

Accounting services, 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, November 9, 2023

Accounting services industry grew strongly in 2022

Following a 9.1% increase in 2021, the operating revenue of the accounting, tax preparation, bookkeeping and payroll services industry rose 9.9% to \$26.0 billion in 2022. The average pace of growth in these two years was double that in the five-year period (from 2015 to 2019) before the COVID-19 pandemic.

The accounting, tax preparation, bookkeeping and payroll services industry is relatively concentrated, with the top 10 companies having generated 44.8% of the industry's operating revenue in Canada in 2022. The stronger growth can be explained by these companies having a solid foothold in management consulting services. As a result, the share of revenues generated by management consulting services is larger for the largest firms than for the average accounting firm.

Specifically, for the industry, management consulting services generated 16.0% of total sales in 2022, a proportion that has grown nearly twofold since 2013. However, tax preparation and representation services were the largest source of sales for the industry in 2022, accounting for 28.1% of all sales, an increase of 3 percentage points over the same decade. Other services, such as auditing and other assurance services and bookkeeping, financial statement compilation and payroll services, did not grow their shares of sales over this decade.

Overall, the provincial distribution of operating revenue for accounting, tax preparation, bookkeeping and payroll services remained largely the same in 2022 as in past years. Ontario (42.8%) posted the largest share of revenue, followed by Quebec (20.0%), British Columbia (16.0%) and Alberta (12.4%).

In 2022, operating expenses increased at an even greater pace than operating revenue, up 15.9% to \$19.7 billion. Salaries, wages, commissions and benefits rose 14.9% (+\$1.4 billion) to \$10.9 billion. As a result, the profit margin of the industry saw a large contraction, from 28.1% in 2021 to 24.1% in 2022.

The business sector was the primary client of the accounting, tax preparation, bookkeeping and payroll services industry; it accounted for 68.0% of all sales in 2022, down from 69.0% in 2021. Sales to individuals and households fell slightly by 0.1% in 2022 to 17.5%. Sales to governments, not-for-profit organizations and public institutions increased 1.1 percentage points to 9.1%. The remaining sales were to clients outside Canada (exports), at 5.5%.

Looking ahead to 2023

The Canadian economy has been slowing down, and real gross domestic product came to a standstill in the second quarter of 2023. Households are feeling the impacts of higher interest rates. On the business side, non-financial corporate incomes have been declining since the end of 2022. In this context, a complete financial picture for the 2023 reference year for the accounting, tax preparation, bookkeeping and payroll services industry will be provided when survey data are published in 2024.

Note to readers

Data for 2020 and 2021 have been revised.

The reference to real gross domestic product and households in 2023 was taken from Table [36-10-0104-01](#).

The reference to non-financial corporate incomes in 2023 was taken from Table [36-10-0116-01](#).

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: [21-10-0039-01](#) to [21-10-0041-01](#) and [21-10-0174-01](#).

Definitions, data sources and methods: survey number [4716](#).

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).