the remaining gap concentrates in owners working 50 hours a week or more (28.37% compared with 43.28%), and in 2026 immigrant-majority businesses more often expect competition, weak demand and financing as obstacles. Published evaluations point to sustained advice, with financing, as the support most often followed by more employees.

1. Introduction

A business that hires its first employee creates a job, takes on payroll and employment obligations, and begins to depend on more than its owner. The relevance of this study is set by two facts: after some years in Canada, immigrants own businesses at higher rates than the Canadian-born (Green, Liu, Ostrovsky and Picot, 2016), and programs that support entrepreneurs need to know at which step newcomer businesses stall.

Earlier Statistics Canada studies linked business records to immigration records. They found that immigrant business ownership rates are low immediately after entry and, after four to eight years in Canada, surpass those of a largely Canadian-born comparison group, while immigrant-owned private incorporated firms tend to be smaller (Green, Liu, Ostrovsky and Picot, 2016). Among private incorporated companies in 2003 to 2013, immigrant-owned firms had higher average net job growth per firm, largely because they were younger (Picot and Rollin, 2019). Published tables did not, however, report for each owner group how many enterprises had employees by industry and province. On 10 September 2024, Statistics Canada released tables on the number of enterprises in Canada by business ownership diversity indicators for 2019, 2020 and 2021 (Statistics Canada, 2024c). Two of them are used here: enterprises by geography and immigrant status of owner (Table 33-10-0840) and enterprises by industry and immigrant status of owner (Table 33-10-0855).

The aim of the study is to measure how often businesses owned by recent immigrants have employees, and to locate where the difference arises. The tasks are: 1. to measure the employer share of enterprises by the owner's years since admission; 2. to decompose the gap across industries and across revenue groups, and to test business age, hours and second jobs as explanations; 3. to compare provinces and check the pattern with a second census source and with survey data to 2026; 4. to turn the result into an instrument that programs can use, and to state what remains to be tested.

The object of the study is enterprises in Canada by the immigrant status of their owner; the subject is the step from an enterprise without employees to an employer enterprise. The novelty of the study is the decomposition of the newcomer employer gap by revenue, which the newly released tables make possible, and the first-hire ladder built from it.

2. Data and method

2.1 Data

Both tables are based on the Census of Population linked to administrative business and payroll data. The owner is "the person estimated to have the most economic decision power in an enterprise" (Table 33-10-0840, note 4). Geography is based on the operating address of the enterprise (note 5). Estimates are rounded to protect confidentiality, and data may not add to totals because of rounding (notes 2 and 3). In the geography table, 65 cells are suppressed.

An employer enterprise is one with employees in the tables' employer status; the companion table by enterprise size (33-10-0850, note 5) states that employment is derived from the Canada Revenue Agency payroll deductions (PD7) file, which contains all employees for whom payroll deductions were paid by the employer. Owner groups are those of the tables: immigrants admitted less than 5 years ago, 5 to 9 years ago, and 10 or more years ago, and non-immigrants. Each table splits enterprises into employer and non-employer enterprises, and by a revenue threshold of \$30,000.

2.2 Measures

The employer share of an owner group is the number of its employer enterprises divided by the number of all its enterprises. Counts are pooled over 2019 to 2021 unless a year is named; yearly values are also reported. Gaps are computed from unrounded shares and then rounded.

2.3 Decomposition across industries

Let w be the share of a group's enterprises in industry i and s the employer share in that industry, for recent immigrants (r) and non-immigrants (n). The gap in employer share splits exactly into two parts:

$$\text{gap} = \sum_i (w_{r,i} - w_{n,i}) \times s_{n,i} [\text{industry mix}] + \sum_i w_{r,i} \times (s_{r,i} - s_{n,i}) [\text{within industries}]$$

The first part is the gap that would arise if recent immigrants had the non-immigrant employer share in every industry but their own industry mix. The second is the gap that remains within the same industries. The identity is checked in the analysis code on a constructed example and on every computation.

The decomposition uses the industry table over the 20 industries in which both groups have enterprises. These cover 457,520 recent-immigrant enterprises (93.5% of the 489,250 in the geography table) and 94.6% of non-immigrant enterprises; unclassified enterprises are excluded and the two tables are rounded independently. For this reason the industry-table gap (-5.53 pp) differs from the geography-table gap (-5.04 pp); each result is reported with its own table.

Checks: each year separately; without 2020; enterprises with revenue of \$30,000 or more; leaving out one industry at a time. Industries and territories with few recent-immigrant enterprises are reported descriptively.

2.4 Second source

As an independent check on the provincial pattern, we use Census 2021 Table 98-10-0600 (class of worker by immigrant status and period of immigration, admission category and province). Here the employer rate is the share of self-employed workers who have paid help, for immigrants who arrived in 2016 to 2021 and for non-immigrants. Values were retrieved cell by cell from the Statistics Canada Web Data Service and recomputed independently; counts are rounded by Statistics Canada.

3. Results

3.1 Canada

Table 1. Employer share of enterprises by owner group, Canada (%)

Owner group	2019	2020	2021	Pooled 2019-2021
Immigrants admitted less than 5 years ago	14.42	13.28	13.13	13.58
Immigrants admitted 5 to 9 years ago	16.35	16.13	16.37	16.28
Immigrants admitted 10 or more years ago	18.92	18.58	18.28	18.58
Non-immigrants	18.79	18.54	18.52	18.62
Gap, recent immigrants minus non-immigrants (pp)	-4.38	-5.26	-5.39	-5.04

Gaps are computed from unrounded shares and then rounded, so a gap can differ by 0.01 pp from the difference of the rounded shares shown.

The employer share is lowest for owners admitted less than 5 years earlier, higher for those admitted 5 to 9 years earlier, and level with non-immigrants for those admitted 10 or more years earlier (Figure 1). These are different groups of people observed in the same years, not the same owners followed over time.

The gap is negative in each year. The share for recent-immigrant owners varies more from year to year than the share for non-immigrants (standard deviation across the three years 0.7 pp and 0.15 pp), so the change between years is described, not interpreted.

3.2 Industry mix and within-industry differences

Table 2. Decomposition of the gap in employer share, recent immigrants minus non-immigrants (pp)

	Gap	Industry mix	Within industries	Industries where recent immigrants are lower
Pooled 2019-2021	-5.53	+4.00	-9.54	18 of 20
2019	-4.78	+4.03	-8.81	17 of 20
2020	-5.69	+3.89	-9.58	18 of 19
2021	-5.98	+4.07	-10.05	19 of 20
Without 2020	-5.43	+4.08	-9.52	18 of 20
Revenue \$30,000 or more	-5.19	+5.59	-10.77	15 of 19

In 2020 the decomposition covers 19 industries: Statistics Canada suppresses the public administration cells for recent-immigrant owners in that year (marked x in Table 33-10-0855).

The industry-mix effect is positive: recent-immigrant owners are more often in industries where employer enterprises are common. The within-industry effect is negative and larger than the gap itself, so the gap arises within industries and the industry mix reduces it (Figure 2). Leaving out one industry at a time, the within-industry effect stays between -11.34 pp (without professional, scientific and technical services) and -6.85 pp (without transportation and warehousing).

Among enterprises with revenue of \$30,000 or more, the overall gap in the geography table is smaller than for all enterprises (-4.34 pp, with employer shares of 33.56% and 37.90%), while the within-industry effect in the industry table is larger (-10.77 pp), because the industry-mix effect is also larger (+5.59 pp). The gap is therefore present among businesses above the revenue threshold, and its size depends on the industry mix.

3.3 Industries

Table 3. Employer share by industry, pooled 2019-2021

Industry	Recent immigrants (%)	Non-immigrants (%)	Gap (pp)	Recent-immigrant enterprises
Manufacturing	19.96	40.15	-20.19	5,060
Construction	14.69	33.34	-18.65	36,970
Wholesale trade	21.66	40.30	-18.64	6,140

Industry	Recent immigrants (%)	Non-immigrants (%)	Gap (pp)	Recent-immigrant enterprises
Transportation and warehousing	9.44	24.55	-15.11	148,770
Health care and social assistance	18.42	30.27	-11.86	21,390
Other services (except public administration)	14.42	25.60	-11.18	20,590
Administrative and support, waste management and remediation services	8.43	18.70	-10.26	27,980
Retail trade	25.14	32.13	-6.98	22,510
Finance and insurance	4.31	10.76	-6.45	7,430
Arts, entertainment and recreation	5.84	11.03	-5.20	6,680
Information and cultural industries	11.41	15.96	-4.55	5,960
Accommodation and food services	46.52	49.79	-3.26	13,370
Educational services	9.69	12.80	-3.11	8,770
Real estate and rental and leasing	1.47	3.67	-2.20	52,320
Professional, scientific and technical services	20.40	20.13	0.27	71,210

Industries with fewer than 2,000 recent-immigrant enterprises are left out of Table 3 and described only: mining, quarrying, and oil and gas extraction (280 enterprises, gap -11.88 pp), management of companies and enterprises (170, -2.85 pp), agriculture, forestry, fishing and hunting (1,750, -0.08 pp), utilities (150, +7.57 pp) and public administration (20 recent-immigrant enterprises, none with employees). The largest gaps among the larger industries are in manufacturing, construction and wholesale trade. In professional, scientific and technical services, the second-largest industry for recent-immigrant owners, the two groups are close.

3.4 Provinces and territories

Table 4. Employer share by province or territory, pooled 2019-2021

Province or territory	Recent immigrants (%)	Non-immigrants (%)	Gap (pp)	Recent-immigrant employer enterprises / all	Gap 2019, 2020, 2021 (pp)
Prince Edward Island	40.15	21.71	18.44	1,100 / 2,740	25.11, 17.37, 11.95
Saskatchewan	22.83	15.53	7.31	2,610 / 11,430	9.25, 7.38, 5.22
Nova Scotia	18.55	22.19	-3.64	970 / 5,230	-3.24, -3.57, -3.86
Alberta	14.94	19.61	-4.67	8,400 / 56,220	-3.74, -5.00, -5.28
British Columbia	14.32	19.09	-4.77	10,410 / 72,680	-4.75, -5.48, -4.11
Manitoba	14.08	18.92	-4.84	2,130 / 15,130	-4.48, -5.32, -4.71
New Brunswick	21.28	26.25	-4.97	700 / 3,290	-1.40, -5.76, -6.88
Ontario	12.67	17.95	-5.29	34,110 / 269,260	-4.75, -5.35, -5.61
Quebec	11.13	17.84	-6.71	5,760 / 51,730	-6.48, -7.00, -6.65
Newfoundland and Labrador	14.15	27.53	-13.38	150 / 1,060	-12.36, -15.96, -11.84
Yukon	17.24	21.96	-4.72	50 / 290	-11.31, -2.03, -1.44
Northwest Territories	20.00	26.49	-6.49	30 / 150	-6.14, -7.24, -6.09

Newfoundland and Labrador has the largest negative gap among the ten provinces (-13.38 pp) in each year, from 1,060 recent-immigrant enterprises; the reasons are outside what these tables can show. Nunavut has 50 recent-immigrant enterprises and none reported as employers; it is not interpreted. Yearly gaps in the territories and in New Brunswick move widely with small counts.

The gap is negative in eight provinces and in Yukon and the Northwest Territories, and positive in Prince Edward Island and Saskatchewan in each of the three years (Figure 3). In both provinces the positive gap narrows from 2019 to 2021. In Saskatchewan, owners admitted 5 to 9 years earlier (21.63%) and 10 or more years earlier (23.80%) also have higher employer shares than non-immigrants (15.53%); in Prince Edward Island the longer-established groups (24.29% and 24.82%) are close to non-immigrants (21.71%).

3.5 Second source: self-employed workers in the 2021 Census

In Census 2021 data on self-employed workers, 25.52% of self-employed immigrants who arrived in 2016 to 2021 had paid help, compared with 31.28% of self-employed non-immigrants (-5.76 pp). The same two provinces are the exceptions: Prince Edward Island 51.52% compared with 40.81% (+10.71 pp), and Saskatchewan 34.42% compared with 30.34% (+4.08 pp). In Quebec the gap is -11.60 pp. In both exceptional provinces, most recent-immigrant self-employed workers with paid help were admitted in the economic category: 165 of 170 in Prince Edward Island and 570 of 685 in Saskatchewan, compared with 12,265 of 21,035 in Canada. The economic category in these tables includes several programs, so the data do not identify which program is involved.

3.6 Revenue: where the gap comes from

Table 33-10-0845 splits the same enterprises by revenue group. Decomposing the gap over the six revenue groups (the same identity as in section 2.3, with revenue groups in place of industries) gives a revenue-mix effect of -7.33 pp and a within-revenue effect of +2.29 pp for the pooled gap of -5.04 pp.

Table 5. Employer share by revenue group, pooled 2019-2021 (%)

Revenue group	Share of recent-immigrant enterprises	Share of non-immigrant enterprises	Employer share, recent immigrants	Employer share, non-immigrants
Less than \$30,000	66.71	56.57	3.60	3.82
\$30,000 to \$249,999	27.85	26.60	27.17	19.18
\$250,000 to \$499,999	2.96	6.14	60.40	54.37
\$500,000 to \$999,999	1.47	4.36	71.35	68.06
\$1,000,000 to \$2,499,999	0.68	3.37	77.25	76.43
\$2,500,000 or more	0.33	2.97	75.78	83.62

At the same revenue, enterprises owned by recent immigrants have employees more often than enterprises owned by non-immigrants in the four groups from \$30,000 to \$2,499,999; the shares are close below \$30,000 (3.60% compared with 3.82%) and lower at \$2,500,000 or more (75.78% compared with 83.62%), a group that holds 0.33% of recent-immigrant enterprises. The gap comes from where they stand on revenue: 66.71% of recent-immigrant enterprises earn less than \$30,000, and 5.44% earn \$250,000 or more, compared with 56.57% and 16.83% of non-immigrant enterprises. The within-revenue effect is positive in each year (2019: +2.73 pp; 2020: +2.09 pp; 2021: +2.17 pp) and with non-immigrant weights in place of recent-immigrant weights (pooled +2.31 pp); these values were recomputed independently.

The industry result (section 3.2) and the revenue result fit together: within the same industries, recent-immigrant enterprises are smaller by revenue, and at a given revenue between \$30,000 and \$2,499,999 they hire more often (section 3.6).

3.7 Since 2021: Labour Force Survey

The census-linked tables end in 2021. The Labour Force Survey public use microdata (Statistics Canada, 71M0001X) report, each month, whether a self-employed worker has paid help, with immigrant status grouped as landed 10 years or less, more than 10 years, and non-immigrant. This is a measure of persons, not enterprises, and its recent group is wider. Used as a check, it shows the same direction for 2019-2021: the share with paid help is lower for immigrants landed 10 years or less

(20.55%) than for non-immigrants (28.61%), and higher in Prince Edward Island (40.64% compared with 36.09%) and Saskatchewan (31.64% compared with 27.91%).

Table 6. Self-employed with paid help, Labour Force Survey (%)

Period	Landed 10 years or less	Non-immigrants	Gap (pp)
2019-2021	20.55	28.61	-8.06
2022-2023	21.71	28.11	-6.40
2024 to September 2026	18.11	26.55	-8.44

The share for recent immigrants fell from 21.71% in 2022-2023 to 18.11% in 2024 to September 2026 (approximate 95% intervals 20.62 to 22.80 and 17.32 to 18.90). In Saskatchewan the higher share for recent immigrants continues in 2024 to September 2026 (33.76% compared with 26.81%); in Prince Edward Island it is no longer visible (31.04% compared with 36.29%, from 468 recent-immigrant respondents, with overlapping intervals). Intervals use a design effect of 2 because the public file has no bootstrap weights; all values were recomputed independently.

3.8 Financing

The 2020 Survey on Financing and Growth of Small and Medium Enterprises (tables 33-10-0433 and 33-10-0429) reports that 89.2% of debt financing requests by small and medium enterprises with foreign-born owners were approved, compared with 93.3% for Canada-born owners. Among enterprises that did not request financing, 9.5% of those with foreign-born owners gave a discouraged reason (expected refusal, too difficult, or unaware of available sources), compared with 7.1%; being unaware of financing sources was the largest of these reasons (4.9% compared with 3.1%). The survey covers small and medium enterprises and is reported here as published; it is a separate population from the census-linked tables.

3.9 Business age

The census-linked tables do not report how long an enterprise has existed. The Labour Force Survey reports, for each self-employed person, the months in the current job (TENURE, top-coded at 240), which for an owner is the time running the business. Pooled over January 2019 to September 2026, 19.81% of self-employed immigrants landed 10 years or less earlier had paid help, compared with 27.77% of self-employed non-immigrants (-7.96 pp).

Their businesses are younger: 49.29% had run their business for less than three years, compared with 21.51% of non-immigrants (Table 7). At equal business age the shares are close in the first years and diverge later: 10.86% compared with 10.77% in the first year, 17.00% compared with 16.57% in years two and three, 24.41% compared with 27.61% in years five to nine. Reweighting non-immigrants to the business-age distribution of the recent group (direct standardisation over five bands) gives 20.75% and a gap of -0.94 pp; with yearly bands, -0.73 pp. The standardised gap is -0.77 pp in 2019-2021, +0.43 pp in 2022-2023 and -1.64 pp in 2024-2026, where the gap in years five to nine is wider (21.48% compared with 26.44%). Outside transportation and warehousing, the standardised gap is +1.53 pp. These values were recomputed independently from the public files. Standardisation describes how much of the gap goes with business age; it is not a causal estimate, and businesses observed at older ages are those that survived.

Table 7. Self-employed with paid help by years in business, January 2019 to September 2026 (%)

Years in business	Distribution, recent	Distribution, non-immigrants	With paid help, recent	With paid help, non-immigrants
Under 1	17.66	7.98	10.86	10.77
1 to 2	31.63	13.53	17.00	16.57
3 to 4	20.04	10.56	21.19	22.37
5 to 9	21.53	18.66	24.41	27.61
10 or more	9.15	49.27	33.00	34.82

Two other explanations were tested and do not account for the gap. Hours: fewer self-employed recent immigrants work under 20 hours a week (9.83% compared with 14.93%), and reweighting by hours widens the gap (-8.73 pp). Second jobs:

6.31% of self-employed recent immigrants hold more than one job, compared with 7.73%. Among owners working under 30 hours, 37.75% of recent immigrants give business conditions or a lack of full-time work as the reason, compared with 17.65% of non-immigrants.

3.10 Transportation and warehousing

On Table 33-10-0855, transportation and warehousing holds 148,770 recent-immigrant enterprises, 32.5% of those classified by industry; 70.23% of them earn less than \$30,000, compared with 47.41% of non-immigrant enterprises in the industry. Without this industry, the national gap is -3.05 pp instead of -5.04 pp.

3.11 Businesses three to nine years old

Among self-employed owners whose business is three to nine years old (TENURE 36 to 119 months), 22.85% of recent immigrants had paid help, compared with 25.72% of non-immigrants. The difference concentrates among owners working 50 hours a week or more: 28.37% compared with 43.28% (2019-2021: 30.43% compared with 43.75%; 2022-2023: 33.85% compared with 44.21%; 2024-2026: 23.05% compared with 41.97%). In Montreal, Toronto and Vancouver at those hours the shares are 23.81% and 44.66%. Outside the three largest metropolitan areas the gap at 50 hours or more is smaller (34.20% compared with 42.76%). At all hours, outside those areas, the shares are 26.21% and 26.46% for January 2019 to September 2026 as a whole; by period, 28.06% and 27.50% in 2019-2021, 29.79% and 26.89% in 2022-2023, and 22.76% and 25.05% in 2024-2026. Among incorporated businesses of this age (overall 36.49% compared with 46.56%), the share in construction is 40.27% compared with 57.40%, and in transportation and warehousing 22.06% compared with 39.25%. Women owners show no gap (19.53% compared with 18.55%). Standardising this stage group for incorporation, industry and hours leaves a gap of -5.40 pp. The wider gap at 50 hours or more in 2024-2026 and the change outside the three largest metropolitan areas in the same years are not explained by these data.

3.12 Obstacles and outside advice

In the Canadian Survey on Business Conditions for the third quarter of 2026 (Table 33-10-1179), businesses majority-owned by immigrants more often expected these obstacles than all businesses: increasing competition (29.4% compared with 19.8%), insufficient demand (22.2% compared with 15.4%), obtaining financing (14.0% compared with 8.6%) and lack of financial resources (18.9% compared with 12.4%); recruiting skilled employees was expected equally often (25.3% compared with 25.1%). In the 2020 Survey on Financing and Growth of Small and Medium Enterprises (Table 33-10-0457), 42.8% of enterprises whose primary decision maker was born outside Canada had hired an external consultant in the previous three years, compared with 47.5% of those whose decision maker was born in Canada.

4. The first-hire ladder

The revenue result can be read as a ladder with three rungs. Each rung shows where enterprises stand and how many of them have employees (Table 8).

Table 8. The first-hire ladder, pooled 2019-2021 (%)

Rung (yearly revenue)	Recent-immigrant enterprises on the rung	Non-immigrant enterprises on the rung	Employer share, recent immigrants	Employer share, non-immigrants
1. Less than \$30,000	66.71	56.57	3.60	3.82
2. \$30,000 to \$249,999	27.85	26.60	27.17	19.18
3. \$250,000 or more	5.44	16.83	66.40	67.49

On each rung the two groups are close or recent immigrants are ahead; the difference lies in how many stand on the first rung. The ladder gives programs, funders and lenders one measure in place of two: where a participant's business stands on revenue, and whether it moves up. A move from the first to the second rung goes with an employer share of 27.17% instead of 3.60% for recent-immigrant enterprises.

5. Discussion

5.1 Two readings of the revenue result

Revenue and employees depend on each other: employees produce sales. Comparing enterprises at equal revenue therefore allows two readings. In the first, sales grow and then the business hires. In the second, newcomer businesses need more labour for the same sales, so at equal revenue more of them have employees. Published estimates allow a bound on the second reading: among firms with fewer than five employees, labour productivity of immigrant-majority firms is 8.8% lower (Liu, Lu, Zhang and Zhong, 2025). That is about 9.6% more labour at equal revenue; with the rise of the employer share across revenue groups for non-immigrant enterprises, it accounts for 0.51 to 2.30 pp of the 7.99 pp advantage at \$30,000 to \$249,999. The bound uses a different population (employer firms in 2001-2020) and is illustrative; it indicates that lower productivity explains part of the advantage, and the rest remains.

A study of Danish solo entrepreneurs found that sales growth precedes the hiring of a first employee (Coad, Nielsen and Timmermans, 2016). Whether the same order holds for newcomer businesses in Canada requires firm histories, which the published tables do not provide.

5.2 Why so many newcomer businesses stay on the first rung

The tables do not show the reasons. Published research gives candidate explanations: "Immigrants, particularly refugees and the family class, have more difficulty locating suitable paid employment than the Canadian-born population and are more likely to turn to self-employment as a result" (Picot and Ostrovsky, 2021); the owner's education, knowledge of official languages and previous business experience are correlated with firm productivity (Liu, Lu, Zhang and Zhong, 2025); and in the 2020 financing survey more foreign-born owners were unaware of available financing sources (section 3.8). Business age (section 3.9) adds a simpler candidate: a recent immigrant's business is young, and young businesses of any owner rarely have employees; immigrant-owned private incorporated companies are also younger than others, and their difference in job creation narrows substantially once firm age is taken into account (Picot and Rollin, 2019). Groups defined by years since admission are different people, and the date of admission does not include time spent in Canada before permanent residence.

5.3 What published evaluations say works

Evaluations of support for small firms give a short list. In a randomized trial in Mexico, a year of subsidised consulting for firms with about 14 employees and slightly over 10 years of age was followed by 44% more employees in social security records two to three years later (Bruhn, Karlan and Schoar, 2018). A randomized voucher for business advice offered to 15,207 British firms raised turnover by 8.2% at 12 months, an effect gone at 24 months, and had no effect on employment (Nunez-Chaim, Overman and Riom, 2024). Business training raises profits and sales by 5-10% on average (McKenzie, 2021). In Canada, a Statistics Canada matched comparison of BDC clients found that immigrant entrepreneurs who received financing and advisory services in 2020 had employment growth 13.5 pp higher over 2020-2021 than similar non-clients, and 5.4 pp higher with financing alone (BDC, 2025). A temporary French hiring credit for firms with fewer than ten employees raised their employment growth by 0.8 pp, with about 84% of subsidised hires estimated to have happened anyway (Cahuc, Carcillo and Le Barbanchon, 2019); a Finnish subsidy for a firm's first employee had a take-up of 2% and an estimated effect of zero (Nivala, 2024). Sustained one-to-one advice, alone or with financing, is the support most often followed by more employees; it has not been tested for newcomer businesses in Canada.

6. Conclusions

It was established that: 1. businesses owned by recent immigrants have employees less often than businesses owned by non-immigrants (13.58% compared with 18.62%, 2019-2021), and Labour Force Survey data to September 2026 show the same direction; 2. the gap arises within industries and comes from revenue: two in three recent-immigrant enterprises earn less than \$30,000; 3. with \$30,000 to \$2,499,999 of revenue, recent-immigrant enterprises have employees more often than non-immigrant enterprises; at \$30,000 to \$249,999, published productivity estimates explain only part of this advantage (the bound was not computed for higher groups); 4. Prince Edward Island and Saskatchewan are exceptions; there, most recent-immigrant self-employed workers with paid help were admitted in the economic category (165 of 170 and 570 of 685, compared with 12,265 of 21,035 in Canada). 5. in the Labour Force Survey, most of the gap goes with business age: at equal business age the gap is -0.94 pp instead of -7.96 pp, and shares are close in the first three years of a business; the remaining

gap sits in years five to nine; 6. transportation and warehousing holds about three in ten recent-immigrant enterprises, most of them under \$30,000 of revenue, and accounts for about two-fifths of the national gap. 7. among owners whose business is three to nine years old, the gap is largest for those working 50 hours a week or more (28.37% compared with 43.28%) and widened in 2024-2026; businesses majority-owned by immigrants more often expect competition, weak demand and financing as obstacles, and as often expect difficulty recruiting.

Practical value. For programs that train entrepreneurs, the result moves the target from hiring to revenue. For funders, the first-hire ladder is a measure of progress that can be reported each year. For lenders, it shows where newcomer businesses stand when they first need credit.

Recommendations, each to be tested: 1. measure where participants' businesses stand on the ladder, and report moves between rungs; 2. direct support at the step from the first to the second rung (customers, pricing, sales channels), where most newcomer businesses stand; 3. make financing sources known to newcomer owners, since lack of awareness was their largest reason for not applying; 4. support owners' business education and language, which are correlated with firm productivity. 5. compare newcomer businesses with businesses of the same age, and direct sustained one-to-one advice, with financing where needed, at owners in years three to nine who work the longest hours, in the three largest cities, in construction and transportation.

Limitations. The tables are cross-sections; the owner is one person per enterprise; counts are rounded; 2020 is a pandemic year; the Labour Force Survey measures persons, not enterprises; the productivity bound uses another population; business age in the Labour Force Survey is the tenure of the self-employed person in the current job, top-coded at 20 years, and its recent group is landed 10 years or less; whether the provincial exceptions hold within each admission category remains to be tested.

Further research. Firm histories (Statistics Canada's linked business and employee data, available in research data centres) would show whether sales growth precedes the first hire for newcomer businesses, and an evaluation of programs by moves on the ladder would show which support works.

7. Data and code

All data are public Statistics Canada tables and microdata files listed in the references. The analysis code and the tables of results are available from CFIR on request.

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Figures

Figure 1. Employer share of enterprises by owner group, Canada, 2019-2021 pooled (%)



Figure 2. Gap in employer share, recent immigrants minus non-immigrants (percentage points)

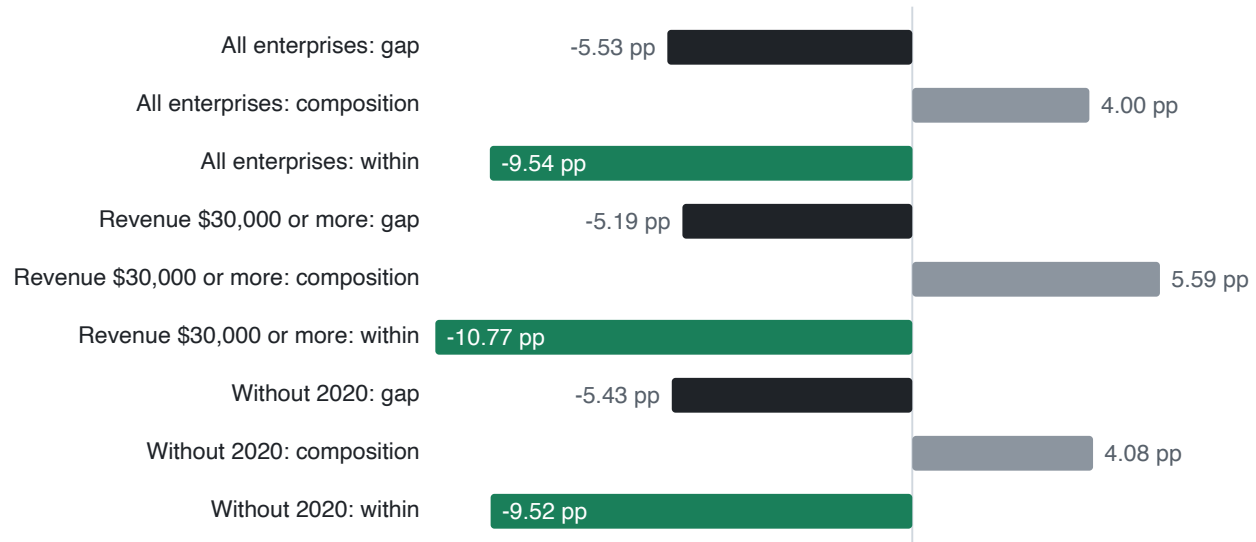
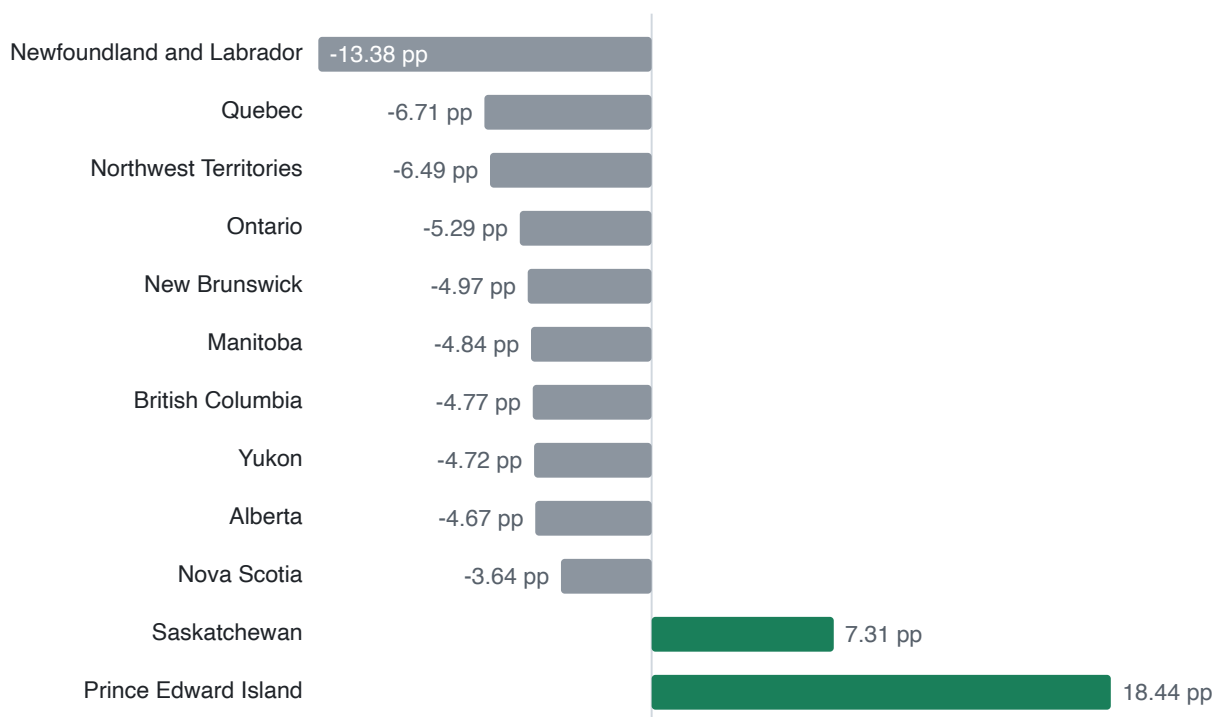
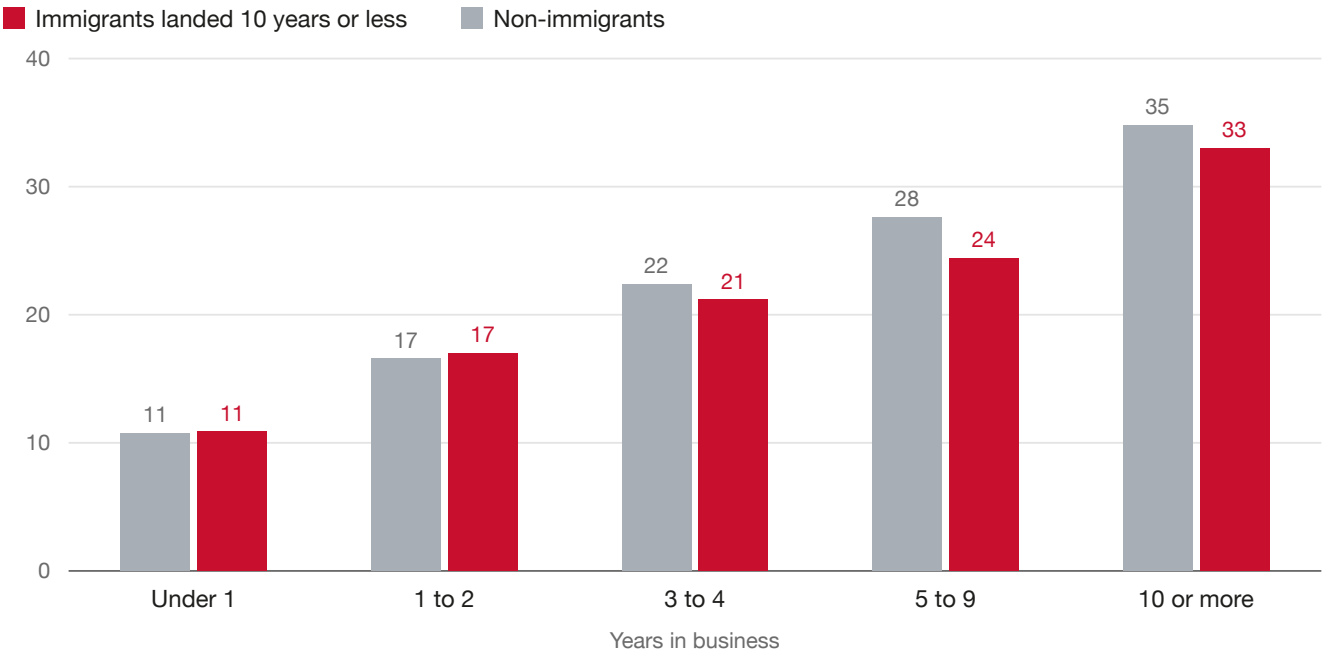


Figure 3. Gap in employer share by province or territory, 2019-2021 pooled (percentage points)



Same age, same odds

Canada, self-employed with paid help, by years in business, %, January 2019 to September 2026



Source: Statistics Canada, Labour Force Survey public use microdata; CFIR calculations