

Consulting services, 2020

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Consulting services industry group treads water in 2020

The management, scientific and technical consulting services industry group reported \$22.4 billion in operating revenue in 2020, a slight increase of 0.6% from 2019. This was a deceleration in growth compared with the 4.9% increase in 2019, despite the industry group playing a key advisory role during the COVID-19 pandemic. 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 1.0% to \$16.0 billion in 2020, resulting in an operating profit margin of 28.4%.

Salaries, wages, commissions and benefits increased 1.1% to \$7.0 billion in 2020. This remained the largest expense item for the industry group, accounting for 43.9% of operating expenses. The second-largest expense item for the industry group was subcontracts, which represented 10.4% of operating expenses (an increase from 9.5% in 2019).

Since 2012, firms in Ontario have accounted for an increasing share of the industry group's total operating revenue. In 2020, Ontario firms accounted for 48.8% of operating revenue, followed by firms in Alberta (15.6%), British Columbia (15.4%) and Quebec (14.8%). A significant pullback in capital expenditures in the oil and gas industry in Alberta continued to dampen demand for environmental consulting services and other scientific and technical consulting services.

Sales of management consulting services (69.0%) accounted for the largest share of the industry group's sales in 2020. Sales of other scientific and technical consulting services accounted for 17.3% of the industry group's sales, while sales of environmental consulting services, such as environmental assessments and audits, represented 10.1% of total sales.

Business clients represented the largest share (64.3%) of the client base for the industry group, followed by governments, not-for-profit organizations and public institutions (16.0%). Clients outside Canada accounted for 13.8% of the client base in 2020, followed by individuals and households (5.9%).

In 2020, the COVID-19 pandemic disrupted economic activity, and many professional services were affected. According to respondents, two-thirds of all businesses changed their operating methods as a result of the pandemic. Some businesses (29%) adopted or expanded a contactless business model, and 26% asked some or all of their employees to work from home. Furthermore, 19% of businesses retrofitted their workspaces, and 18% downsized their business activities. While consulting businesses were not as significantly impacted as other professional businesses, the industry group still pivoted and adapted its operating methods.

Looking at 2021

Indicators were mostly positive for the consulting services industry group in 2021 as the economy continued to adjust to the pandemic. The number of paid employees in the industry group grew 9.7% from the end of 2020 to November 2021. Furthermore, non-residential investment turned around in the oil and gas industry, providing impetus for renewed growth in Alberta. The survey for the 2021 reference year will provide insight into how the industry group fared in the second year of the pandemic.



Note to readers

Data for 2018 and 2019 have been revised.

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

Information on the pullback of capital expenditures in the oil and gas industry in Alberta is taken from Table [34-10-0035-01](#).

Information on the growth of the number of paid employees in the industry group is taken from Table [14-10-0220-01](#).

Information on non-residential investment in the oil and gas industry is taken from Table [25-10-0054-01](#).

Data are collected for the 12-month fiscal period that ends from April 1, 2020, to March 31, 2021. For some businesses, this means reporting mostly on pre-pandemic operations. As a result, the effects of the pandemic are not fully reflected in the estimates for this reference year and will extend to the estimates for the 2021 reference year.

These and other data related to business and consumer services can be found at the [Business and consumer services and culture statistics](#) portal.

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

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

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