

The Economic Contribution of the Canadian Franchise Industry

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Prepared for:
Canadian Franchise Association

**CANADIAN CENTRE FOR
ECONOMIC ANALYSIS**

The Economic Contribution of the Canadian Franchise Industry

An independent study conducted on behalf of:



ABOUT CANADIAN FRANCHISE ASSOCIATION

The Canadian Franchise Association is the recognized authority on franchising in Canada. CFA is the indispensable resource for the franchise community and advocates on behalf of franchisors and franchisees in Canada to enhance and protect the franchise business model. CFA promotes excellence in franchising and educates Canadians about franchising, specific franchise opportunities and proper due diligence through its many events, programs, publications, and websites (www.cfa.ca).

As the only national trade association serving the franchise industry, the CFA is a one-stop resource for franchisors, franchisees, and anyone considering new business opportunities in the franchise sector. CFA was founded in 1967 by a group of franchisors who saw a need for a national organization committed to the growth, enhancement, and development of excellence in franchising in Canada. CFA's wealth of knowledge flows, in part, from its prominent role in the nation's business community.

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About the Report

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This information is not intended as specific investment, accounting, legal or tax advice.

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FINDINGS AT A GLANCE

With over 78,000 franchises and an estimated over 1,300 franchise brands in Canada across a broad spectrum of industries, the Canadian franchise industry contributes significantly to the Canadian economy. Moreover, Canadian franchises represents an deep-rooted and growing proportion of the Canadian economy with just over 60% of Canadian Franchise Association (CFA) members representing brands that have been operating in Canada for at least 11 years or more and over the past five years, the number of franchise brands has grown 22%, with the number of Canadian units, both franchised and corporate, has increased 8% over the same period of time.

NATIONAL RESULTS

Below, we provide an overview of the results of the analysis looking into the economic contribution of the Canadian franchise industry.

GDP	Canadian franchises contribute, on average, a total of \$96 billion per year to the Canadian GDP representing almost 5% of the Canadian economy .
JOBS	Total employment due to the Canadian franchise industry accounts for 1.5 million jobs (full-time equivalents) representing \$61 billion in Canadian household wages.
GOS	Canadian franchises are also responsible for generating \$35 billion in gross operating surplus.
TAX	Canadian franchises generate \$16 billion in federal taxation revenue and \$10.6 billion in provincial taxation revenue. Federal taxation revenue generated by Canadian franchises represents 6.4% of the total federal taxation revenue.

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