Accounting services, 2023

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Accounting services industry grew strongly in 2023

Following a 9.8% increase in 2022, the operating revenue of the accounting, tax preparation, bookkeeping and payroll services industry rose 9.7% to $28.2 billion in 2023. This continues a trend of growth in this industry. Operating revenue has grown every year since 2012, at an average rate of 7.0% per year.

The accounting, tax preparation, bookkeeping and payroll services industry is relatively concentrated, with the top 10 companies generating 45% of the industry's operating revenue in Canada. These companies traditionally have stronger growth than the rest of the industry, and management consulting services drive more of their revenue than in the average firm. However, this trend appears to have slowed in recent years. Management consulting services represented 9.5% of sales in 2013 and rose to a high of 17.4% in 2020. Since 2021, the share of sales accounted for by management consulting services has remained steady at around 16%.

Taxation preparation and representation services were the largest source of sales for the industry, making up 28.4% of all sales in 2023. Auditing and other assurance services were the next largest, at 26.2%. From 2022, bookkeeping, financial statement compilation and payroll services stayed level at 25.0%, as did other sales of goods and services, at 3.6%. Management consulting services decreased slightly to 15.9% in 2023. Finally, insolvency and receivership services were relatively stable, at 0.9% for 2023.

The provincial distribution of operating revenue for accounting, tax preparation, bookkeeping and payroll services has remained consistent in recent years. Ontario (44.3%) posted the largest share of revenue, followed by Quebec (18.7%), British Columbia (15.9%) and Alberta (12.4%).

Operating expenses continued to increase at a greater pace than operating revenue, rising 10.5% to $21.6 billion. Similarly, salaries, wages, commissions and benefits rose 10.4% (+$1.1 billion) to $11.9 billion. Therefore, the profit margin of the industry saw a small decline, from 23.9% in 2022 to 23.3% in 2023.

The business sector continued to be the primary client of the accounting, tax preparation, bookkeeping and payroll services industry. It represented more than two-thirds (68.7%) of all sales in 2023, up from 67.9% in 2022. Sales to individuals and households fell slightly to 17.3% in 2023. Sales to governments, not-for-profit organizations and public institutions rose incrementally to 9.3% in 2023. The remaining sales (4.6%) were to clients outside Canada (exports).

Looking forward to 2024

The Canadian economy grew in 2024, with real gross domestic product rising in the first and second quarters. The headline inflation rate has continued to decelerate, a key factor in the Bank of Canada's four interest rate cuts in 2024. On the business side, primary incomes rose slightly in the second quarter of 2024 after falling in the previous quarter. In this context, a complete financial picture for the 2024 reference year will be provided when survey data are published in 2025.

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Note to readers

Data for 2021 and 2022 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 primary incomes in 2024 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**).