

# Consulting services, 2019

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The management, scientific and technical consulting services industry group reported \$22.4 billion in operating revenue in 2019, an increase of 5.3% over 2018. This was an acceleration in growth compared with the 3.6% increase in 2018. This industry group offers consulting services in various sectors, such as human resources, information technology, science and economics, management and the environment. Operating expenses grew 5.6% to \$15.9 billion in 2019, resulting in an operating profit margin of 29.0%.

Salaries, wages, commissions and benefits increased 5.2% to \$7.0 billion in 2019. This remained the largest expense item for the industry group, accounting for 44.1% of operating expenses. In the past few years, tightening labour markets in several provinces and record low unemployment rates have put upward pressure on industry wages as a result of consulting firms facing competition to hire qualified workers. The second-largest expense item for the industry group was subcontracts, which represented 10.2% of operating expenses, an increase of 0.7% from 2018.

Since 2012, firms in Ontario have accounted for an increasing share of the industry group's total operating revenue. In 2019, Ontario firms accounted for 48.6% of operating revenue, followed by firms in Alberta (16.4%), British Columbia (15.2%) and Quebec (14.5%). Weak capital expenditures in the oil and gas industry in Alberta dampened demand for environmental consulting services and other scientific and technical consulting services.

Sales of management consulting services (70.3%) accounted for the largest share of the industry group's sales in 2019. This is first year since 2013 that management consulting services did not increase as a proportion of sales. Sales of other scientific and technical consulting services accounted for 16.0% of the industry group's sales, while sales of environmental consulting services, such as environmental assessments and audits, represented 10.7% of total sales.

Business clients represented the largest share (66.1%) of the client base for the industry group, followed by governments, not-for-profit organizations and public institutions (15.3%). Up until 2019, exports had been increasing year over year. However, in 2019, clients outside Canada accounted for 11.9% of the client base, down from 13.3% in 2018.

In 2020, the COVID-19 pandemic disrupted economic activity, and many professional services were affected; in Canada, this occurred mainly at the onset of the pandemic, in March and April. Since then, professional services providers, including the management, scientific and technical consulting services industry group, have adapted to the work-from-home recommendations and the changing trends in business and consumer demands. Nevertheless, the economic recovery has been uneven, with business investment outside the residential sector still down significantly and likely affecting the demand for consulting services. The survey for reference year 2020 will provide information on the demand for professional services during this unprecedented time.

## Note to readers

*Data for 2018 have been revised.*

*Information on business investment outside the residential sector was taken from table [36-10-0104-01](#).*

*The management, scientific and technical consulting services industry group includes management consulting services, environmental consulting services and other scientific and technical consulting services.*

*The data for reference year 2019 were collected during the spring and summer of 2020. This collection period coincides with events and business disruptions related to COVID-19, and, in general, response rates were lower. As a result, larger than typical revisions to the data may occur in future releases. For more information on data quality and revisions please refer to [4717 – Annual Survey of Service Industries: Consulting Services](#).*



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**Available tables:** [21-10-0166-01](#) to [21-10-0168-01](#) and [33-10-0162-01](#).

**Definitions, data sources and methods:** survey number [4717](#).

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)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).