

# Canadian Franchise Industry Economic Outlook 2018

February 2018

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PREVIEW**

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Prepared for:  
Canadian Franchise Association

**CANADIAN CENTRE FOR  
ECONOMIC ANALYSIS**

An independent study conducted on behalf of:



#### **ABOUT CANADIAN FRANCHISE ASSOCIATION**

The Canadian Franchise Association (CFA) helps everyday Canadians realize the dream of building their own business through the power of franchising. CFA advocates on issues that impact this dream on behalf of more than 700 corporate members and over 40,000 franchisees from many of Canada's best-known and emerging franchise brands. Beyond its role as the voice of the franchise industry, CFA strengthens and develops franchising by delivering best-practice education and creating rewarding connections between Canadians and the opportunities in franchising. Founded in 1967, CFA consistently advances and supports the franchise community, and is the essential resource for information, insight, and expertise through its award-winning education, events, services, and websites: [www.cfa.ca](http://www.cfa.ca) and [FranchiseCanada.online](http://FranchiseCanada.online).

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# EXECUTIVE SUMMARY

## NATIONAL OUTLOOK

In 2018, the economic outlook of the Canadian franchise industry is estimated to grow by 2.76% (+\$2.66 billion), increasing its total franchise-related GDP contribution to \$99.0 billion. As illustrated in Table 1, the total number of franchise establishments in Canada is projected to grow by 0.69% in 2018 to a total of 75,765 franchise establishments. Furthermore, the Canadian franchise industry’s contribution to federal and provincial tax revenue is estimated to increase by 3.12% (+\$494 million) to \$16.3 billion and by 3.03% (+\$322 million) to \$10.9 billion, respectively, in 2018. The growth in tax revenue is slightly higher than GDP due to the relatively large contribution of labour input (wages) to the output of franchise sectors which are growing, along with the growth of franchises in higher tax regions.

Total franchise-related employment in the country is estimated to grow by 0.74% to 1.86 million jobs (1.53 million FTEs) in 2018 (an equivalent to 14,000 new jobs, 11,000 of which are directly due to franchises in 2018). This represents 5.38% of the new jobs that the Canadian economy, as a whole, is estimated to add in 2018, with a growth of 1.46% (equivalent to 260,000 new jobs). Growth in employment is subsequently associated with a 2.75% increase in the total franchise-related wages to \$62.9 billion (an increase of \$1.69 billion in wages over the coming year). Total franchise-related employment growth is primarily driven by full-time employment, which is estimated to increase by 0.94% (+12,300 new jobs) to 1.32 million jobs while part-time employment is estimated to grow by 0.23% (+1,300 new jobs) to 538,000.

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