

The State of Women's Entrepreneurship in Canada

PRESENTED BY:

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Women
Entrepreneurship
Knowledge Hub

Agenda

- > Women & Entrepreneurship
- > Barriers
- > Spotlight on Diverse Women Entrepreneurs
- > Towards an Inclusive Innovation Ecosystem
- > Women Entrepreneurs & COVID-19
- > About WEKH



> WOMEN & ENTREPRENEURSHIP

- As educated as men & more likely to have a graduate degree
- Primary decision-maker age is more likely to be <40 (20.8% vs 15.3%)
- More likely to focus on retail, services and accommodation
- Definitions matter: women entrepreneurs are 114,000 majority owners of SMEs with 1 employee versus 1,079,000 self-employed Canadians



15.6%

of SMEs are majority owned by women

37.4%

of self-employed women in Canada in 2019

13.3%

of Canadian women are entrepreneurs

Women are a **larger percentage of new business**, but companies are smaller

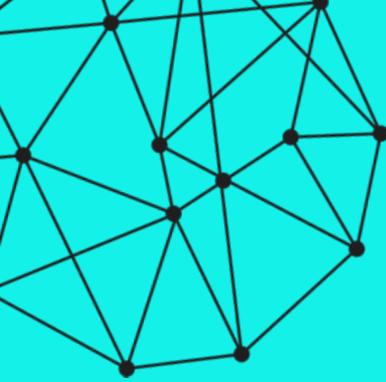
92.7%

are micro firms with less than 20 employees

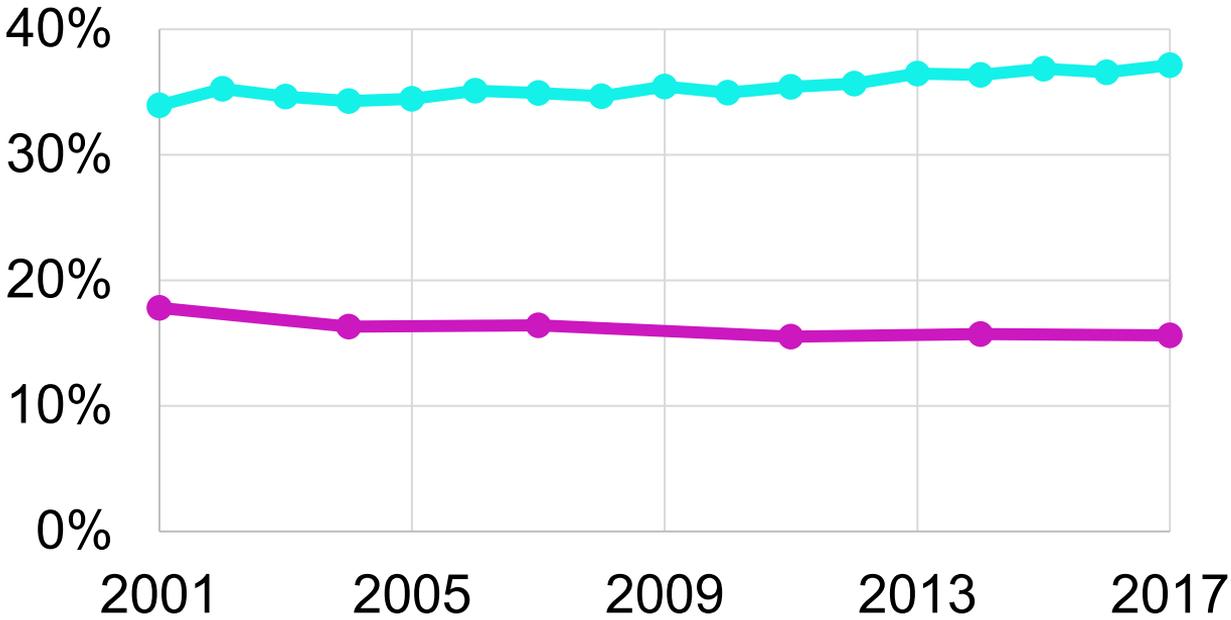
78.4%

of self-employed women have **no paid help**, versus 67.5% for men





Self-Employment vs. SME Ownership



There are **more self-employed women** than ever before, but the proportion of majority **women-owned SMEs is decreasing**

- % Majority Women Owned SMEs
- % Self-Employed Women

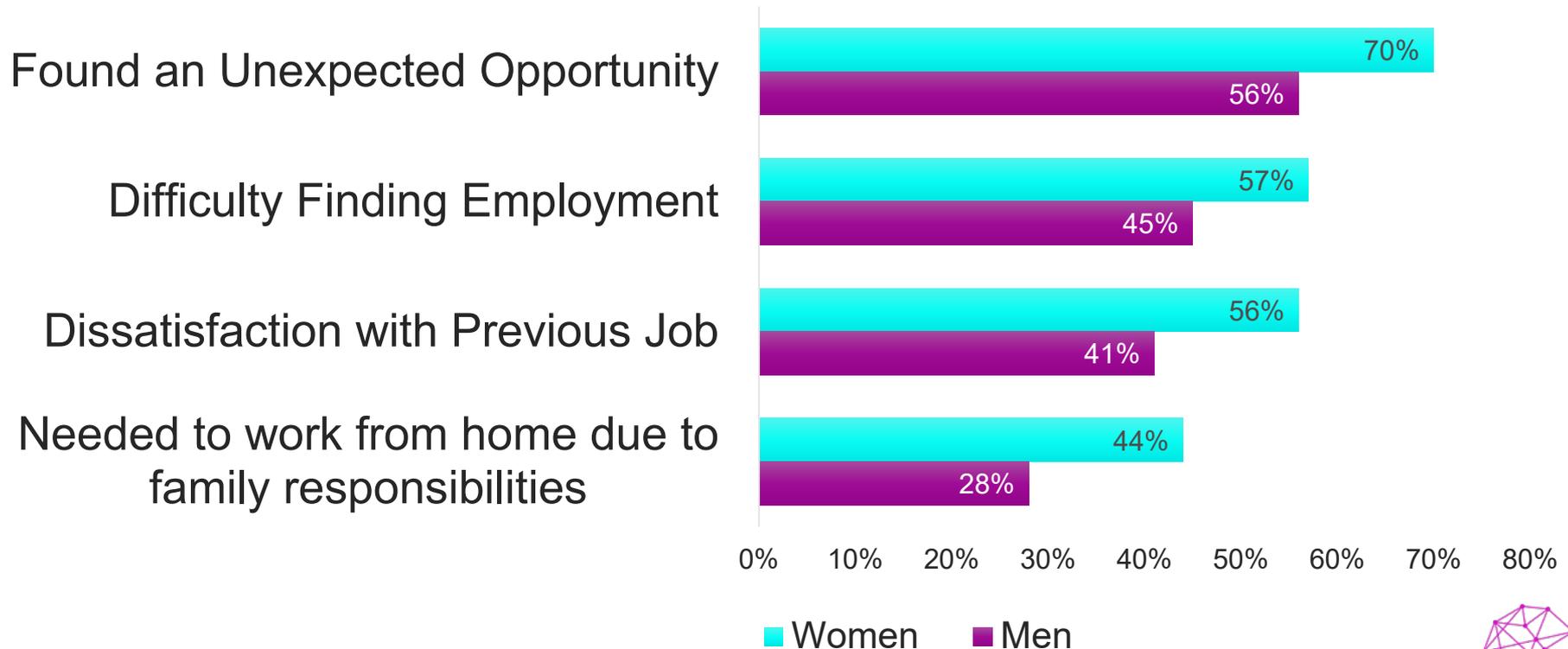
Slightly less likely than men-owned firms to be high-growth or medium-growth:



Differences diminish when control for **sector**

Growing proportion are **exporting** but slightly less than men (10.8% vs. 12.2%)

Reasons for choosing entrepreneurship



> BARRIERS

- Cultural stereotypes
- Lack of encouragement
- Lack of female-friendly pedagogy
- Absence of role models
- Lack of mentoring and sponsorship
- Culture of incubators and accelerators
- “Bro Culture” especially in tech
- E.g. Content analysis of 149 articles from The Globe and Mail from April 2017 to March 2019 showed men experts out-numbered women 60:24

In USA,
female
founders
received
only 2% of
venture
capital in
2017 –
\$1.9 B
of \$85 B

Zarya, 2018



“Think Entrepreneur. Think Male.”

The collage consists of several rows of content:

- Row 1:**
 - TOP 10 SUCCESSFUL ENTREPRENEURS IN ... kbrotthers.com
 - Propel Entrepreneur-In-Residence Has ... huddle today
 - Why Being an Entrepreneur is Hard... thekickassentrepreneur.com
 - Related searches: entrepreneur logo, successful quotes, entrepreneur quotes
 - Five Qualities of a Good Businessman ... led.eu
 - TOP 5 SUCCESSFUL RICHEST E... mofthukkad.com
 - To find success as an entrepreneur ... man.com
 - An Entrepreneur With O... fastcompany.com
 - Entrepreneur - Key Person of Influence keypersonofinfluence.com
- Row 2:**
 - Kevin Oudts, Founder ... baystbuil.com
 - Most Powerful Advice Entrepreneurs Ignore entrepreneur.com
 - Entrepreneurs To Eliminate The Stigma ... thriveglobal.com
 - Ahmad Al Mutawa ... arabianbusiness.com
 - Frank Islam ... m.economicstimes.com
 - Factors Affecting the Job Security of ... work.chron.com
 - Emerging Entrepre... bizjournals.com
 - Entrepreneurs Get Strong By Recogn... canadianentrepreneurtraining.com
 - Young And Successful Entrepreneurs Who ... lifehack.org
- Row 3:**
 - making big strides, meet Ze Nkumalo news24.shortandstories.com
 - Entrepreneur Types Explained - Launchopedia fundingpage.com
 - Iranian Entrepreneur and Techn... femigrants.org
 - business man suit p... alamy.com
 - Chinese Entrepreneur: Success, Polit... csnunchocommunity.com
 - Entrepreneurs & Sta... foundr.com
 - Entrepreneur Drawing B... pngix.com
 - Top 10 Young Indian Entrepreneurs 2... yourstory.com
 - Related searches: number of entrepreneurs, type of entrepreneur, age of entrepreneurs
 - Binny Bansal: Want to help 10,000 ... thehindubusinessline.com
- Row 4:**
 - Michael Hill (entrep...)
 - First Person: Kevin Curry, entrepre...
 - Most Promising Ghanaian...
 - Portrait Of Man, Closeup, Head Shot...
 - OSPE Supports the Engineer-Entr...
 - ROI on branding is a del... yourstory.com
 - Brent Zetti Wins Startup Canada ... business.financialpost.com
 - ready to be an entrepreneur ... techrepublic.com
 - Hasan Haider to share his success ... m.mucaidaily.com
 - Cengiz Ehiz cengizwhiz.com

<https://www.thehindubusinessline.com/info-tech/binny-bansal-want-to-help-10000-entrepreneurs/article26182994.ece>



STEM is necessary but insufficient:



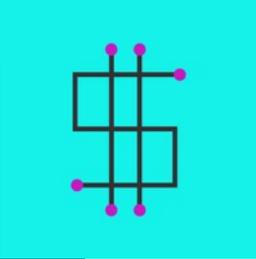
Financing

Start-up funding by % women ownership	No women	>50% women
Credit from financial institutions	38.0%	32.6%
Personal financing used toward business	83.0%	84.0%
Financing from friends or relatives	16.8%	16.2%
Retained earnings (previous/other business)	11.6%	12.2%
Trade credit from suppliers	17.9%	10.1%
Capital leasing	12.9%	7.3%
Government loans, grants, subsidies and non-repayable contributions	3.8%	4.9%
Financing from angel investors and VCs	2.4%	0.6%
Other	2.3%	2.8%



Structural barriers & discrimination

- Women are thought to be untrustworthy and risk-adverse
- Men dominate the financial institutions and venture capital firms
- Only 15.2% of partners and 11.8% of managing partners are women in Canadian VC firms
- Women are less likely to seek growth financing than men – financial literacy gaps and “discouraged borrowers”



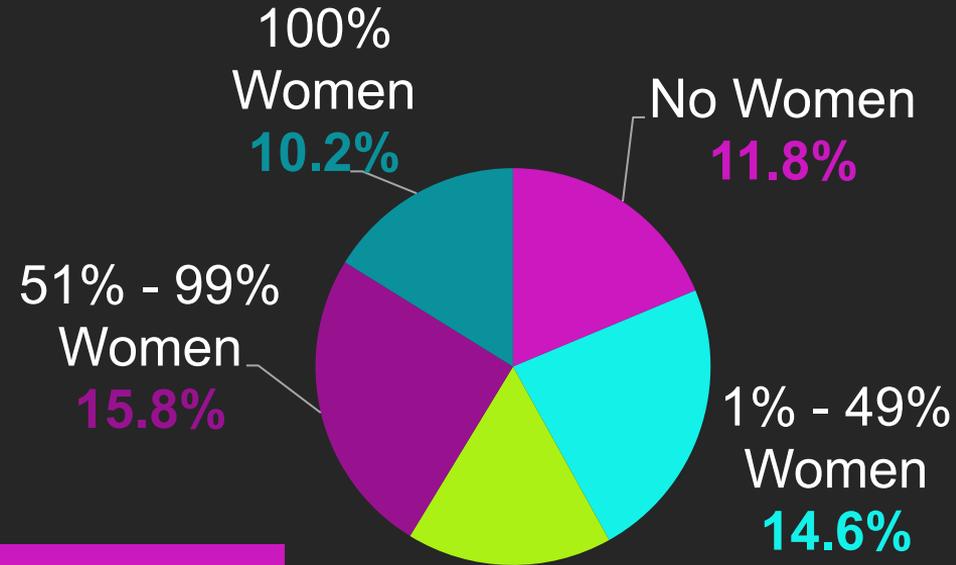
Over 83%
of women-
owned SMEs
used their own
**personal
financing**
to start
businesses

ISED 2018



Exporting

Majority women-owned SMEs who export **doubled** from **5.9%** in 2007 to **10.8%** in 2017



Sectoral shifts:



accommodation & food services, transportation & warehousing



manufacturing, wholesale trade



> SPOTLIGHT ON DIVERSE WOMEN ENTREPRENEURS

Diverse women entrepreneurs face different landscapes for entrepreneurship and different barriers

Differences by:

- > region
- > demography
- > sector
- > stage of growth



Women Entrepreneurs in Quebec

- Along with British Columbia, has the highest rates of women entrepreneurship in Canada with 16.7% demonstrating entrepreneurial intent
- Immigrant women in Quebec have rates of intent that are twice as high as those born in Quebec (30.9% vs 14.9%)
- Quebec has historically been a progressive province for women's equality

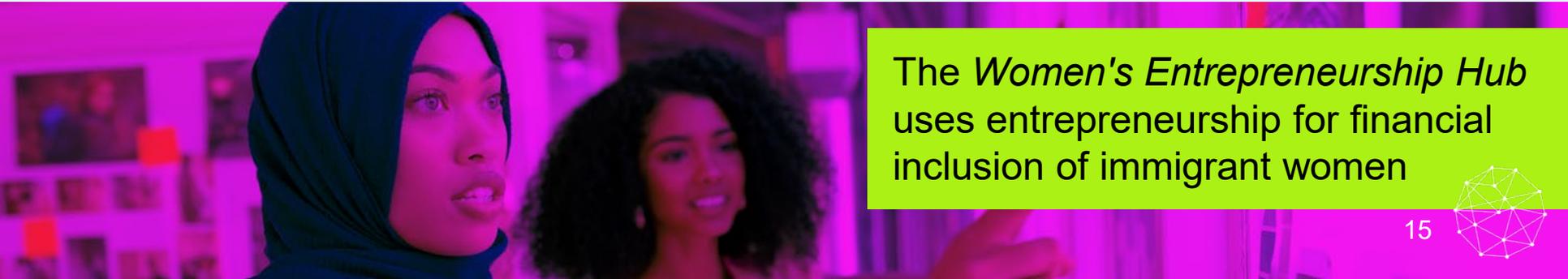


In Quebec, **Femmessor** provides human and financial capital support for women entrepreneurs



Immigrant Women Entrepreneurs

- Women only make up 36.1% of self-employed immigrants compared to 38.5% of Canadian-born self-employed
- Push and pull factors drive immigrant entrepreneurs
- Proportion of women who are self-employed varies by ethnicity
 - Filipino (56.4%), Chinese (41.4%), Latin American (40.8%)
- Immigrant women entrepreneurs face additional barriers: local knowledge, language, discrimination, lack of mentors and networks



The *Women's Entrepreneurship Hub* uses entrepreneurship for financial inclusion of immigrant women



Indigenous Women Entrepreneurs

- Self-employment for Indigenous women is 40.2%; higher than the self-employment of Canadian women, which is at 37.4%
- Indigenous entrepreneurs create businesses for collective benefit; e.g. social enterprise
- There are numerous barriers:
 - Access to services, financing, information, basic infrastructure
- 70% of Indigenous women entrepreneurs do not have employees; definitions of entrepreneurship are important

The Canadian Council for Aboriginal Business and the Alberta Women Entrepreneurs provides funding



Tech Women Entrepreneurs

**Startup
Canada
Women
Founders
Fund and BDC
Capital's
Women in
Technology
Venture Fund**
provide funding

- Gender inequity in STEM businesses
 - Range from lack of training and mentorship to difficulties raising capital
 - 63% of Canadian women had difficulties securing capital investment from venture firms; 40% for Canadian men
- Gender stereotypes for women
 - Women either seen as being uncommitted to families or to their careers
- There is a gender gap for technology adoption; 60% of women entrepreneurs at early stage use tech that is 5+ years old



Rural & Farming Women

- High rates of self-employment
- Profile of women in rural and remote areas:
 - 2.8 million women in rural Canada; 176,000 in remote areas; 47% of Indigenous women in rural areas
 - Rural women have shared ownership of farms at a rate of 29% (2016); 20% of self-employed women earn \$20,000+
- Lack access to infrastructure (e.g. broadband, childcare, transportation)
- Farming is highly gendered; there is an image of the independent male farmer

**PARO Centre
for Women
Enterprise**
provides
support and
training for
women in
Northern
Ontario



Women Entrepreneurs in the Arts & Creative Industries

- 52% of artists are self-employed
- Women dominate the arts sector; they account for over half of workers (52%)
- There is growing recognition that artist focused entrepreneurship training, development and support are desirable, but supports remain sparse



OCAD U is leading the **Creative Women in Entrepreneurship** initiative to better understand the creative industries



Social Entrepreneurs are Entrepreneurs

Definitions of “entrepreneur”:

“Someone who carries out new combinations” (*Schumpeter, 1934*)

“Pursues “opportunity without regard to the resources currently controlled” (*Stevenson, 1983*)

“Searches for change, responds to it and exploits it as an opportunity” (*Drucker, 1985*)

Classic definitions do not mention profit or tech.

Women own a higher proportion of social enterprises as compared to SMEs

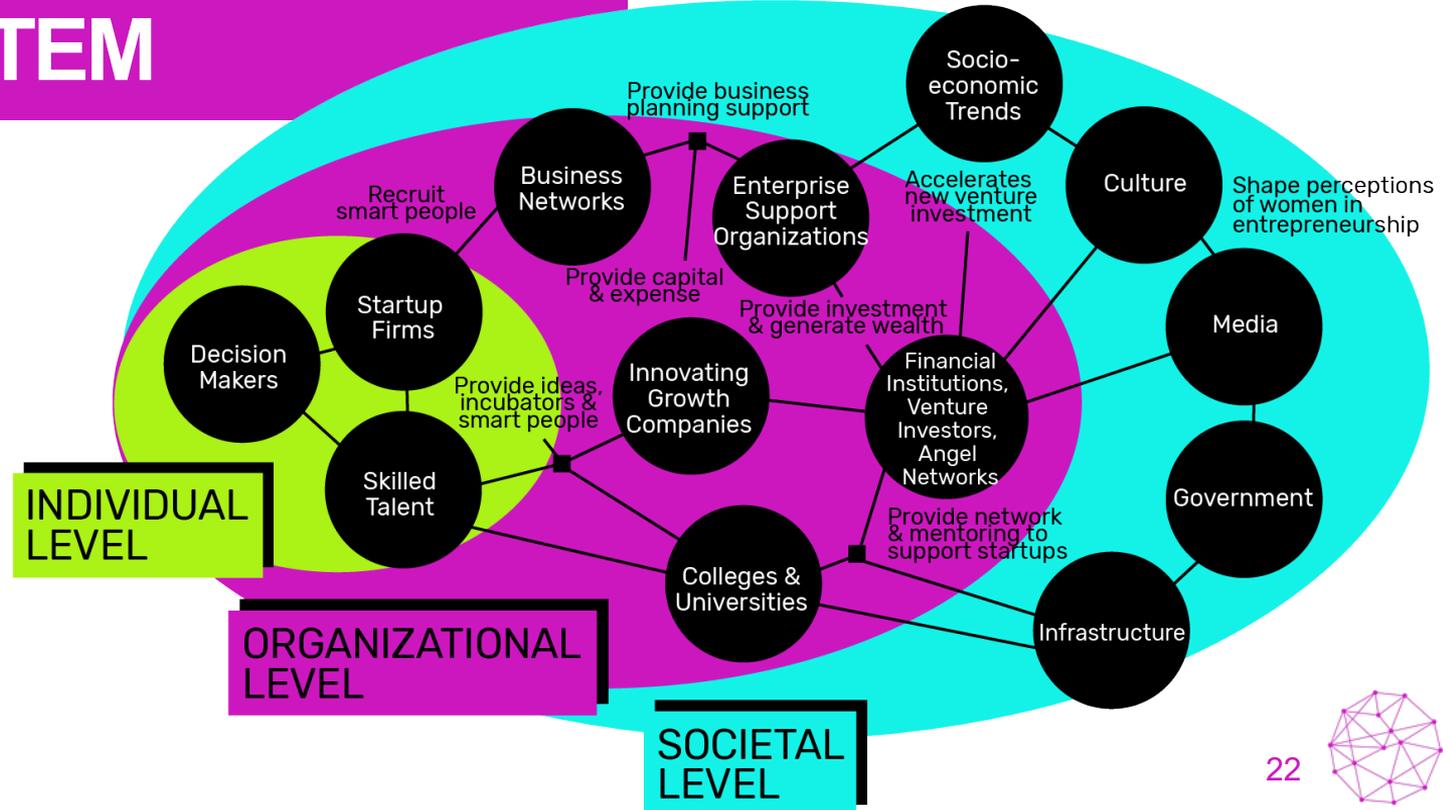
SheEO is a Canadian social enterprise that is built on business for social good and women-centred networks



Entrepreneurship also serves goals for sustainable development



> MOVING TOWARDS AN INCLUSIVE INNOVATION ECOSYSTEM



Previous Recommendations

> Increase access to SME financing

> Increase access to federal procurement

> Gender-specific SME training and development support services

> Support for internationalization

> One-stop access to hub for information

> Women-focused trade missions



> Promote entrepreneurship as career option

> Increased networking, mentoring, advisory and sponsorship opportunities

> Program evaluation using disaggregated data

> Better coordination support/information

> Woman-friendly curriculum

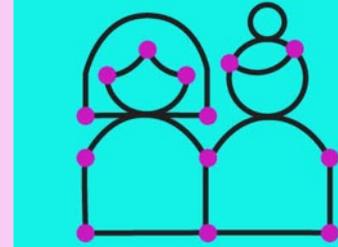
> Income protection and wrap around support



YET:

- Studies of incubators and accelerators show **gender is not considered** in innovation (*e.g., Cukier et al., 2013*)
- Women in Entrepreneurship programs typically seen as ‘add-ons’; do not address systemic barriers
- Money invested in women’s advancement is fraction of overall funding

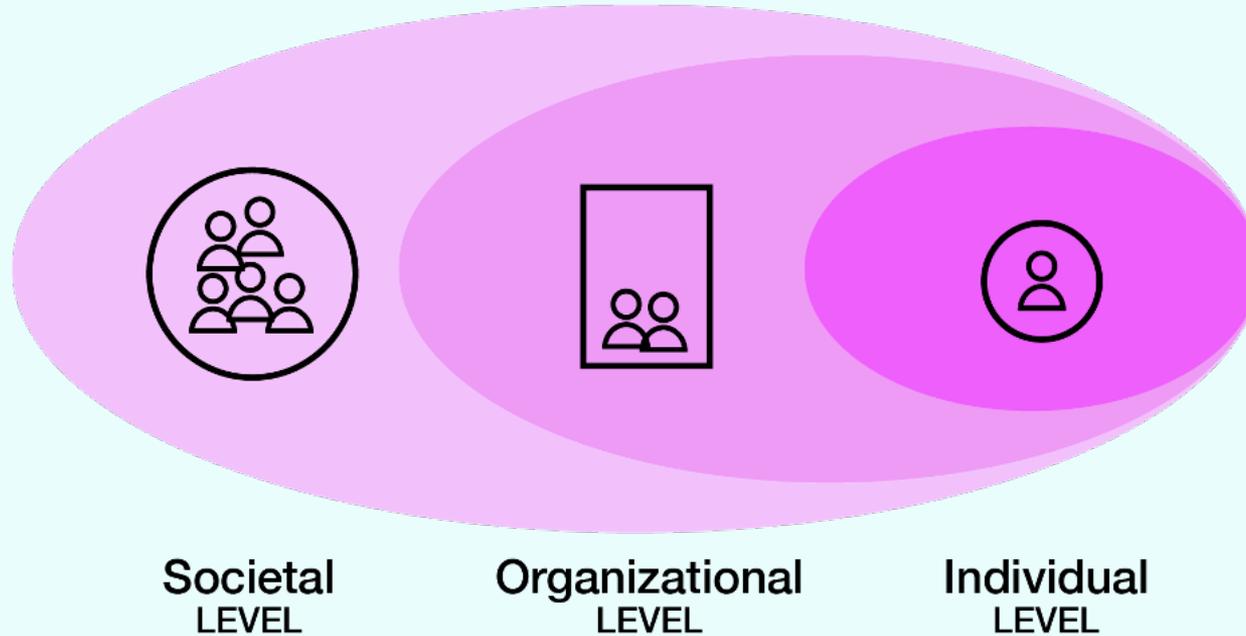
A Systems Approach is Needed



Studies of incubators and accelerators show **gender is not considered in innovation**



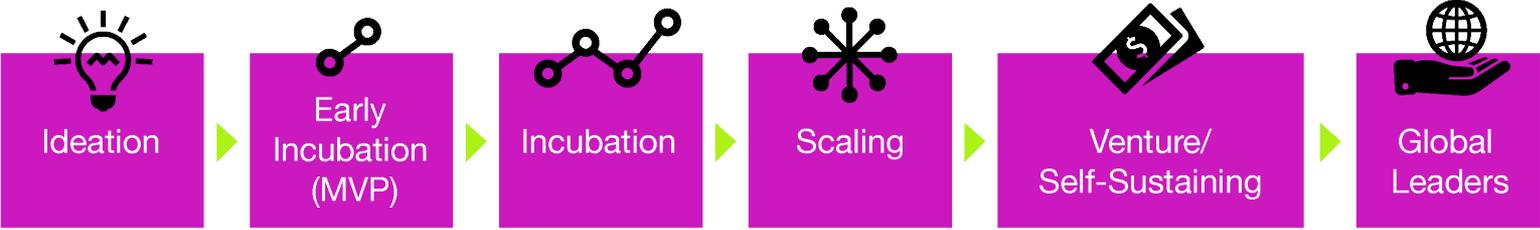
Framework: Critical Ecological Model



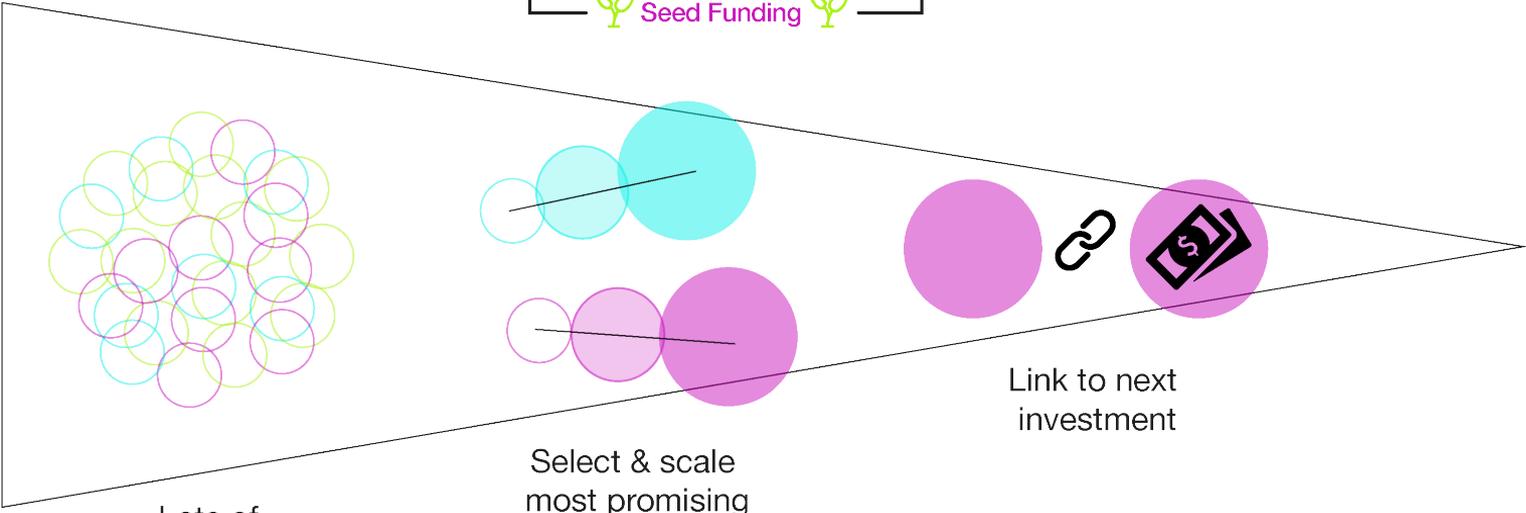
Barriers/
drivers and
interventions
at each level
& between
levels



Building the incubation/acceleration pipeline



┌─── Seed Funding ──┐



> Women Entrepreneurs and COVID-19

3.1 million Canadians
have been affected by
job loss or reduced
work hours

1.3 million had a job
but did not work

74% of start-ups saw
their revenue decline
16% saw declines of
more than 80%

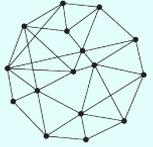


Impact of COVID-19 on women entrepreneurs

- Smaller, under-financed and more vulnerable
- More likely to be self-employed than owners of SMEs with employees
- In sectors more affected by COVID
- Burden of unpaid work – affecting more than 60% of entrepreneur
- Among 40% of companies that have laid off staff, 62.1% of women led businesses have laid off 80% of staff vs. 45.2%
- Need skills to implement technology to transition
- Excluded from many programs and embedded systemic discrimination
- Excluded from discussions of recovery



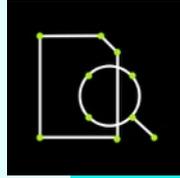
> About WEKH



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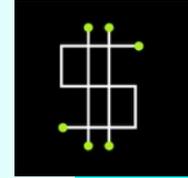
Future Skills
Centre



**12 major
research
projects:
FSC, WEKH,
WIIP, ADaPT**

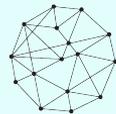


**150+
partners,
70
researchers**



**16
million+
in new
funding**

Programs supporting research
and program development for
women's entrepreneurship



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Women Entrepreneurship Strategy

- The *Women Entrepreneurship Knowledge Hub (WEKH)* is a key part of the Canada's ***Women Entrepreneurship Strategy (WES)***
- **WES** is a nearly \$5 billion investment in an ambitious “whole of government strategy” aiming to help double the number of women led businesses in Canada by 2025.
- **WEKH**, led by the Diversity Institute, is a network of researchers and key stakeholders which leverages research to inform policy and practice, to share knowledge and drive inclusion across the innovation ecosystem.

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Year 1 Achievements

- State of Women Entrepreneurship in Canada Report
- Ecosystem database mapping
- Bilingual Scholarship Scanning
- Gaps and Needs
- Stereotyping Campaign
- Annual Conference
- Women Entrepreneurship Portal
- Strengthening and Growing the Network
- Social Sciences and Humanities Research Council (SSHRC) Partnership Grant



New Initiatives: 2020/21

> “See it. Be it”
stereotype busting
campaigns

> Sectoral focus –
women in health and
beauty, social
innovation, ICT, health
tech, food, music

> What works? –
strengthening our
evaluation
frameworks

> “No recovery
without she-
covery” – COVID
impact and
support

> Starting up and
scaling up

> Canada in the
international
context

> Financial mapping
and pathways

> Gender and
diversity analysis –
innovation
superclusters,
incubators, funding
programs, financial
practices

> Benchmarking
progress



Thank you

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 brookfield
institute
for innovation + entrepreneurship

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