

# Study: The measurement of firm entry in the longitudinal employment analysis program

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, November 10, 2016

---

Firm entry and the employment created by new firms are seen as indicators of economic performance. They are also used as measures of the degree of dynamism that allows new ideas and new processes to be introduced in the economy.

Data on business and employment dynamics in the private sector at the national and provincial levels, broken down by North American Industrial Classification System industry or by firm size class are derived annually from the Longitudinal Employment Analysis Program (LEAP).

This report discusses the methodological issues with the way firm entry is measured. It considers issues such as the type and magnitude of economic activity that a firm needs to be engaged in before it is recognized as being an entrant, the degree of independence the firm needs to demonstrate from existing firms before it can be considered as a new distinct entity, and how to deal with firms that discontinue and then restart production.

The report provides alternative estimates that come from modifying the assumptions used in the LEAP estimates presented in CANSIM, demonstrating the flexibility of the LEAP to be adapted to suit particular analytical needs that require alternative definitions of entry.

## Definitions, data sources and methods: survey number [8013](#).

Released today is a technical paper "[The Measurement of Firm Entry in the Longitudinal Employment Analysis Program](#)," part of the *Analytical Studies: Methods and References series (11-633-X)*, and is now available from the *Browse by key resource* module of our website under *Publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)).

To enquire about the concepts, methods or data quality of this release, contact, Danny Leung (613-951-2574); [danny.leung@canada.ca](mailto:danny.leung@canada.ca), Economic Analysis Division.

