



Women Entrepreneurship Knowledge Hub

The State of Women's Entrepreneurship in
Canada 2021



Women Entrepreneurship
Knowledge Hub

Portail de connaissances
pour les femmes
en entrepreneuriat

PRESENTED BY:

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DECEMBER 1, 2021

Agenda

- 1 SOWE 2021
- 2 Gendered Impact of the COVID-19 Pandemic
- 3 Intersectionality – Spotlight on Diverse Women
- 4 Evaluation
- 5 The Way Forward: An Inclusive Ecosystem Perspective

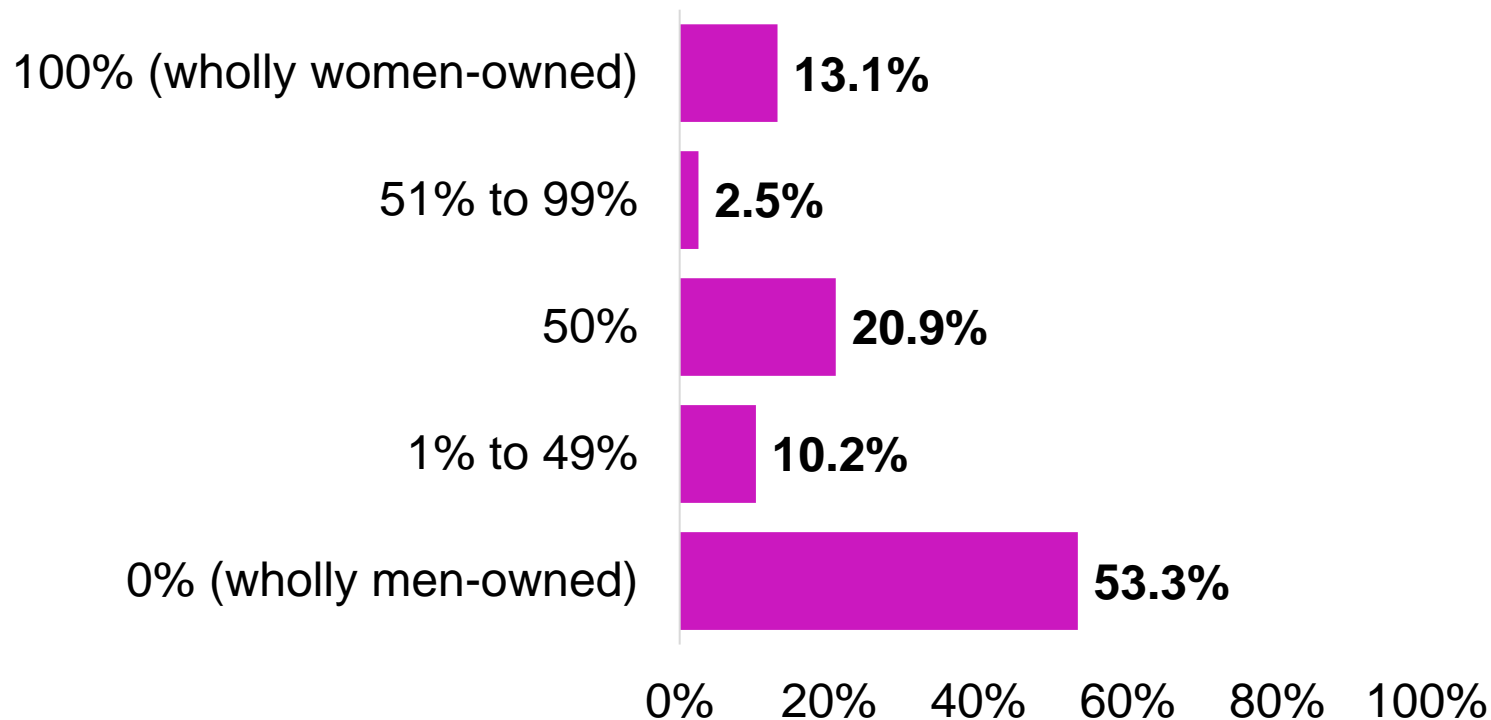
SOWE 2021

The 2020 SOWE report showed:

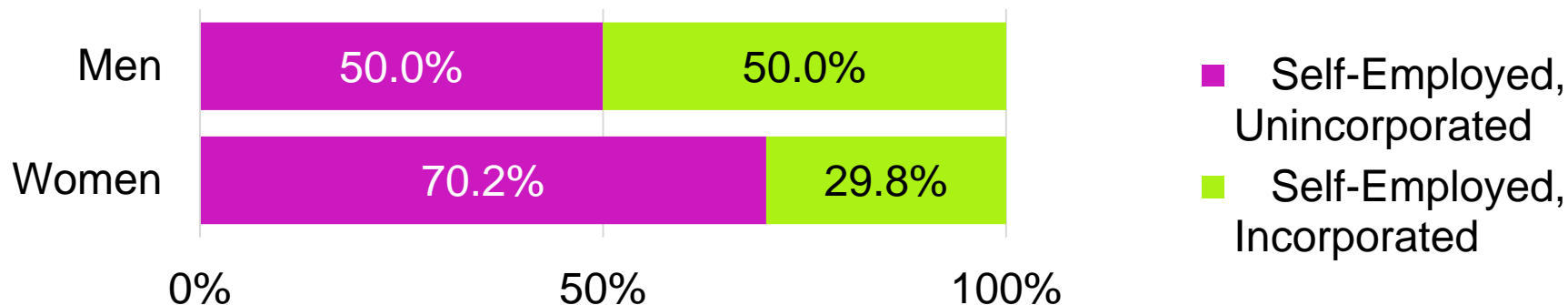
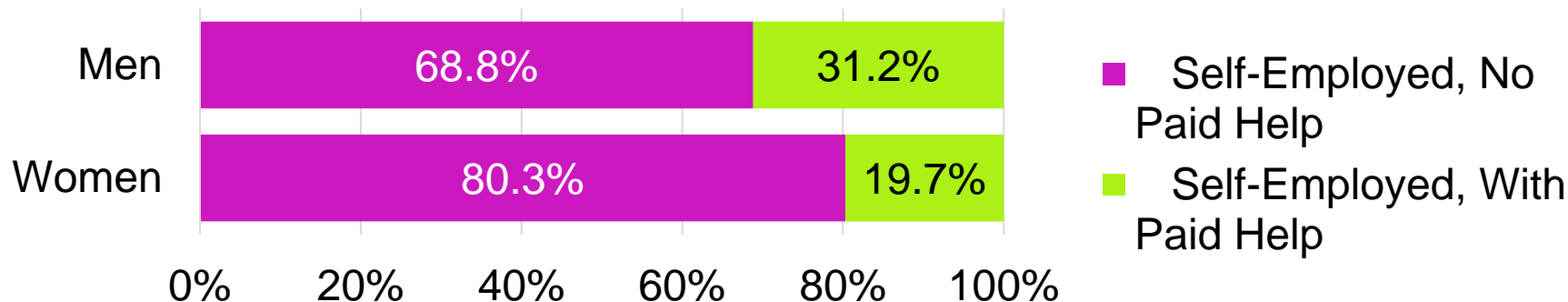


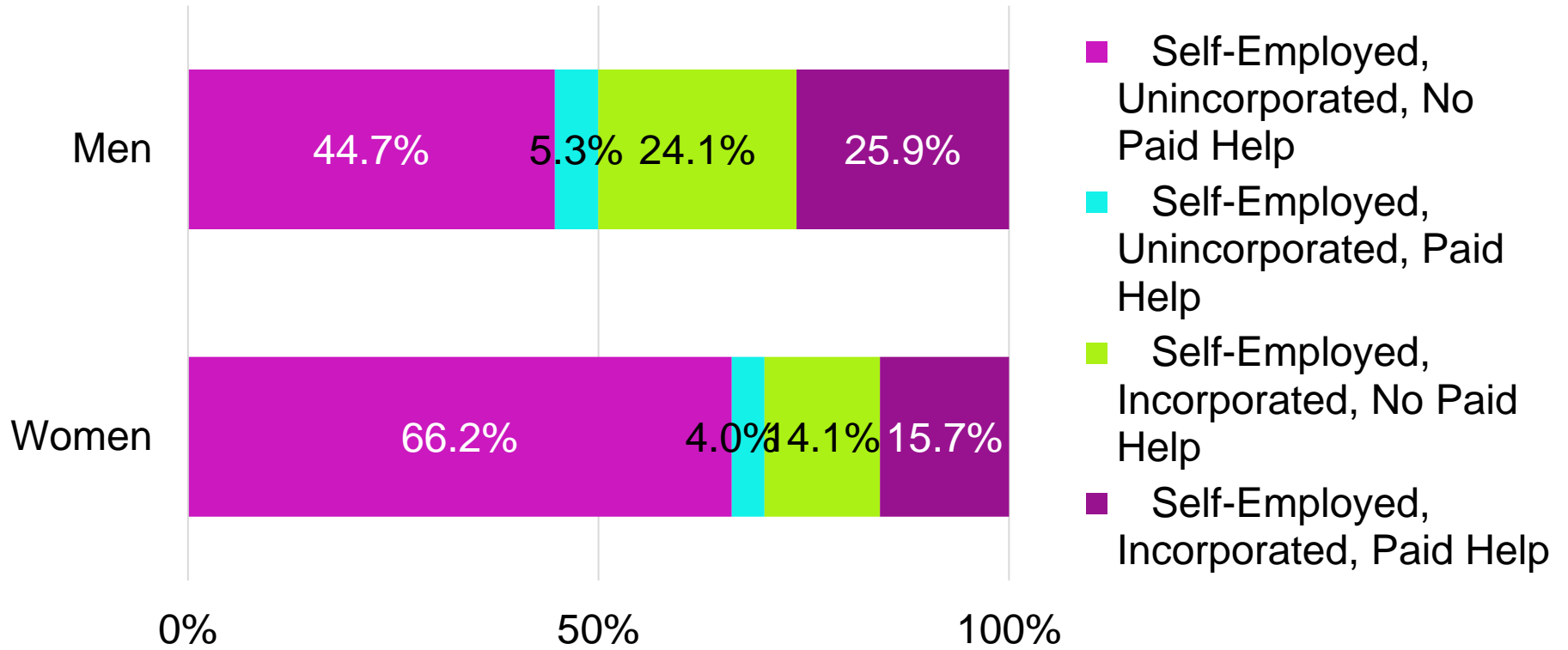
- 15.6% of **SMEs are majority-owned by women**
- **37.4%** of self-employed women in Canada in 2019
- More likely to be in services than in tech
- **92.7%** of majority women-owned SMEs are **micro firms** with less than 20 employees
- **13.3%** of Canadian women are entrepreneurs
- 78% have **no paid help** versus 67.5% of men
- The proportion exporting have doubled, narrowing the gender gap
- **Financing**
Women are less likely to seek and receive financing than men; firms owned by men are more likely to receive venture capital or angel funding, trade credit, or capital leasing
- **Motivations are different**
Necessity vs. experimentation; “lifestyle” entrepreneurship

Women's ownership of SMEs by proportion



Incorporation and Use of Paid Help





The Revenue Gap



Women owned businesses generate an average of **\$68,000 less revenue than men** who run similar businesses: a 58% gap

E-Commerce Advantage



Women entrepreneurs using **e-commerce tools** report earning **75% more revenue** than their female peers who do not sell online

Closing the Gap



For online marketplaces or an e-commerce enabled website, the **revenue gap between women and men-owned businesses closes to 44%**

Challenges to Scaling Up (Brookfield)

- Firms with higher share owned by women are systematically less likely to achieve scale-up status
- Firms with higher women ownership that innovate or hold intellectual property are less likely to reach scale-up status than those with men ownership and these firms may have a more difficult time translating innovative inputs into growth



Gender Differences: Entrance into Business Ownership

- Women were more likely than men to choose business ownership after suffering a major negative income shock
- Women are less likely to be in the goods-producing sector
- While men were attracted to men-owned enterprises, women were attracted to women-owned enterprises and equally owned enterprises
- Prior to entering business ownership, women had a lower personal income but a higher cumulative family income
- Women were more likely than men to be married or in a common-law relationship, particularly one who was also a business owner
- Women and men enter business ownership for the same reasons
- Women are nearly two times less likely to enter business ownership than men

New Research on Unicorns and Soonicorns

- “Unicorns”: fast growth startups with an estimated value greater than \$1B USD
- “Soonicorns”: high-value startups with Unicorn potential
- 14% of Canadian Soonicorns in 2021 had at least one woman co-founder
- Top 3 woman-led Soonicorns from Canada are valued above \$600 million USD, and have potential to reach unicorn status within a few years



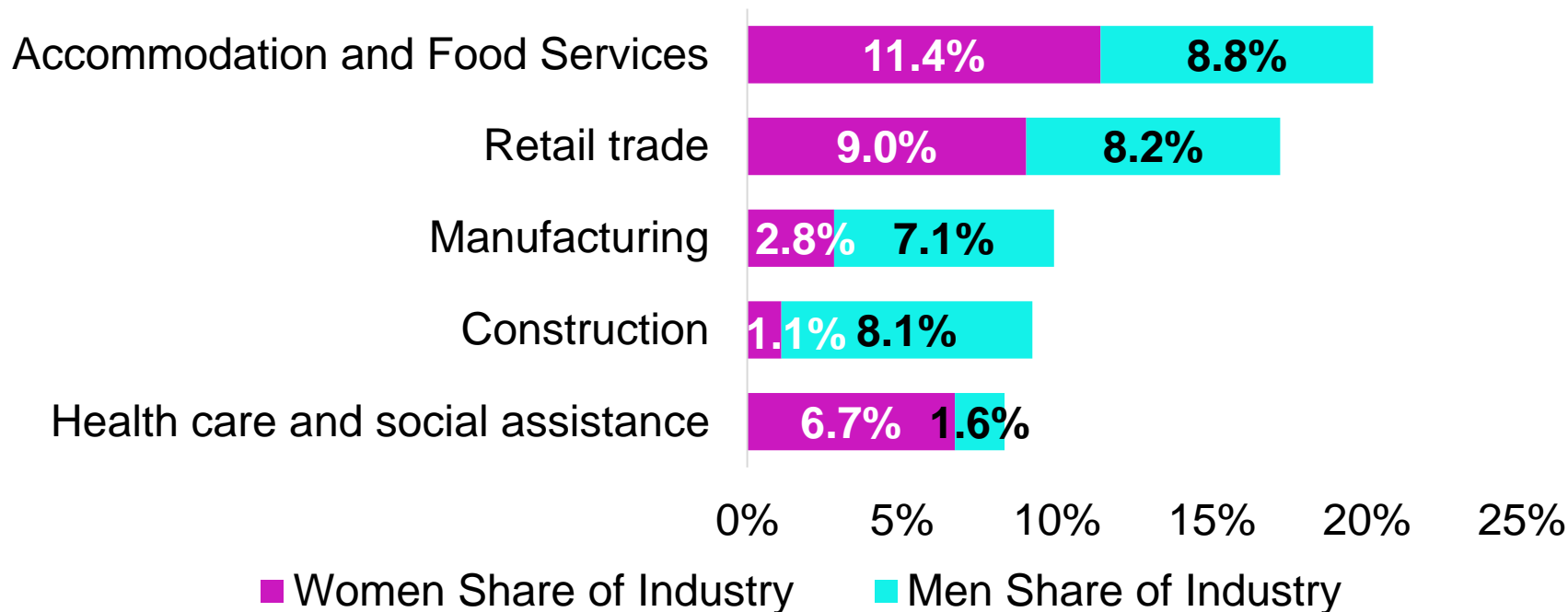
GENDERED IMPACT OF THE COVID-19 PANDEMIC

Women-owned businesses disproportionately affected

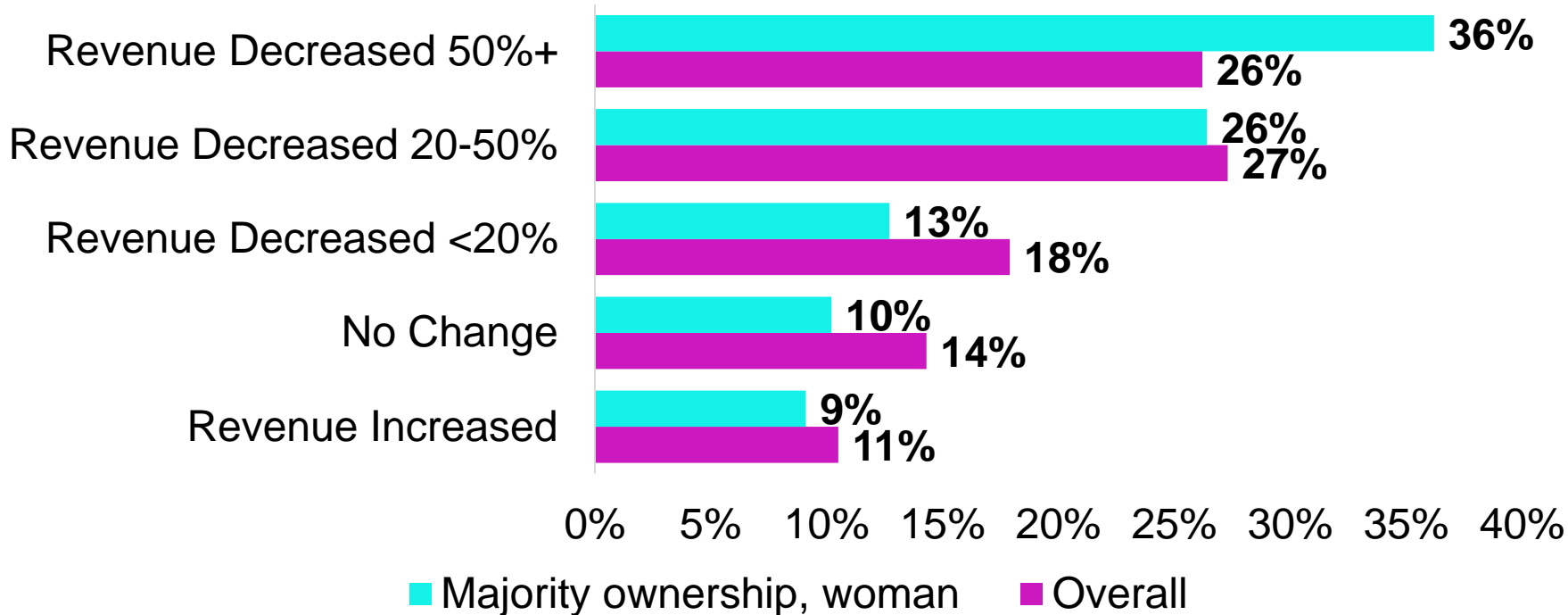
- Percentage of women-owned businesses that laid off 80% or more of their employees (62%) much higher than businesses overall (45%)
- 61% of women founders report challenges versus 34% of businesses
- Most support programs designed to support SMEs with employees, resulting in women being excluded for the support
- Burden of unpaid work is crushing many women entrepreneurs
- Impact is exacerbated for Indigenous, Racialized and Black women entrepreneurs and those who are in rural areas

Women Dominated Industries Most Affected

Share of total March & April layoffs (2020)



Change in Business Revenue due to COVID-19 (Q1 2019 to Q1 2020)



Staffing Changes and Layoffs Greater than 20%, April 2020



Statistics Canada (2020). Labour Force Survey (LFS): Public Use Microdata File. December 2020. Accessed via ODESI

INTERSECTIONALITY

Spotlight: Indigenous Women Entrepreneurs

- Self-employment for Indigenous women is 40.2%; higher than the self-employment of Canadian women, which is at 36%
- Motivations: more likely to see community benefits and social impact as important
- More likely to export than non-Indigenous entrepreneurs
- Challenges in infrastructure and financing

Barriers are increased for Indigenous women entrepreneurs

- Indian Act prevents those on reserve from securing loans from financial institutions using property owned by a band
- Funding available from Aboriginal Financial Institutions (AFI), often have limited financing and are not designed for Indigenous women
- Anecdotal evidence that involvement in informal economy bars Indigenous women entrepreneurs from access to programs
- Nearly 50% of Indigenous women entrepreneurs live in rural areas



Spotlight: Women Entrepreneurs Living with Disabilities

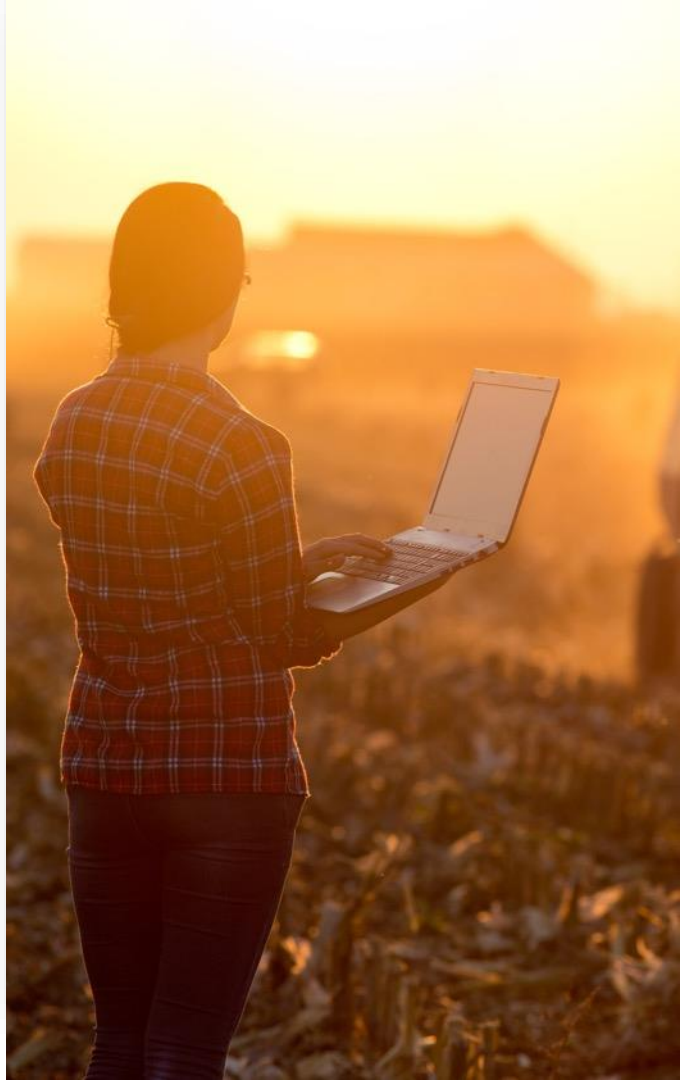
- Evidence that persons with disabilities are both pushed and pulled into entrepreneurship
- Growing evidence that cognitive difference viewed as barriers in conventional workplaces are assets for entrepreneurs
- 20% of Canadians living with a disability do not use the Internet: a barrier for women entrepreneurs with disabilities
- Normalization of remote work during the pandemic has benefitted those with disabilities that require flexible work and accommodations



20% of Canadians living with a disability do not use the Internet

Spotlight: Rural Women Entrepreneurs

- High rates of self-employment but limited access to basic infrastructure
- While women comprise approximately 30% of farm operators, they represent only 25% of managers and 29% of business owners
 - Women-owned farms are not only rare but also tend to be smaller than those owned by men
- Under-represented in agriculture associations
 - Only 12% of provincial and national associations have a woman as their Chair or President

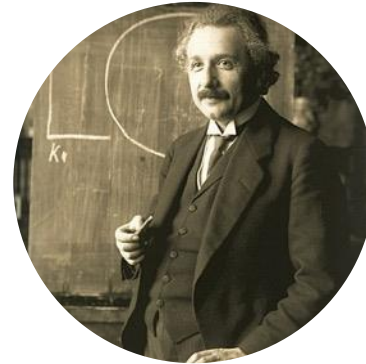


EVALUATION



“What gets measured gets done.”

PETER DRUCKER



“Not everything that counts can be measured. Not everything that can be measured counts.”

ALBERT EINSTEIN

What do we evaluate?

GOALS

- Beneficiaries
- Needs
- Resources
- Problems
- Background
- Environment

OUTCOMES

- Effectiveness
- Scalability
- Sustainability
- Adjustment
- Systems change



INPUTS

- Stakeholders
- Strategies
- Budget
- Coverage
- Research

PROCESS

- Develop
- Implement
- Monitor
- Feedback

Challenges to Evaluation

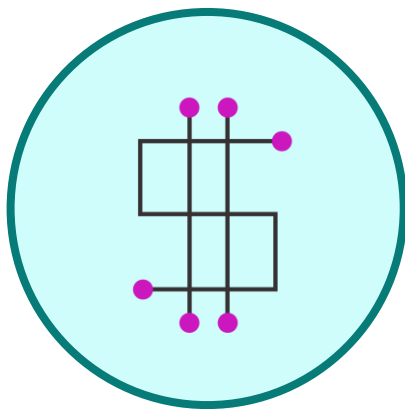
- Definition of “entrepreneur”
- Data collection, tracking diversity
- Definition of innovation
- Focus on STEM, technological innovation, as opposed to process innovation



Investment Strategy and Metrics

Traditional innovation measures focus on economic outcomes

Jobs created or maintained
Leverage per dollar
High growth firms
Productivity increase
Increased sales revenues



Broader, socio-economic measures are needed

Impacts on the SDGs
Social outcomes
(e.g. inclusion)
Human capital
(skills, self-efficacy)
Regional, sectoral and
capacity-based
approaches

SheEO Results & Impact: 2019-20



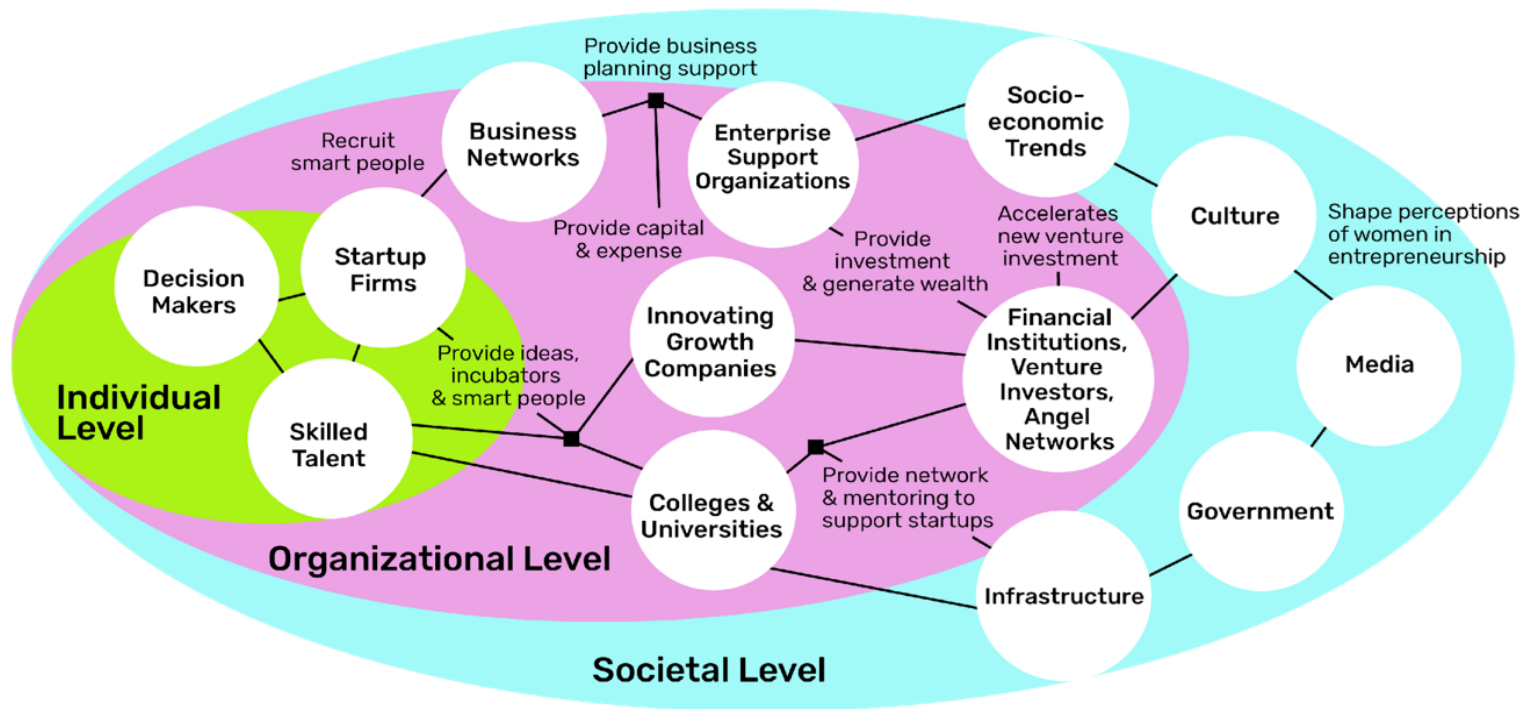
Women's Enterprise Centre Results and Impacts: 2019-20

- \$2.14 million invested in 35 women-led companies across BC
- Skills development (new Financial Fitness Series), mentoring, complimentary wrap around supports
- 20% of loan clients used Equal Access to Capital program for immigrants, Indigenous women and youth
- EMWE (WES-funded) program: 84 Indigenous clients, 35 clients living with disabilities, 728 clients who immigrated to Canada, 251 youth clients, 911 rural clients
- 54% of loan clients accessed wrap around services
- 96% repayment rate
- \$234.5 million in economic activity generated
- 239 jobs created



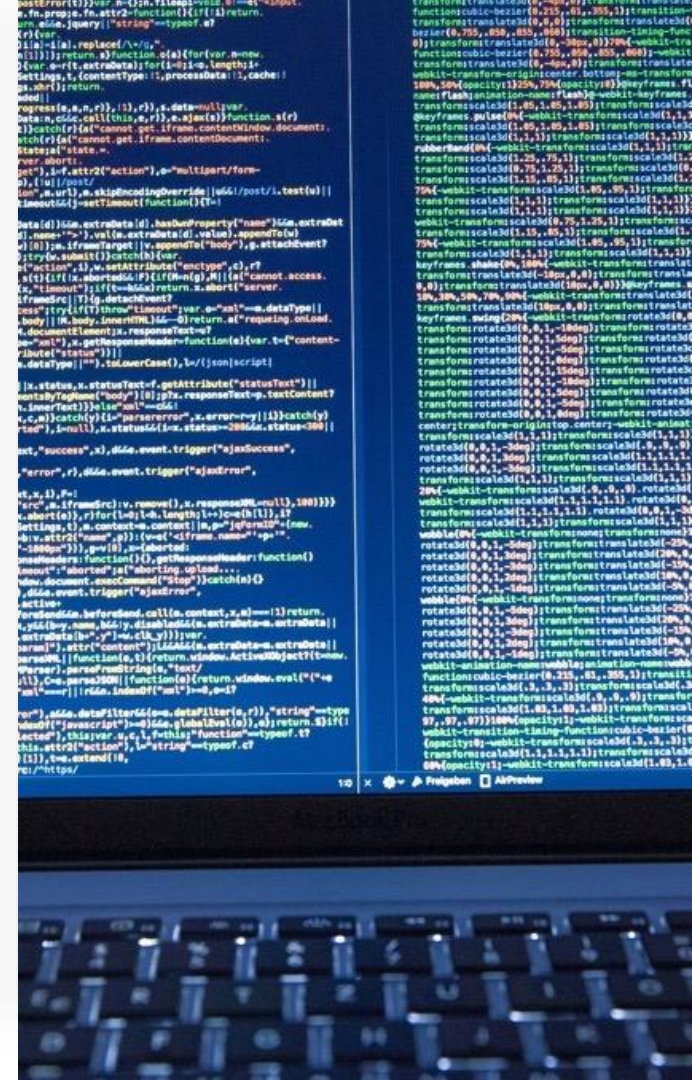
**WOMEN'S
ENTERPRISE
CENTRE**

THE WAY FORWARD: INCLUSIVE INNOVATION

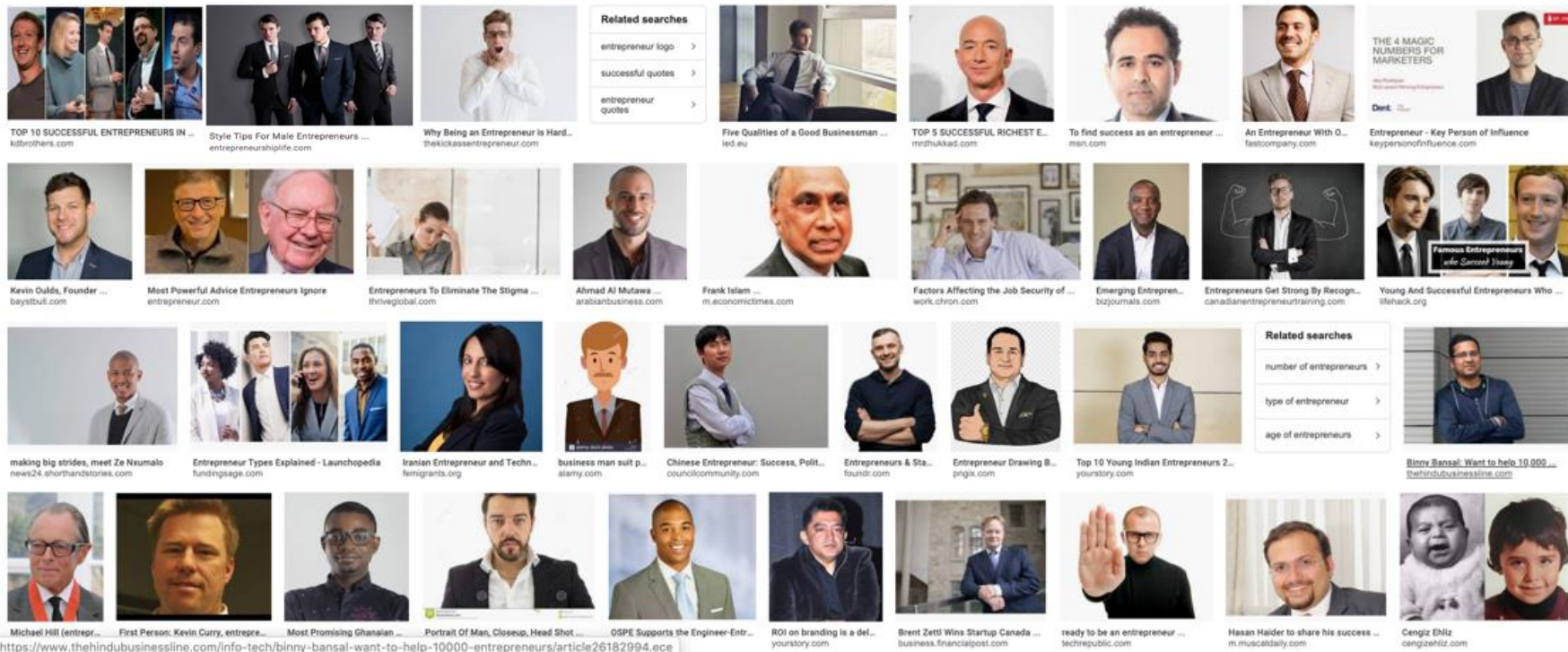


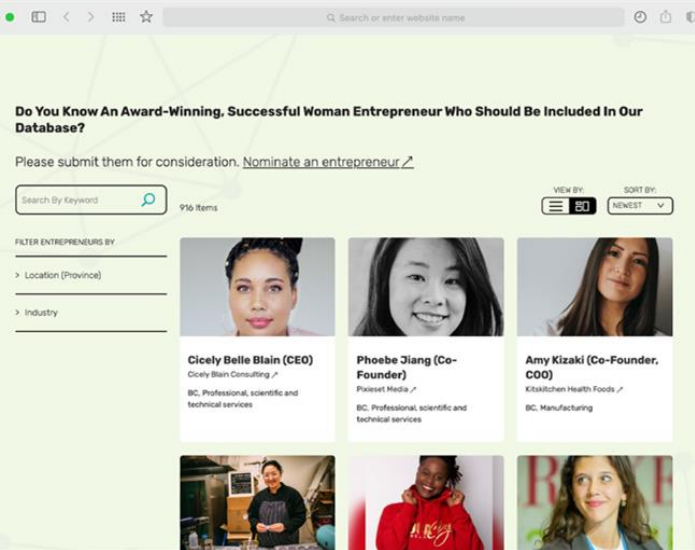
Definitions: Innovation ≠ Technology

- Innovation is not about making technology; it is about doing something differently.
- Women are underrepresented in technology generally, including in technology sector enterprises.
- Innovation occurs across sectors
- Current approaches tend to separate (and marginalize) areas where women and diverse entrepreneurs are more likely to be present.
- Funding agencies and financial institutions need to consider how bias is deeply embedded in program design, in processes, even forms



Macro level: “Think Entrepreneur. Think Male.”





See It. Be It.

- Database of ~1000 diverse leading women entrepreneurs across sectors with input from WEKH's partners across Canada
- Corresponding research and communications to challenge stereotypes and definitions of entrepreneurship
- Live now at wekh.ca/SeeltBelt

**See It.
Be It.**

#SeeltBelt

Spotlight on **Manitoba** Women Entrepreneurs



Michelle Lalonde (Tiber River Naturals)

Tiber River Naturals ↗

Adriana started making soap out of her basement while looking for new ways to earn income that would allow her to stay home with her newborn daughter. Her line of [...]

MB, Retail trade



Nicole Matiation (Freeze Frame Film Festival)

Freeze Frame Film Festival ↗

Nicole Matiation consistently works to make sure every creator with a voice in the industry has a chance to be heard. Matiation has worked in the arts and cultural sector [...]

MB, Arts, entertainment and recreation



Priti Shah (Praxis Consulting)

Praxis Consulting ↗

Lawyer and consultant Priti Shah is the CEO of Praxis Consulting in Winnipeg. She has been open about her personal experiences with racism in Canada and has dedicated her career [...]

MB, Professional, scientific and technical services

Apply a gender and diversity lens across programs

- WES, whole of government strategy is first in the world approach
- Applying a gender and diversity lens across departments and programs
- 50-30 Challenge while voluntary helps shape ecosystem behaviour
- Childcare as an economic issue
- Bridge digital divide – technological infrastructure, affordability, skills
- Examine tax policy and incentives
- Ensure “the skills agenda” supports SMEs and entrepreneurs
- Clarify definitions: Majority women owned versus women led
- More data, better data and disaggregated data
- Challenge assumptions about risk and reward

Use Procurement and a Gender and Diversity Lens on Funding as a Strategic Lever

- Introduce a diversity component to procurement processes
- Set targets and track the maturity and success of supplier diversity over time
- Encourage governments at all levels, as well as corporations, to build capacity for women and diverse entrepreneurs to participate in supply chains
- Gender and diversity to funding and recovery

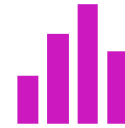




Meso (Organizational) Barriers: Diversity Assessment



Governance,
Leadership
& Strategy



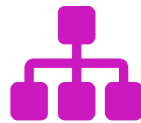
Measurement
& Tracking



Recruitment,
Selection
& Promotion



Values
& Culture



Diversity
Across the
Value Chain



Outreach &
Expanding the
Pool

- Deep dives into organizations in the ecosystem
- Need to go beyond commitment to EDI in HR to apply a lens across functions

Eg. Mikwam Makwa Ikwe | Ice Bear Woman

- Indigenous Outreach & Partnership Development Lead worked with **32 indigenous organizations** to host **16 indigenous roundtables** with **350 participants** across Turtle Island
- On August 25, 2020 a pipe ceremony was held and a traditional name given to WEKH by Elder Margaret Lavallee of Sagkeeng First Nation



Micro-Level (Individual) Issues

- Focus on individual attitudes, skills and behaviours
- Developing capacity and agency for women entrepreneurs
 - Technical skills
 - Challenging “the confidence gap” and “Women don’t ask”
 - Social capital – networks, allies, mentors and sponsors
- Tackle conscious and unconscious bias among decision makers and influencers
 - The “business case” for diversity and inclusion
 - Unpacking privilege and bias
 - Sharing social capacity – building networks, allies and mentors

WEKH - Indigenous Hub

Tools Available to Indigenous Women Entrepreneurs

DECEMBER WEKH INDIGENOUS COFFEE BREAK w/ BUSINESS LINK



December 7th, 2021
11 AM PT | 2 PM ET



Building Financial Capabilities for Yourself and Your Business



NOV 29, 2021
@ 10 AM PT | 1 PM ET



via Zoom



RE-MATRIATING MENTORSHIP: Circles of Matriarchy

A Special Financial Literacy Session

Location: Zoom



NOV 25TH, 2021

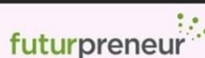
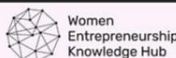
@ 10:30 AM PT
12:30 PM CT
1:30 PM ET

LAUNCH OR GROW YOUR SIDE HUSTLE WITH FUTURPRENEUR

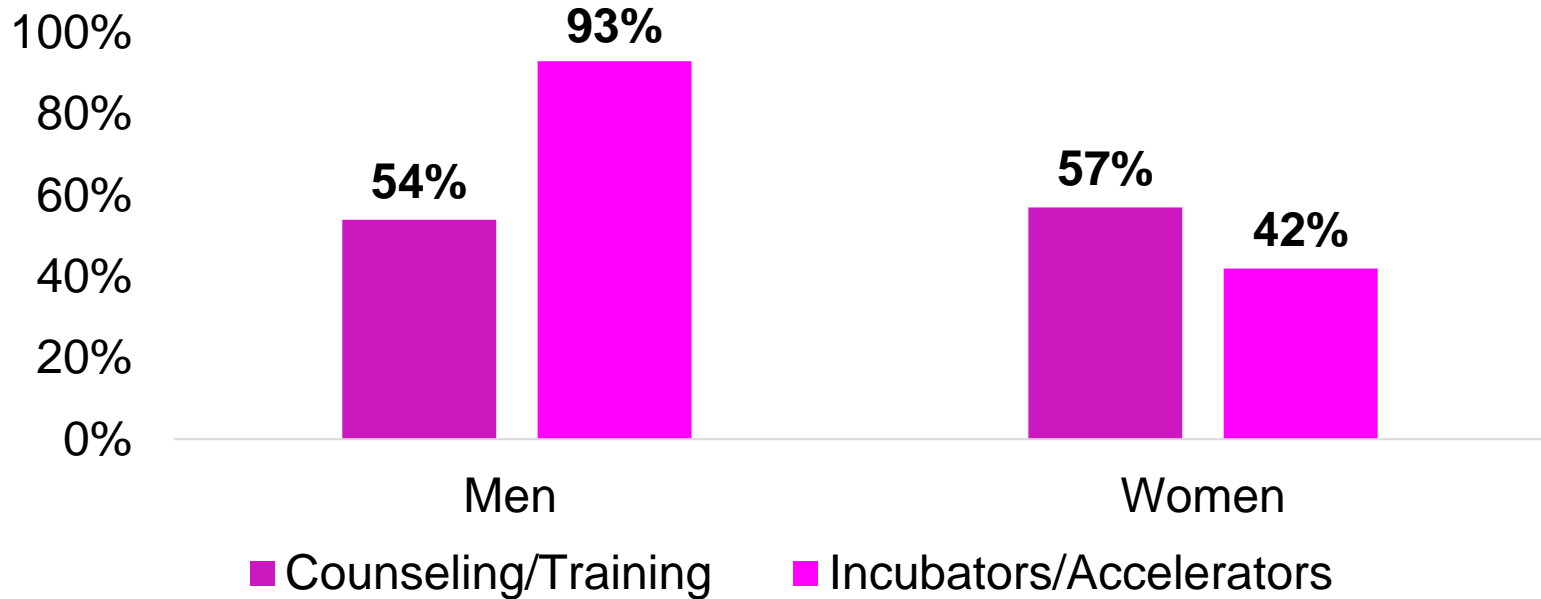
SEPTEMBER WEKH INDIGENOUS COFFEE BREAK



September 7th, 2021
9-10 PST | 12-1 EST



Access to Counselling/Training versus Incubators





Skills Agenda

- Shaped almost entirely by large businesses even though SMES are 90%+ of jobs
- Limited focus on SMEs and entrepreneurs generally
- Even less on women and BIPOC
- Limited understanding of intersectional issues in the ecosystem
- Without capacity building on both supply and demand sides there are missed opportunities
- Entrepreneurial skills are essential skills and offer pathways to employment

The Way Forward

- Read our research: wekh.ca
- Join the sharing platform: sharing.wekh.ca
- Connect with the ecosystem
- Participate in or suggest events
- Use our tools



Thank You

Wendy Cukier, MA, MBA, PhD, DU (hon), LLD (hon), M.S.C.

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Women
Entrepreneurship
Knowledge Hub

GET IN TOUCH:



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