

ALGOMA WORKFORCE INVESTMENT CORPORATION

ALGOMA BUSINESS AND LABOUR MARKET TRENDS REPORT

BUSINESS, SELF-EMPLOYMENT, AND WORKFORCE TRENDS

COMPARATIVE ANALYSIS: JUNE 2024 - JUNE 2025





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DISCLAIMER

This report has been prepared by the Algoma Workforce Investment Corporation (AWIC) using the most recent data available at the time of publication. While every effort has been made to ensure accuracy, the information presented is subject to change and may be impacted by data limitations, reporting timelines, or revisions from source providers.

The findings and analysis are intended for informational and planning purposes only and should not be interpreted as definitive forecasts or guarantees of future economic or labour market conditions.

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METHODOLOGY AND DATA SOURCE

Data for this report is based on Canadian Business Pattern statistics as of June 2025 and June 2024, covering all registered businesses in the Algoma region. Businesses are classified according to 2-digit NAICS codes and grouped by the following employee size categories:

Notes on Terminology

- Non-employer businesses are typically sole proprietorships or self-employed individuals without paid employees.
- Micro and small businesses (1–9 employees) represent the majority of establishments in most regional economies and play an important role in local service delivery and entrepreneurship.
- Small-medium and medium businesses (10–49 employees) often represent growing companies that contribute significantly to local employment.
- Large and very large businesses (100+ employees) are usually major institutions or corporations that provide a substantial share of total employment within a region.
- Major enterprises (500+ employees) are relatively rare in smaller regions but serve as key anchor employers within local labour markets.[1]

1 Statistics Canada. Canadian Business Counts and Business Register – Classification of Businesses by Employment Size.

EXECUTIVE SUMMARY

Across Algoma, business trends reveal a labour market that is not uniform, but instead shaped by local economic conditions, population size, and industry mix. While some communities are experiencing growth driven by self-employment and service sectors, others are facing stability or contraction, particularly in employer-based job creation.

This report is intended to support evidence-based decision-making by providing insights into business trends, workforce dynamics, and sector shifts across Algoma. It helps inform workforce planning, economic development strategies, and investment decisions, particularly in understanding where growth is occurring and where challenges exist.

Sault Ste. Marie continues to act as the region's primary growth centre, with total businesses increasing by +3.2%, driven almost entirely by non-employer businesses (+5.0%), which now represent 63% of all businesses. Growth is concentrated in sectors such as health care, professional services, and transportation, reflecting a shift toward flexible, contract-based, and entrepreneurial business models.

East Algoma experienced a slight decline in total businesses (-1.4%), with decreases in both self-employment (-0.7%) and employer businesses (-2.2%). The local labour market remains relatively stable but shows limited growth momentum, with small declines across most business sizes and sectors. Growth is modest and concentrated in a few service areas, suggesting ongoing challenges in business expansion and workforce development.

North Algoma saw a more pronounced contraction (-3.5%), driven primarily by a decline in non-employer businesses (-7.7%), indicating reduced self-employment activity. While employer businesses remained stable overall (+0.6%), growth was limited and not widespread. This points to a tight and constrained labour market, with fewer opportunities for both independent work and business growth.

Across all regions, employer business growth was modest, with gains concentrated in construction, administrative services, and logistics, and declines observed in sectors such as retail, health care, and accommodation services. A consistent pattern is emerging across Algoma, with fewer businesses in the small-to-mid-size range (5–49 employees), indicating ongoing challenges in business scaling and workforce capacity.

- ✓ Self-employment is the primary engine of regional growth, underscoring a shift toward independent and low-employment business models.
- ✓ The "missing middle" is evident: 5–9 and 20–49 employee firms declined, while 10–19 and 50–99 employee firms grew, indicating some progression toward larger but still mid-size organizations.
- ✓ Growth in non-employer sectors is strongest in health care, real estate, professional services, transportation, and administrative support. Real estate remains a major source of self-employment growth.

These trends highlight the need for targeted strategies to:

- ✓ Support business scaling and expansion
- ✓ Strengthen workforce attraction and retention
- ✓ Encourage sector diversification, particularly in smaller communities

Ensuring balanced growth across the region will be critical to maintaining long-term economic resilience and sustainable employment opportunities.

BUSINESS LANDSCAPE IN ALGOMA

Algoma's business landscape experienced modest overall growth between June 2024 and June 2025, increasing from 7,368 to 7,525 businesses (+2.1%). However, this growth was entirely driven by non-employer (self-employed) businesses, which rose by 163 firms (+3.6%), while the number of employer businesses remained essentially unchanged. 62% of all businesses in Algoma are self-employed operations, reinforcing the region's entrepreneurial and small-scale business structure.

This trend highlights a continued shift toward entrepreneurship, independent work, and micro-enterprise activity, rather than expansion in traditional employer-based business structures.

BUSINESS COMPOSITION

CATEGORY	JUNE 2024	JUNE 2025	CHANGE	% CHANGE
Total Businesses	7,368	7,525	+157	+2.1%
Without Employees	4,538 (62%)	4,701 (62%)	+163	+3.6%
With Employees	2,830	2,824	-6	-0.2%

Self-employment accounts for 100% of net business growth, reinforcing a shift toward independent and low-employment business models.

BUSINESS SIZE DISTRIBUTION (EMPLOYER FIRMS)

While the total number of employer businesses remained stable, notable internal shifts occurred across firm sizes, suggesting structural changes in how businesses are growing—or struggling to grow.

Small Business Breakdown

SIZE	2024	2025	CHANGE	% CHANGE
1–4 employees	1,203	1,217	+14	+1.2%
5–9 employees	631	603	-28	-4.4%
10–19 employees	499	531	+32	+6.4%
20–49 employees	326	286	-40	-12.3%

Larger Employers

SIZE	2024	2025	CHANGE	% CHANGE
50–99 employees	94	111	+17	+18.1%
100–199 employees	56	56	0	0.0%
200–499 employees	13	9	-4	-30.8%
500+ employees	8	11	+3	+37.5%

- Micro-businesses (1–4 employees) remain the largest employer category, with 1,217 firms (16% of all businesses) and modest growth (+1.2%).
- Mid-sized small businesses are declining, particularly:
    - 5–9 employees (-28, -4.4%)
    - 20–49 employees (-40, -12.3%)

This reflects a “missing middle” challenge, where businesses may be:
- Struggling to scale
- Facing labour shortages
- Limited by capital or market conditions
    - Growth in 10–19 employee firms (+32, +6.4%) suggests some businesses are successfully transitioning out of the micro stage.
    - Increase in 50–99 employee firms (+17, +18.1%) indicates expansion among more established companies.
- Larger employers (100+ employees) remain stable overall:
    - No growth in 100–199
    - Decline in 200–499 (-30.8%)
    - Increase in 500+ (+37.5%, small base)

Algoma’s business structure is becoming increasingly polarized, with growth concentrated in very small firms and some larger employers, while mid-sized businesses have declined over the year.

NON-EMPLOYER BUSINESSES – WITHOUT EMPLOYEES

Between June 2024 and June 2025, non-employer businesses in Algoma increased by +163 (+3.6%), driving all net business growth in the region. This growth, however, varies significantly by sector, highlighting where Non-employer businesses (self-employed, 0 employees) are expanding and where it is declining.

SECTORS SHOWING GROWTH (WITHOUT EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Health Care & Social Assistance	423	477	+54	+12.8%
Real Estate & Rental	1,382	1,433	+51	+3.7%
Professional Services	351	381	+30	+8.5%
Transportation & Warehousing	235	261	+26	+11.1%
Other Services	366	388	+22	+6.0%
Administrative & Support	106	119	+13	+12.3%

- Health Care (+12.8%) and Administrative & Support (+12.3%) show strong expansion, reflecting increased demand for independent and contract-based services
- Transportation (+11.1%) and Professional Services (+8.5%) highlight growth in flexible and gig-based work models
- Real Estate (+51) continues to be the largest contributor to self-employment growth by volume

SECTORS IN DECLINE (WITHOUT EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Retail Trade	244	222	-22	-9.0%
Construction	385	371	-14	-3.6%
Finance & Insurance	310	298	-12	-3.9%
Educational Services	36	31	-5	-13.9%
Accommodation & Food Services	186	184	-2	-1.1%
Agriculture, Forestry, Fishing	217	216	-1	-0.5%

- Retail (-9.0%) shows the largest drop, suggesting fewer independent operators and possible consolidation
- Construction (-3.6%) contrasts with growth in employer firms, indicating a shift toward larger or more structured operations
- Finance (-3.9%) and Education (-13.9%) suggest reduced self-employment activity in these sectors

Growth in non-employer businesses is concentrated in health care, real estate, and professional services, while declines are seen in retail, construction, and finance. This indicates a shift toward service-based, knowledge-driven, and contract-oriented work, alongside consolidation in more traditional sectors.

EMPLOYER BUSINESSES – WITH EMPLOYEES

Between June 2024 and June 2025, the number of employer businesses in Algoma remained stable overall (-6 businesses / -0.2%). Despite growth in several sectors, total employer businesses declined slightly (-0.2%), indicating that losses in other industries offset gains.

SECTORS SHOWING GROWTH (WITH EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Construction	331	341	+10	+3.0%
Administrative & Support	134	141	+7	+5.2%
Educational Services	21	24	+3	+14.3%
Transportation & Warehousing	93	96	+3	+3.2%
Wholesale Trade	81	83	+2	+2.5%

- Growth is concentrated in a few sectors, led by construction (+3.0%) and administrative & support (+5.2%), with smaller gains in transportation (+3.2%) and wholesale (+2.5%), suggesting targeted expansion in infrastructure, logistics, and support services.
- Educational services recorded the strongest percentage growth (+14.3%), though from a smaller base, indicating emerging but limited sector expansion.

SECTORS IN DECLINE (WITH EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Health Care & Social Assistance	377	367	-10	-2.7%
Real Estate & Rental	132	126	-6	-4.5%
Retail Trade	479	473	-6	-1.3%
Professional Services	198	195	-3	-1.5%
Accommodation & Food Services	263	261	-2	-0.8%
Mining & Extraction	10	9	-1	-10.0%
Arts, Entertainment & Recreation	48	47	-1	-2.1%

- Declines are more widespread across service-based industries, particularly in health care (-2.7%), real estate (-4.5%), and retail (-1.3%), pointing to consolidation and restructuring within key employment sectors.
- Professional services (-1.5%) and accommodation (-0.8%) also declined, reinforcing broader pressures across sectors that traditionally support local employment.

In several sectors, including health care and real estate, declines in employer businesses are occurring alongside strong growth in self-employment. This indicates a structural shift in how services are delivered, rather than a decline in overall sector activity.

BUSINESS LANDSCAPE IN EAST ALGOMA

This data includes the communities of Bruce Mines, Thessalon, Blind River, Elliot Lake and Spanish.

Between June 2024 and June 2025, the total number of businesses in East Algoma declined slightly from 956 to 943 (-13 businesses; -1.4%). While the overall change was modest, the data reflect a relatively stable business base with minor shifts in composition and firm size.

Unlike other areas, self-employment remained largely unchanged (-0.7%), indicating limited movement toward sole proprietorship and independent business activity.

Declines in employer businesses (-2.2%), particularly among smaller firms, point to ongoing challenges in sustaining and growing local employment opportunities. While some sectors, such as administrative services, are expanding, growth is not widespread across the economy.

East Algoma's labour market is steady but constrained, with limited growth in both self-employment and employer-based opportunities, and ongoing challenges in scaling businesses and creating jobs between 2024 and 2025.

BUSINESS COMPOSITION

CATEGORY	JUNE 2024	JUNE 2025	CHANGE	% CHANGE
Total Businesses	956	943	-13	-1.4%
Without Employees	553	549	-4	-0.7%
With Employees	403	394	-9	-2.2%

Non-employer businesses remain stable at 58% of all businesses, indicating a balanced mix of self-employment and employer-based firms compared to other regions.

BUSINESS SIZE DISTRIBUTION (EMPLOYER FIRMS)

Small Business Breakdown

SIZE	2024	2025	CHANGE	% CHANGE
1–4 employees	194	186	-8	-4.1%
5–9 employees	84	82	-2	-2.4%
10–19 employees	65	64	-1	-1.5%
20–49 employees	39	36	-3	-7.7%

Larger Employers

SIZE	2024	2025	CHANGE	% CHANGE
50–99 employees	12	17	+5	+41.7%
100–199 employees	8	8	0	0.0%
200–499 employees	1	1	0	0.0%
500+ employees	0	0	0	–

- Declines are concentrated across small and mid-sized firms, with decreases in 1–4 (-4.1%), 5–9 (-2.4%), 10–19 (-1.5%), and 20–49 (-7.7%), indicating reduced capacity for business growth and employment expansion.
- The most notable contraction is in the 20–49 employee category (-7.7%), reinforcing challenges in scaling businesses into mid-sized, job-generating operations.
- Growth is isolated to the 50–99 employee category (+41.7%), suggesting expansion among a small number of larger employers rather than broad-based growth.
- No change in 100+ employee categories (0.0%) indicates limited movement among larger firms, with stability rather than expansion at the upper end.

NON-EMPLOYER BUSINESSES (WITHOUT EMPLOYEES)

Overall self-employment declined slightly (-0.7%), indicating limited change in independent business activity across the region.

SECTORS SHOWING GROWTH (WITHOUT EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Construction	53	58	+5	+9.4%
Transportation & Warehousing	33	38	+5	+15.2%
Administrative & Support	20	23	+3	+15.0%
Manufacturing	8	11	+3	+37.5%

- Growth is concentrated in a few sectors, particularly transportation (+15.2%), construction (+9.4%), and administrative & support (+15.0%), reflecting demand for contract-based and service-oriented work.
- Manufacturing (+37.5%) shows the highest percentage increase, though from a small base, suggesting an emerging niche or specialized independent activity.

SECTORS IN DECLINE (WITHOUT EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Retail Trade	48	39	-9	-18.8%
Real Estate & Rental	132	129	-3	-2.3%
Health Care & Social Assistance	41	40	-1	-2.4%
Information & Cultural	3	2	-1	-33.3%

- Declines are most significant in retail (-18.8%), indicating reduced viability or consolidation among independent operators in this sector.
- Real estate (-2.3%) and health care (-2.4%) show modest declines, suggesting stabilization following previous growth.
- Information & cultural (-33.3%) declined sharply, though small in scale, reflecting volatility in smaller sectors.

EMPLOYER BUSINESSES (WITH EMPLOYEES)

SECTORS SHOWING GROWTH (WITH EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Administrative & Support	18	24	+6	+33.3%
Other Services	45	48	+3	+6.7%
Finance & Insurance	20	21	+1	+5.0%
Wholesale Trade	4	5	+1	+25.0%
Public Administration	11	12	+1	+9.1%

SECTORS IN DECLINE (WITH EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Construction	47	39	-8	-17.0%
Health Care & Social Assistance	53	50	-3	-5.7%
Transportation & Warehousing	9	7	-2	-22.2%
Accommodation & Food Services	40	38	-2	-5.0%
Retail Trade	74	73	-1	-1.4%

- Growth is concentrated in a small number of service sectors, led by administrative & support (+33.3%), indicating increased demand for business support and outsourced services.
- Moderate gains in other services (+6.7%), finance (+5.0%), and public administration (+9.1%) suggest incremental expansion in service-oriented and institutional sectors.
- Wholesale trade (+25.0%) shows strong percentage growth, though from a small base, reflecting limited but targeted expansion.
- Declines are more pronounced in key employment sectors, particularly construction (-17.0%) and transportation (-22.2%), indicating reduced employer capacity in trades and logistics.
- Health care (-5.7%) and accommodation (-5.0%) also declined, pointing to pressures in sectors that traditionally support local employment.
- Retail (-1.4%) shows continued softening, consistent with broader consolidation trends.

Employer trends indicate a labour market where job creation is uneven, with growth in select service areas but declines in sectors that traditionally provide broader employment opportunities.

BUSINESS LANDSCAPE IN SAULT STE. MARIE

Between June 2024 and June 2025, the total number of businesses in Sault Ste. Marie increased from 5,108 to 5,269 (+161 businesses; +3.2%). Growth was driven almost entirely by non-employer businesses, reinforcing a continued shift toward self-employment and sole proprietorship businesses. Non-employer businesses now represent 63% of all businesses.

The local labour market is growing but evolving, with more people working independently and fewer relying on traditional employer-based roles for employment.

BUSINESS COMPOSITION

CATEGORY	JUNE 2024	JUNE 2025	CHANGE	% CHANGE
Total Businesses	5,108	5,269	+161	+3.2%
Without Employees	3,178	3,338	+160	+5.0%
With Employees	1,930	1,931	+1	+0.1%

BUSINESS SIZE DISTRIBUTION (EMPLOYER FIRMS)

Small Business Breakdown

SIZE	2024	2025	CHANGE	% CHANGE
1–4 employees	757	771	+14	+1.8%
5–9 employees	445	425	-20	-4.5%
10–19 employees	358	387	+29	+8.1%
20–49 employees	243	211	-33	-13.2%

Larger Employers

SIZE	2024	2025	CHANGE	% CHANGE
50–99 employees	69	79	+10	+14.5%
100–199 employees	41	41	0	0%
200–499 employees	9	7	-2	-22.2%
500+ employees	8	10	+2	+25.0%

- Total businesses increased by +3.2%, driven almost entirely by non-employer growth (+5.0%), while employer businesses remained flat (+0.1%), indicating limited impact on job creation.
- Declines in the 5–9 (-4.5%) and 20–49 (-13.2%) employee categories highlight ongoing challenges in scaling and reduced capacity for employment growth.
- Growth in 10–19 employees (+8.1%) and 50–99 employees (+14.5%) suggests some businesses are successfully scaling.

NON-EMPLOYER BUSINESSES (WITHOUT EMPLOYEES)

Non-employer businesses increased significantly (+180; +5.0%), driving nearly all business growth.

SECTORS SHOWING GROWTH (WITHOUT EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Health Care & Social Assistance	353	403	+50	+14.2%
Real Estate & Rental	1,123	1,170	+47	+4.2%
Professional Services	270	306	+36	+13.3%
Transportation & Warehousing	150	171	+21	+14.0%
Administrative & Support	61	73	+12	+19.7%
Accommodation & Food Services	77	84	+7	+9.1%

Growth in self-employment was strongest in health care (+14.2%), transportation (+14.0%), and professional services (+13.3%), with additional gains in administrative support (+19.7%) and accommodation services (+9.1%). Real estate also continued to grow at a moderate rate (+4.2%), remaining the largest sector by volume.

SECTORS IN DECLINE (WITHOUT EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Retail Trade	152	138	-14	-9.2%
Construction	235	214	-21	-8.9%
Finance & Insurance	250	237	-13	-5.2%
Agriculture	55	52	-3	-5.5%

Declines in self-employment are concentrated in retail and construction, both of which experienced the most significant proportional decreases (approximately -9%). These sectors are traditionally more sensitive to market conditions, costs, and demand fluctuations, and may be experiencing consolidation or shifts toward different business models.

EMPLOYER BUSINESSES (WITH EMPLOYEES)

SECTORS SHOWING GROWTH (WITH EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Construction	220	232	+12	+5.5%
Accommodation & Food Services	150	155	+5	+3.3%
Transportation & Warehousing	56	60	+4	+7.1%
Administrative & Support	90	91	+1	+1.1%

Employer business growth in Sault Ste. Marie was modest and concentrated in a few sectors, led by transportation (+7.1%) and construction (+5.5%), with smaller gains in accommodation and administrative services. Overall, this indicates targeted expansion in logistics and infrastructure-related industries, while broader employer growth remains limited.

SECTORS SHOWING DECLINE (WITH EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Health Care & Social Assistance	281	275	-6	-2.1%
Retail Trade	334	330	-4	-1.2%
Other Services	192	188	-4	-2.1%
Finance & Insurance	70	69	-1	-1.4%
Manufacturing	62	61	-1	-1.6%

Employer business declines were modest and spread across several sectors, with the largest decreases in health care (-2.1%) and other services (-2.1%), followed by smaller declines in retail and finance. Overall, this suggests slight contraction and stabilization in service-based industries, rather than a significant economic downturn.

BUSINESS LANDSCAPE IN NORTH ALGOMA

This data includes the communities of Wawa, White River and Dubreuilville.

Between June 2024 and June 2025, the total number of businesses in North Algoma declined from 340 to 328 (-12 businesses; -3.5%). This represents a more notable contraction compared to other areas, reflecting a tightening business environment and reduced activity across both employer and non-employer segments.

BUSINESS COMPOSITION

CATEGORY	JUNE 2024	JUNE 2025	CHANGE	% CHANGE
Total Businesses	340	328	-12	-3.5%
Without Employees	168 (49%)	155 (47%)	-13	-7.7%
With Employees	172	173	+1	+0.6%

Unlike other regions, North Algoma saw a decline in self-employment, with non-employer businesses dropping to 47% of all businesses, indicating reduced independent business activity.

BUSINESS SIZE DISTRIBUTION (EMPLOYER FIRMS)

Small Business Breakdown

SIZE	2024	2025	CHANGE	% CHANGE
1–4 employees	67	69	+2	+3.0%
5–9 employees	46	44	-2	-4.3%
10–19 employees	31	32	+1	+3.2%
20–49 employees	20	18	-2	-10.0%

- Small business trends are mixed, with modest growth in 1–4 employees (+3.0%) and 10–19 employees (+3.2%), but declines in 5–9 (-4.3%) and 20–49 (-10.0%), indicating uneven performance across smaller firms.
- The decline in the 20–49 employee category (-10.0%) highlights ongoing challenges in scaling businesses into mid-sized, employment-generating operations.

Larger Employers

SIZE	2024	2025	CHANGE	% CHANGE
50–99 employees	2	7	+5	+250.0%
100–199 employees	3	2	-1	-33.3%
200–499 employees	3	0	-3	-100.0%
500+ employees	0	1	+1	–

- Significant growth in the 50–99 category (+250.0%) reflects expansion among a very small number of firms, rather than widespread growth across the business base.
- Sharp declines in larger employer categories, including 100–199 (-33.3%) and 200–499 (-100.0%), point to contraction or restructuring among larger operations.
- The introduction of a 500+ employer (+1) indicates a new or reclassified large-scale operation

NON-EMPLOYER BUSINESSES (WITHOUT EMPLOYEES)

Non-employer businesses declined significantly (-13; -7.7%), indicating reduced self-employment activity across several sectors.

NON-EMPLOYER BUSINESSES (WITHOUT EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Real Estate & Rental	32	33	+1	+3.1%
Manufacturing	5	6	+1	+20.0%
Wholesale Trade	2	4	+2	+100.0%
Administrative & Support	2	4	+2	+100.0%

SECTORS IN DECLINE (WITHOUT EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Accommodation & Food Services	21	17	-4	-19.0%
Retail Trade	14	10	-4	-28.6%
Transportation & Warehousing	13	10	-3	-23.1%
Construction	12	11	-1	-8.3%
Health Care & Social Assistance	7	6	-1	-14.3%

- Growth is limited and concentrated in a few sectors, including wholesale (+100.0%) and administrative & support (+100.0%), though from very small bases, alongside modest gains in real estate (+3.1%) and manufacturing (+20.0%).
- Declines are more widespread and pronounced, particularly in retail (-28.6%) and accommodation (-19.0%), suggesting reduced viability for independent operators in consumer-facing sectors.
- Transportation (-23.1%) and construction (-8.3%) also declined, indicating weakening activity in trades and logistics-related self-employment.
- Health care (-14.3%) shows contraction, contrasting with growth trends seen in larger centres.

EMPLOYER BUSINESSES (WITH EMPLOYEES)

Overall employer activity remained stable (+0.6%), indicating limited change in job-creating businesses despite sector-level shifts.

SECTORS SHOWING GROWTH (WITH EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Finance & Insurance	6	7	+1	+16.7%
Wholesale Trade	0	1	+1	–
Manufacturing	3	4	+1	+33.3%

SECTORS IN DECLINE (WITH EMPLOYEES)	2024	2025	CHANGE	% CHANGE
Accommodation & Food Services	40	33	-7	-17.5%
Construction	11	10	-1	-9.1%

- Growth is minimal and highly concentrated, with small increases in manufacturing (+33.3%), finance (+16.7%), and wholesale (+1 business), reflecting isolated expansion rather than broad sector growth.
- Declines are more pronounced in key service sectors, particularly accommodation & food services (-17.5%), suggesting reduced employer capacity in tourism and hospitality-related industries.
- Construction (-9.1%) also declined, pointing to softening activity in trades and infrastructure-related employment.

Overall, employer trends reflect a stable but constrained labour market, where limited growth in a few sectors is offset by declines in key industries, resulting in minimal net change in employment-generating businesses.

The region reflects a tightening labour market, with fewer opportunities for both independent work and business growth, highlighting the importance of supporting entrepreneurship, workforce attraction, and sector diversification.

CONCLUSION

The data reveals that Algoma's business landscape is not simply growing or declining—it is restructuring in how work is created and delivered. One of the most notable shifts is that business growth is no longer translating directly into employer-based job creation, particularly in larger centres where self-employment is expanding rapidly.

Across the region, sectors such as health care, professional services, and transportation are driving growth, but increasingly through independent operators and sole proprietorships rather than traditional employee-based businesses. In contrast, sectors that have historically provided stable employment—such as retail, construction, and accommodation services—are showing signs of contraction or consolidation, particularly among smaller employers.

A critical and recurring pattern is the decline in mid-sized businesses (5–49 employees). This "missing middle" highlights a gap in the local economy where businesses are either remaining small or scaling only in limited cases. Since these firms are key contributors to job creation, their decline raises concerns about long-term employment capacity and economic resilience.

Regional differences further reinforce these trends. While Sault Ste. Marie demonstrates an ability to adapt through entrepreneurship and service-based growth, but rural communities are not experiencing the same level of transition, with some showing outright declines in both self-employment and employer activity. This suggests that the shift toward flexible work is not evenly accessible across the region, and may depend on local infrastructure, population, and industry base.

The path forward will depend on how effectively Algoma and its communities can translate growing entrepreneurship into sustainable job creation and ensure that all communities can participate in—and benefit from—this economic transition.

APPENDIX:

Business Distribution by Employee Size
Algoma
June 2024 & June 2025

June 2024				***June 2025***
% of Total	Number of Businesses	**Employee Size**	Number of Businesses	*% of Total*
62%	4,538	**0**	4,701	*62%*
16%	1,203	**1-4**	1,217	*16%*
8%	631	**5-9**	603	*8%*
7%	499	**10-19**	531	*7%*
4%	326	**20-49**	286	*4%*
1%	94	**50-99**	111	*1%*
1%	56	**100-199**	56	*1%*
0%	13	**200-499**	9	*0%*
0%	8	**500+**	11	*0%*
	7,368	**Totals**	**7,525**	

Source: Statistics Canada, Canadian Business Patterns

Business Distribution by Employee Size
East Algoma
June 2024 & June 2025

June 2024				***June 2025***
% of Total	*Number of Businesses*	**Employee Size**	*Number of Businesses*	*% of Total*
58%	553	**0**	549	*58%*
20%	194	**1-4**	186	*20%*
9%	84	**5-9**	82	*9%*
7%	65	**10-19**	64	*7%*
4%	39	**20-49**	36	*4%*
1%	12	**50-99**	17	*2%*
1%	8	**100-199**	8	*1%*
0%	1	**200-499**	1	*0%*
0%	0	**500+**	0	*0%*
	956	**Totals**	**943**	

Source: Statistics Canada, Canadian Business Patterns

Business Distribution by Employee Size
Sault Ste. Marie
June 2024 & June 2025

June 2024				***June 2025***
% of Total	*Number of Businesses*	**Employee Size**	*Number of Businesses*	*% of Total*
62%	3,178	**0**	3,338	*63%*
15%	757	**1-4**	771	*15%*
9%	445	**5-9**	425	*8%*
7%	358	**10-19**	387	*7%*
5%	243	**20-49**	211	*4%*
1%	69	**50-99**	79	*1%*
1%	41	**100-199**	41	*1%*
0%	9	**200-499**	7	*0%*
0%	0	**500+**	10	*0%*
	5,108	**Totals**	**5,269**	

Source: Statistics Canada, Canadian Business Patterns

Business Distribution by Employee Size
North Algoma
June 2024 & June 2025

June 2024				***June 2025***
% of Total	*Number of Businesses*	**Employee Size**	*Number of Businesses*	*% of Total*
49%	168	**0**	155	*47%*
20%	67	**1-4**	69	*21%*
14%	46	**5-9**	44	*13%*
9%	31	**10-19**	32	*10%*
6%	20	**20-49**	18	*5%*
1%	2	**50-99**	7	*2%*
1%	3	**100-199**	2	*1%*
1%	3	**200-499**	0	*0%*
0%	0	**500+**	1	*0%*
	340	**Totals**	**328**	

Source: Statistics Canada, Canadian Business Patterns

Business Distribution by Employee Size and Industry- Algoma
June 2025

June 2025- Algoma	**2-Digit Industries**									
2-Digit Industry	**Without employees**	**Total, with employees**	**1-4**	**5-9**	**10-19**	**20-49**	**50-99**	**100-199**	**200-499**	**500 +**
11 - Agriculture, forestry, fishing and hunting	216	68	48	11	8	1	0	0	0	0
21 - Mining, quarrying, and oil and gas extraction	8	9	2	2	0	0	3	1	0	1
22 - Utilities	17	17	4	1	3	5	1	1	2	0
23 - Construction	371	341	182	65	51	28	11	4	0	0
31-33 - Manufacturing	78	90	28	17	17	13	7	6	0	2
41 - Wholesale trade	44	83	35	18	17	13	0	0	0	0
44-45 - Retail trade	222	473	126	143	109	68	17	9	1	0
48-49 - Transportation and warehousing	261	96	45	13	20	13	4	1	0	0
51 - Information and cultural industries	40	56	20	14	16	5	1	0	0	0
52 - Finance and insurance	298	99	38	20	19	12	10	0	0	0
53 - Real estate and rental and leasing	1,433	126	89	21	11	2	3	0	0	0
54 - Professional, scientific and technical services	381	195	110	30	40	9	3	3	0	0
55 - Management of companies and enterprises	45	8	3	1	1	1	1	0	0	1
56 - Administrative and support, waste management and remediation services	119	141	72	28	19	10	8	3	1	0
61 - Educational services	31	24	5	8	5	2	0	0	0	4
62 - Health care and social assistance	477	367	170	62	77	24	14	17	2	1
71 - Arts, entertainment and recreation	85	47	12	10	12	8	3	2	0	0
72 - Accommodation and food services	184	261	60	69	71	44	13	3	0	1
81 - Other services (except public administration)	388	271	164	65	23	14	3	2	0	0
91 - Public administration	3	52	4	5	12	14	9	4	3	1
Totals	**4,701**	**2,824**	**1217**	**603**	**531**	**286**	**111**	**56**	**9**	**11**

Source: Statistics Canada, Canadian Business Patterns

Business Distribution by Employee Size and Industry- Algoma
June 2024

June 2024- Algoma	**2-Digit Industries**									
2-Digit Industry	**Without employees**	**Total, with employees**	**1-4**	**5-9**	**10-19**	**20-49**	**50-99**	**100-199**	**200-499**	**500 +**
11 - Agriculture, forestry, fishing and hunting	217	74	54	11	7	2	0	0	0	0
21 - Mining, quarrying, and oil and gas extraction	8	10	2	2	0	1	1	1	3	0
22 - Utilities	17	16	3	1	4	3	2	1	2	0
23 - Construction	385	331	173	62	57	24	11	4	0	0
31-33 - Manufacturing	68	89	24	20	17	15	7	4	0	2
41 - Wholesale trade	41	81	33	18	16	13	1	0	0	0
44-45 - Retail trade	244	479	121	164	100	66	16	11	1	0
48-49 - Transportation and warehousing	235	93	42	15	17	13	5	1	0	0
51 - Information and cultural industries	39	56	24	10	16	4	2	0	0	0
52 - Finance and insurance	310	97	37	21	18	19	2	0	0	0
53 - Real estate and rental and leasing	1,382	132	96	21	11	1	3	0	0	0
54 - Professional, scientific and technical services	351	198	102	44	34	13	1	4	0	0
55 - Management of companies and enterprises	45	8	3	1	1	1	1	0	0	1
56 - Administrative and support, waste management and remediation services	106	134	64	32	20	9	7	2	0	0
61 - Educational services	36	21	5	6	3	2	1	0	1	3
62 - Health care and social assistance	423	377	182	53	69	41	11	17	3	1
71 - Arts, entertainment and recreation	77	48	13	11	12	7	3	2	0	0
72 - Accommodation and food services	186	263	61	71	61	55	9	5	1	0
81 - Other services (except public administration)	366	271	161	62	24	21	2	1	0	0
91 - Public administration	2	52	3	6	12	16	9	3	2	1
Totals	**4,538**	**2830**	**1203**	**631**	**499**	**326**	**94**	**56**	**13**	**8**

Source: Statistics Canada, Canadian Business Patterns

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