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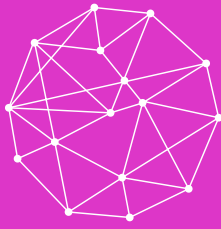
Trends in Canadian Women's Entrepreneurship

2013–2019



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Women Entrepreneurship Knowledge Hub (WEKH) is a national network and accessible digital platform for sharing research, resources, and leading strategies. With ten regional hubs and a network of more than 200 partners, WEKH is designed to address the needs of diverse women entrepreneurs across regions and across sectors. In response to COVID-19, WEKH adopted an agitator role connecting women entrepreneurs and support organizations across the country and led network calls and training sessions. WEKH's advanced technology platform, powered by Magnet, will enhance the capacity of women entrepreneurs and the organizations who serve them by linking them to resources and best practices from across the country.

With the support of the Government of Canada, WEKH will spread its expertise from coast to coast, enabling service providers, academics, government, and industry to enhance their support for women entrepreneurs. Ryerson University's Diversity Institute, in collaboration with Ryerson's Brookfield Institute for Innovation + Entrepreneurship and the Ted Rogers School of Management, is leading a team of researchers, business support organizations, and key stakeholders to create a more inclusive and supportive environment to grow women's entrepreneurship in Canada.

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- > **Education.** Dissemination of information through newsletters, events, and other informal education activities, particularly for graduate students.

For more information on the Global Entrepreneurship Monitor (GEM) global reports and on GEM, please contact the GEM Executive Director, Aileen Ionescu-Somers, at asomers@gemconsortium.org.

The 2018/2019 GEM Global report is available at gemconsortium.org

Although GEM data were used in the preparation of this report, their interpretation and use are the sole responsibility of the authors and the GEM Canada team.

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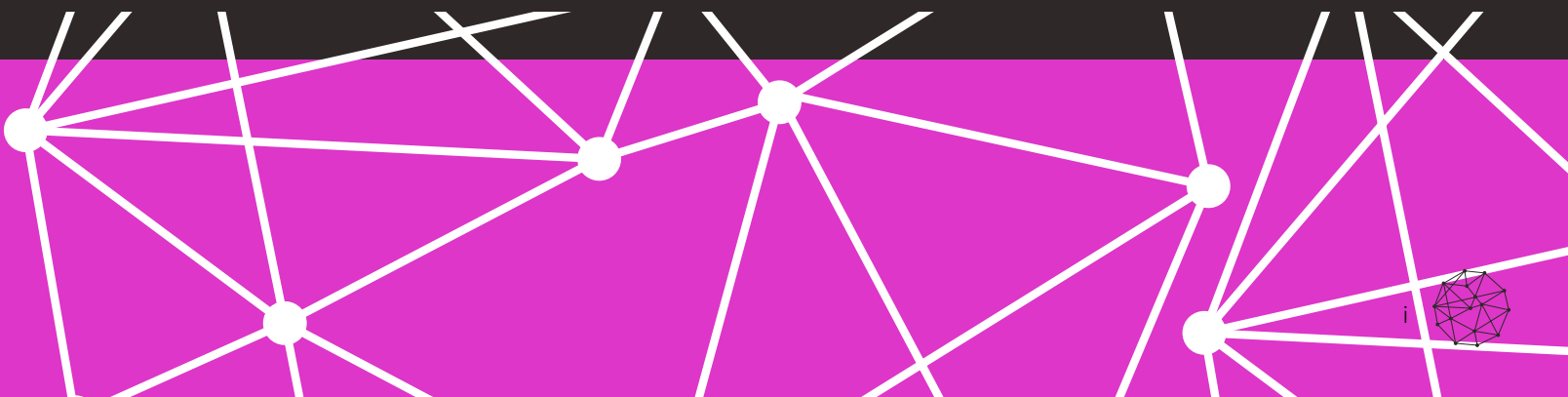
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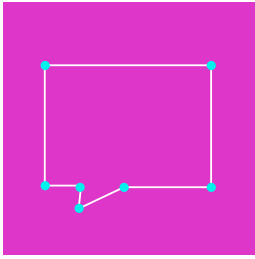
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Executive Summary

In recent decades, there has been growing interest in many countries around the globe in promoting and encouraging entrepreneurship and start-up activity as a way to spark economic growth and innovation and address important market gaps and social challenges. Women have been central to this dynamic, with growing policy attention being paid to questions of how best to support aspiring women entrepreneurs in launching and growing their ventures.

In Canada, the rise of women's entrepreneurship has been especially dramatic, with activity rates for both start-ups and established business ranking among some of the highest in the world. Illustrating this, the *Global Entrepreneurship Monitor 2018/2019 Women's Entrepreneurship Report* confirms that Canada is a leading jurisdiction for women's enterprise.¹ A growing body of research in Canada also confirms that women entrepreneurs are playing an increasingly important role in economic and social innovation in Canada, and that growing numbers of women are interested in pursuing entrepreneurial opportunities rather than traditional wage-and-salary careers.

Since the early 2010s, Global Entrepreneurship Monitor (GEM) Canada has conducted focused research on annual trends in entrepreneurship in Canada and the nature of the evolving entrepreneurial ecosystem, working with a consortium of other countries using the Global Entrepreneurship Monitor methodology and protocol (see the Introduction for further details of methodology and approach). Drawing on annual adult population surveys (APS) conducted from 2013 to 2019, GEM Canada has produced a series of annual reports exploring entrepreneurial activity,

attitudes, and aspirations for the Canadian population. On a biennial basis, GEM Canada has also produced reports on women's entrepreneurship in Canada, focusing in greater depth on gender-based patterns in attitudes, activity, and aspirations for both start-up and established business owners.²

To date, however, GEM Canada has not yet produced a detailed analysis of longer-term trends in women's entrepreneurship over the seven-year period (2013–2019) for which it has conducted annual surveys. This report, commissioned by the Women Entrepreneurship Knowledge Hub (WEKH), offers a first analysis of this kind, undertaking a detailed exploration of evolving trends in women's entrepreneurship in the early to late 2010s—a period which has seen dramatic change in entrepreneurial activity and attitudes, as well as a heightened awareness of gender barriers and bias in workplaces and the need to build more gender-inclusive economies.

Using a gender-based approach, this report draws on GEM Canada's Adult Population Survey (APS) data from annual surveys conducted between 2013 and 2019 inclusive, following the protocols developed by the GEM Global Consortium. In 2019, the GEM Global survey involved 49 countries, which used a common survey protocol to gather comparable data about entrepreneurial attitudes, aspirations, and activity.

A wide array of topics is examined in this report, both for the Canadian population as a whole and for Canadian women and men who are engaged in entrepreneurship. The report begins with an exploration of the economic context for entrepreneurship in Canada. It then turns to examine evolving



attitudes towards entrepreneurship among the Canadian population, as start-ups and small and medium enterprises (SMEs) have become a more prominent feature of Canada's economic and social landscape. Issues explored here concern gender-based trends in Canadians' attitudes concerning the attractiveness of entrepreneurship (e.g., status, good career option) and Canadians' sense of preparedness for business ownership (e.g., skills, knowledge, and experience). The report explores how attitudes have changed during the 2013 to 2019 period and how attitudes vary not only by gender, but region and age/generation. Also examined are Canadians' entrepreneurial intentions and interest in launching a business, gauging the extent to which gender gaps are changing over time.

Moving from the Canadian population as a whole, the report then focuses more closely on Canadian women and men who are currently engaged in entrepreneurship. It examines the activity rates of those leading younger start-up businesses (less than 3.5 years of age) and more established firms (3.5 years and older), tracing how this activity, and gender-based patterns, has evolved from 2013 to 2019. It also probes women's and men's motivations for launching a business and the attitudes they bring to their entrepreneurial endeavours. It considers the changing profile of Canada's women entrepreneurs in terms of their age, education, and regional location, and the industrial basis of their businesses, focusing on trends over time and gender-based patterns. Finally, the report considers the performance and impact of women's entrepreneurship, using standard economic indicators such as job creation, expected job growth, exporting activity, and innovation.

Key highlights include:

> **Attitudes of Canadians towards entrepreneurship**

Canadians have increasingly positive attitudes towards entrepreneurship, as evidenced by a striking upward trend on many indicators in the 2013–2019 period. Among Canadian women, there is a dramatic increase in the proportion who view entrepreneurship as a good career choice with high status, who perceive good business opportunities, and who feel they have the knowledge, skills, and experience to be a successful entrepreneur. An especially noteworthy change is the proportion of Canadian women who know an entrepreneur. While growing numbers of women express a fear of business failure, this is the case for both women and men, perhaps reflecting a more realistic appraisal of the challenges involved in building a business as it becomes more common in Canadian society. Finally, despite these positive upward trends for women, there is a persistent gender gap in outlooks, with men typically having more positive attitudes, self-perceptions, and entrepreneurial intentions.

> **Women's entrepreneurial activity**

With respect to actual entrepreneurial engagement, there have been some dramatic changes in Canadian women's activity over the 2013–2019 period. In total early-stage activity (TEA)—involving a business 3.5 years or less—there was a 50% increase in women's activity rates, with 15.1% of women involved in TEA in 2019, up from 9.9% in 2013. For established business (EB), however—involving a business 3.5 years and older—women's activity rates have been more stable over the long term, at 5.8% in 2013 and 2019, with higher rates in some years. Gender gaps persists, however, in total early-stage activity, due to rising TEA rates for men as well. Among established business (EB), the gender gap has narrowed, but largely due to declining activity rates for men.



> **Motivations for launching a business and business exits**

Opportunity, rather than necessity, is the primary motivation for women in launching a business, both in 2013 and 2019. That said, necessity motivations are a consideration for some women. In 2019, motivations for women and men in early-stage firms did not differ significantly, except that the most common motivator for women was to “make a difference in the world.” In terms of business exits (both voluntary and involuntary), women’s exit rates were typically in the 2–3% range for most of the 2013 to 2019 period, with exit rates by women consistently lower than those for men. For women in 2019, the most common reasons for exiting a business were (in order from most of least common) the inability to obtain financing, a lack of profitability, opportunities to sell, and retirement.

> **Education and age profiles**

Canadian women entrepreneurs are highly educated, both in early-stage and established firms, and educational credentials rose significantly from 2013 to 2019.

This is consistent with high levels of post-secondary training in Canada generally, but it may also be a function of a greater emphasis on entrepreneurial careers in post-secondary environments and the influx of younger Canadians into early-stage firms. Indeed, younger women (18 to 34 years of age) saw the greatest surge in activity from 2013 to 2019, both in early-stage and established firms. Within that group, it was 18- to 24-year-old women who saw the largest jump over the seven years. In contrast, older women (55 to 64 years) in early-stage activity were the only group to have declining activity rates.

> **Region and industry**

Canadian women’s engagement with entrepreneurship varies widely across the country, reflecting differences in the health and prospects of regional economies. In 2013, the Prairie provinces had the highest rates of total early-stage activity by women (TEA). From 2013 to 2019, there were continued increases in TEA activity among women in British Columbia (BC), the Prairies, and the Atlantic region as well. But the biggest jump in activity from 2013 to 2019 was seen in Ontario and Quebec, with Ontario having the highest rates of women’s total early-stage activity by 2019. For established business (EB) owners, rates were much more stable over time, with slight increases in women’s EB activity in Ontario and declines in Quebec and the Atlantic provinces.

Industrially, women entrepreneurs cluster into several key sectors, with the importance of different sectors varying somewhat between 2013 and 2019. For women in early-stage firms, the three most important sectors in 2019 were retail, hotels, and restaurants; government, health, education, and social services; and professional services, accounting for about 60% of women entrepreneurs. For established women, the top three sectors were the same, but in a different ordering, accounting for roughly 50% of all women-led firms.

> **Employment, growth expectations, and innovation**

Striking changes are evident in job creation for women-led firms in the 2013–2019 period. Early-stage women business owners have moved markedly away from “solo entrepreneurship,” with just 1 in 5 (21.3%) reporting that they had no employees in 2019, compared to roughly half of women in 2013. Equally notable, more than 1 in 10 women (13.5%) reported having created 20 jobs or more



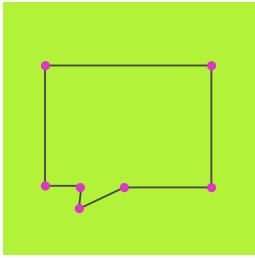
in their firms in 2019—a significant shift given that in 2013, there were no women running firms with 20 employees or more. For established women business owners, trends over 2013 to 2019 have been more stable, with mid-range job creation. The vast majority of women running established firms have employees, with just 20% operating as solo entrepreneurs.

With respect to future growth expectations, the overall trend from women in early-stage firms suggests a slow shift towards higher growth aspirations. Trends for men moved in a similar upward manner, though more men aspired to lead firms with 20 or more employees. With respect to innovation and internationalization, there is a notable group of early-stage women entrepreneurs with a strong international base. However, by 2019, there were far more early-stage women entrepreneurs with a purely domestic market. With respect to innovation, a growing portion of women entrepreneurs reported offering novel products and services, especially in young firms, with roughly 4 in 10 (39.1%) reporting innovation in the most recent time period, up from 29.5% in 2013.

> **Looking ahead**

Dramatic changes have occurred in the entrepreneurial attitudes, activity rates, and aspirations of Canadian women in recent years. This report provides the first multi-year analysis of GEM Canada data, focusing on the 2013–2019 period. Among the key trends highlighted are a marked rise in positive attitudes, self-assessments of capabilities, and entrepreneurial intentions among women. Notable as well are the high education levels and rising interest, among younger women in particular, in pursuing entrepreneurial careers. Despite significant gains by women, however, gender gaps continue to persist in entrepreneurial attitudes, activity levels, and aspirations—though there has been a narrowing of

the gender gap on some indicators. Regional variation in total early-stage activity and the industrial concentration of both early-stage and established firms led by women, highlight two key areas where policy attention and the building of supportive ecosystems may be beneficial. However, women-led businesses have become increasingly growth oriented and innovative, judging by recent trends.



Introduction

Canada and the Rise of the Entrepreneurial Economy

In recent years, Canada has seen a remarkable level of engagement with entrepreneurship and start-up activity, often ranking as a leader among innovation-based economies. According to GEM's 2018 *Global Report*, Canada has some of the strongest rates of entrepreneurship activity compared to other knowledge-based economies, such as the U.S.A, United Kingdom, France, Germany, Italy, and Japan.³

Women's growing engagement with new venture creation and business ownership is a particularly striking feature of Canada's rise as an entrepreneurial economy. While women business ownership is growing in many other countries, Canada has consistently ranked in the top-tier of mature high-income nations with respect to early-stage start-up activity. Canadian women have also held a solid place among high-income nations for established business ownership (i.e., businesses 3.5 years or older).

Contributing to accumulating knowledge about entrepreneurship in the Canadian context, this report offers a multi-year perspective on trends for the 2013–2019 period, during which Canada participated in the Global Entrepreneurship Monitor (GEM). While GEM Canada has produced annual reports each year, offering a detailed overview of entrepreneurial trends in Canada and several reports focused primarily on women's entrepreneurship, it has not yet offered a comprehensive overview and examination of longer-term trends in women's enterprise.

Motivating this report are important questions and debates about the influence of gender as it shapes entrepreneurial behaviour, activity, and environments. Although we know women are making great gains in launching new ventures and increasingly scaling their businesses, we also know from media reports and a growing body of academic research, that gender stereotypes, barriers, and organizational practices exert a significant force in the Canadian economy, and that notable "gender gaps" in entrepreneurial attitudes, activity, and performance persist. This is evident in many countries, not just Canada. Yet, there is also a growing awareness of the benefits of building more inclusive economies and the need to support the diverse talents and ideas of women. It is therefore vital to track the changes taking place in women's entrepreneurship as it is unfolding in Canada today.

The report examines a wide range of issues that are relevant to women-led business. It begins by considering the broader economic and social context for entrepreneurship in Canada and evolving attitudes towards entrepreneurship, as both an economic and cultural activity, in the Canadian population overall. It also considers the attitudes of Canadians by gender, region, and age/generation, and explores how gender shapes an interest in pursuing business ownership, or what is called "entrepreneurial intentions." It also focuses in greater depth on Canadians who are engaged in business ownership, examining activity rates of Canadian women and men in younger start-up businesses (less than 3.5 years of age) and more established firms (3.5 years and older) as this activity has evolved in the 2013–2019 period. It



explores women’s and men’s motivations for entrepreneurship and the attitudes they bring to their entrepreneurial endeavours. The report also considers the changing profile of Canadian entrepreneurs, with respect to gender, age, education, and regional location, and the industrial basis of their businesses. It also assesses the performance and impact of Canadian women’s businesses, using standard performance indicators such as job creation, expected job growth, exporting activity, and innovation

ENTREPRENEURSHIP AND CANADA’S CHANGING ECONOMIC CONTEXT

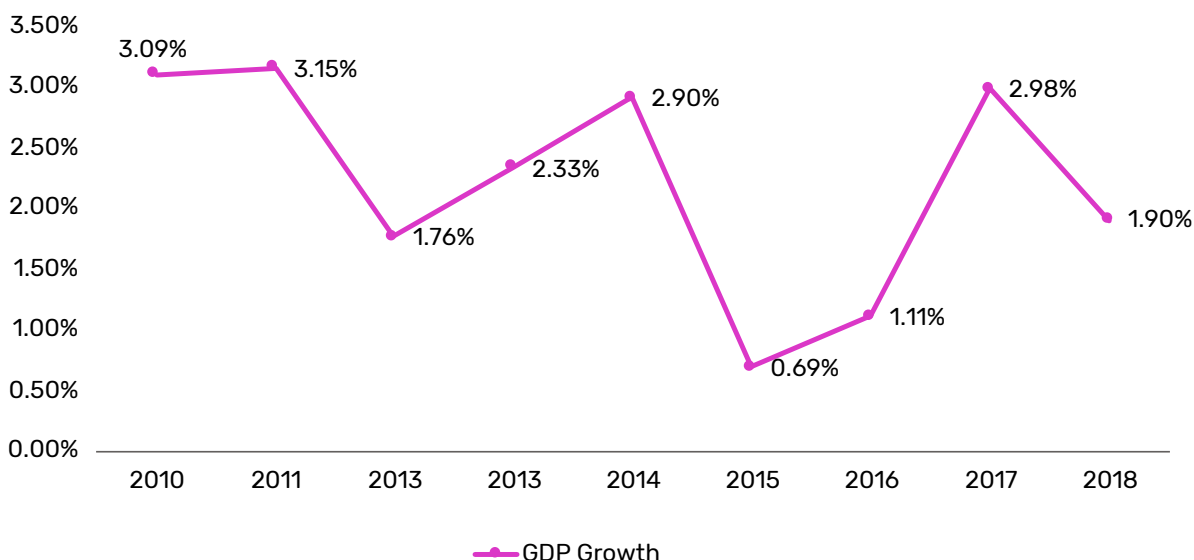
Entrepreneurial activity is shaped by many different factors, including national culture, entrepreneurial ecosystems, and public policy. Central among these factors are macro-economic conditions, and the overall health and growth prospects of an economy, which play a pivotal role in shaping business start-up activity, as well as growth and longevity for more established businesses. Especially important for women’s entrepreneurship in Canada, is the

recent work of the federal government in spearheading a major initiative, the Women’s Entrepreneurship Strategy. Announced in the 2018 federal budget, this initiative involves a nearly \$5 billion investment to help double the number of women-owned businesses by 2025⁴—by both increasing the number of women involved in business start-up activity and encouraging greater growth and longevity for more established women-led businesses (see Cukier and Chavoushi, 2020 for an overview).

During the time period under consideration in this report (2013 to 2019), Canada has experienced periods of strong economic growth as well as downturns. It is important to keep this in mind in interpreting trends discussed in later sections. Figure 1 shows annual GDP growth from 2010 to 2018. We can see how growth rates have moved from just over 3% in 2010 to 1.9% in 2018. Periods of slow growth and downturns are evident in 2013 and again in 2015, with GDP growth slowing quite notably in 2016, before rebounding in 2017. Since then, growth rates have levelling back to around 2% in 2018 and 2019 (the latter year not shown).

FIGURE 1

Annual GDP Growth, Canada, 2013–2018 (Constant Dollars)



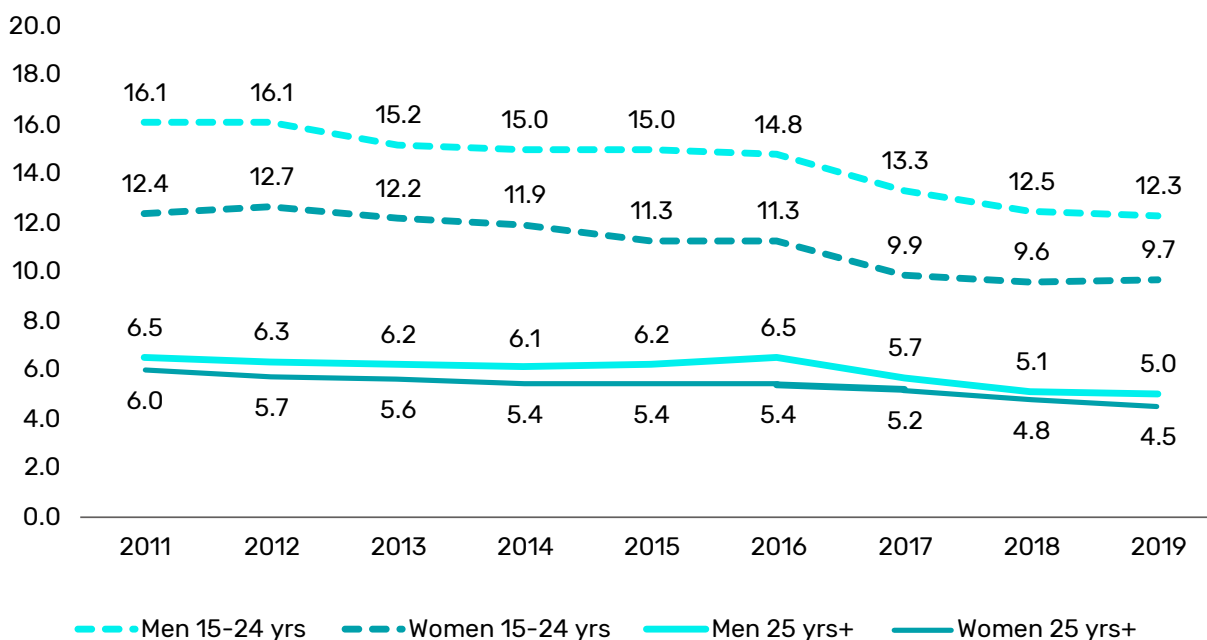
A second indicator that is important to keep in mind when discussing trends over the 2013–2019 period are unemployment rates, which have often been a focus of study in relation to entrepreneurship on the assumption that job loss may lead unemployed individuals into “necessity entrepreneurship.” As Figure 2 shows, Canadian rates of unemployment slowly trended downward in the 2010s, following the 2008 financial crash. Gender gaps in unemployment, once a feature of the Canadian labour market, are small, though we see the gap widening slightly in 2015–2016. Age and generation continue to be very important, however, with younger workers aged 15 to 24 years at far higher risk of unemployment. Regional differences are also important, with the Atlantic provinces having consistently higher levels of unemployment during the 2013–2019 period, and other provinces, such as Alberta, experiencing recent downturns.

Key Questions and Report Organization

Contributing to an understanding of evolving trends in women’s entrepreneurship in Canada, this report examines a range of questions, drawing on GEM Canada survey data from 2013 to 2019. GEM Canada follows the protocols of the Global Entrepreneurship Monitor (GEM), which is the largest and longest running study of entrepreneurship, having gathered data now for 20 years in countries around the world (Bosma and Kelley 2019). Canada has been an annual participant in this survey since 2013, and this report draws together extensive data from the past seven years into a novel report (for further details, see GEM Canada Data & Methodology, next page).

FIGURE 2

Unemployment Rates, Women & Men, Canada, 2011–2019 (Annual Avg.)⁵



Source: Statistics Canada and World Bank Indicators. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2018&locations=CA&start=1997>.



In terms of the organization of the report, the second section, Entrepreneurial Attitudes and Self-Perceptions, examines questions about the changing attitudes that Canadians have towards entrepreneurship, in terms of their interest and capabilities and their assessment of the opportunities and status it offers. This approach views entrepreneurship as both an economic and cultural activity. It examines gender-based patterns in attitudes, as well as those shaped by region and age. It also gauges the extent to which Canadians are attracted to entrepreneurship by examining their “entrepreneurial intentions.”

The next section, Entrepreneurial Activity, Motivations & Attitudes, examines questions of participation and involvement in entrepreneurship, tracing gender-based patterns for both early start-up activity (less than 3.5 years of age) and more established business (3.5 years and older) from 2013 to 2019 inclusive. It also probes the motivations of women and men in launching a business and the attitudes they bring to their entrepreneurial endeavours.

The fourth section, Characteristics of Canada’s Women Entrepreneurs, addresses questions of who is an entrepreneur in Canada, exploring the socio-demographic profile in relation to gender, age, education, and regional location, as trends have evolved in the 2013–2019 period. It also examines the industrial profile of women-led and men-led businesses, and the extent to which this has changed over time.

Next, the section Employment, Growth & Innovation assesses the performance and impact of Canadian women-led businesses, using standard performance indicators such as job creation and expected job growth in the next five years. It also compares women- and men-led businesses in terms of exporting activity and innovation in products and services.

The Conclusion draws together key findings and offers policy recommendations based on the empirical results.

GEM Canada Data and Methodology

As noted, GEM Canada runs under the protocols developed by the Global Entrepreneurship Monitor (GEM). Launched in 1999 as a joint project between London Business School (UK) and Babson College (USA), GEM is the longest running and most comprehensive longitudinal study of entrepreneurship in the world. To date, it has gathered data from over 100 countries in the past 20 years, with numbers varying each year. In 2019, there were 49 participating countries, including Canada.

The primary purpose of GEM is to understand entrepreneurship in national and global contexts, focusing on two key dimensions: i) the attitudes, activity, and aspirations of individual entrepreneurs; and ii) the national context and how it impacts entrepreneurial activity. While Canada participated briefly in the early years of the Global Entrepreneurship Monitor (i.e., 2003), it has only been a regular annual participant since 2013, with the GEM Canada team gathering data and producing a wide series of national and regional reports each year.⁶ These reports provide a much-needed picture of entrepreneurial activity in Canada. Though not focusing explicitly on women entrepreneurs, the national reports highlight broad gender trends on a number of indicators (e.g., types of entrepreneurial activity). In addition to the regular GEM Canada reports, three special reports have focused on gender-based trends in entrepreneurship, including two focusing on national trends, and one focusing on Alberta.⁷

GEM MODEL AND METHODOLOGY

The Global Entrepreneurship Monitor (GEM) defines entrepreneurship as: “Any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business.”⁸



At the heart of the GEM model is a focus on the *individual entrepreneurs*, and their personal aspirations, capabilities and opportunities, as well as the *entrepreneurial ecosystem*.

GEM includes countries with very different types of economies. To make useful groupings and comparisons, it currently categorizes them into high-income, medium-income, and low-income nations. In the past, GEM has also drawn on a three-fold typology from the World Economic Forum's *Global Competitiveness Report*.⁹ *Factor-driven* economies are the least developed, with the highest rates of entrepreneurship, often driven by necessity. In a more intermediate position are *efficiency-driven* economies, where early innovation and infrastructure are emerging. *Innovation-driven* economies—which includes Canada—typically have lower overall rates of entrepreneurship, but this activity is more likely to be technologically innovative, knowledge-based, and novel, and driven by opportunity-based, rather than necessity-based, motivations. In this report, we limit comparisons of Canada to other innovation-based, high-income economies.

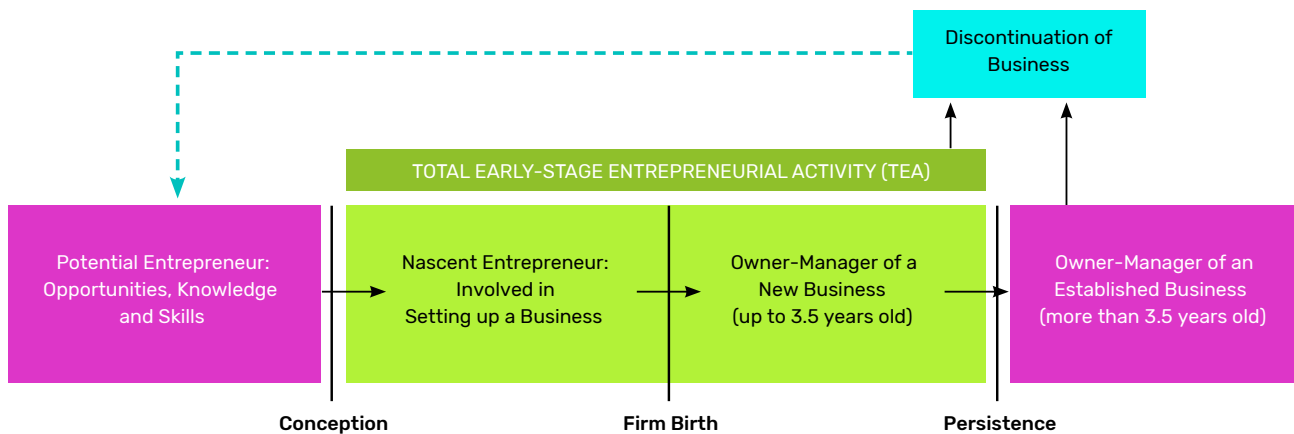
Overall, the GEM model views entrepreneurship as a process with distinct phases. As depicted in Figure 3, this process moves from the intention to start a business, to nascent entrepreneurship involving a brand-new start-up, to owner-manager of a relatively new business, to owner-manager of a more established venture. Following this process approach, it also tracks business exits and discontinuance.

A central measure of the GEM is total early-stage entrepreneurial activity (TEA). This includes those in the process of starting a business (nascent entrepreneurs) and those running a young business (3–42 months old), but excludes those in the established business phase (firms older than 42 months or 3.5 years). By exploring these various phases—and especially the difference between “early-stage” (TEA) and “established businesses” (EB)—the GEM project offers data not typically available from standard business statistics or official government measures.

With respect to data collection, GEM collects information at the national level through two main sources. GEM collects information at the national level through two main sources, the Adult Population Survey (APS) and the National Expert Survey (NES):

FIGURE 3

The Phases of Entrepreneurship



Source: Langford, Josty and Saunders (2016). *GEM Canada 2015 Report*, p. 14.



Adult Population Survey (APS)

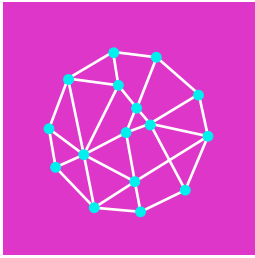
Data for the APS is gathered through a telephone survey of randomly selected adults, aged 18 to 99 years, conducted by an independent polling firm. Using the standard GEM questionnaire protocol, it covers a variety of questions on entrepreneurial attitudes, activities, and aspirations. The APS data provides a profile of representative data, weighted for age and gender to standard Canadian demographic data.¹⁰

National Expert Survey (NES)

Data is also collected through the National Expert Survey (NES). Areas of expertise that are specified by GEM include finance, policy, government programs, education and training, technology transfer, support infrastructure, and wider socio-cultural norms. The questionnaire presents a series of statements concerning support for entrepreneurship, and experts are asked to assess the degree to which each is true for Canada. The final section solicits open-ended responses.

Analysis for this report draws on the GEM Canada Adult Population Survey (APS) from 2013 to 2019 inclusive. It also draws from GEM *Global Reports* for comparisons in some cases, and from past GEM Canada reports for background and context.





Entrepreneurial Attitudes & Self-Perceptions, Canada, 2013–2019

An important starting point for understanding Canadian women’s engagement with entrepreneurship in recent years involves examining evolving attitudes and self-perceptions towards entrepreneurship among the Canadian population as a whole.¹¹ Just as general economic conditions (e.g., GDP growth) influence the decision to start a business, we know that cultural attitudes are important. A growing body of research, in both entrepreneurship and media studies, suggest there is much greater attention being paid in both mainstream and social media to entrepreneurship, start-up cultures, and high-profile entrepreneurs. This has the potential to shape attitudes by portraying entrepreneurship positively as a desirable career choice and by drawing attention to entrepreneurial success stories and role models.¹²

Canadian Women’s and Men’s Attitudes Towards Entrepreneurship

How do Canadians view entrepreneurship? To what extent do we see gender differences in attitudes? And how have attitudes changed over time? We examine these questions by discussing key indicators gathered each year through the GEM Canada survey. Several attitudinal questions ask respondents whether they feel that entrepreneurship appears to be a “good career choice” and has “high status” in their community. Questions also tap into self-perceptions of entrepreneurial capabilities, such as whether Canadians personally perceive good business opportunities; whether they feel they have the skills, knowledge, and experience to be

a successful entrepreneur; and whether they personally know an entrepreneur. Respondents are also asked whether they fear failure in undertaking an entrepreneurial endeavour.

Figure 4 illustrates responses on some of these attitudinal measures for the Canadian population (18 to 79 years old) as a whole, in 2013 and 2019, asking about whether entrepreneurship offers a good career choice and has high status. As we can see, attitudes have become increasingly positive over time, with the vast majority of Canadians having favourable impressions. There is also little by way of a gender gap in the attitudes and perceptions in the Canadian population. For instance, in 2013, approximately six out of ten women and men viewed entrepreneurship as a good career choice, with women (63%) slightly more likely to express this view than men (59.1%). By 2019, this was the case for nearly 7 in 10 Canadians, with men (69.9%) slightly more likely to express this view than women (67.5%). In a similar vein, we see a very favorable view of entrepreneurship as a high-status activity, no doubt reflecting media interest in high profile, successful entrepreneurs. Here an even larger majority of Canadians have very good impressions of entrepreneurship, with roughly 70% of women and men agreeing with the question in 2013. These positive attitudes have steadily increased over the years, with nearly 8 out of 10 women and men agreeing in 2019.



Other indicators in the GEM Canada survey probe self-perceptions of entrepreneurial capabilities, such as knowing other entrepreneurs or perceiving good opportunities. It is worth looking at these indicators by gender as they evolved over the 2013–2019 period, as they shed some light on Canadians’ changing perceptions of themselves in relation to an entrepreneurial economy. Data for four key indicators is shown in Figure 4, which highlights two key trends. First, Canadian women and men have

increasingly positive self-perceptions and assessments over time. Second, despite this upward trend, there are some marked gender differences which likely have important implications for entrepreneurial intentions.

As we can see in Figure 5, a growing number of Canadians personally know an entrepreneur, an important finding given the role of social capital and networks for success in entrepreneurial leadership and development.¹³ Here the proportion agreeing that they personally know an entrepreneur

FIGURE 4

Attitudes by Gender, Canada (18+ yrs.), 2013–2019: Good Career Choice and High Status

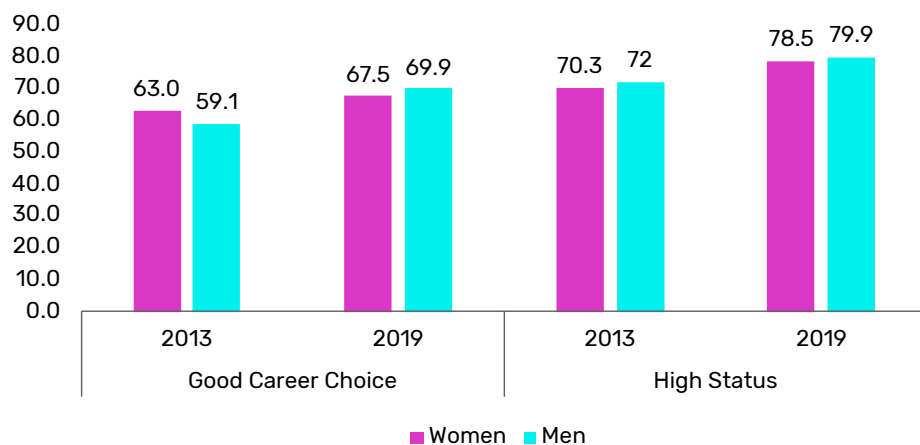
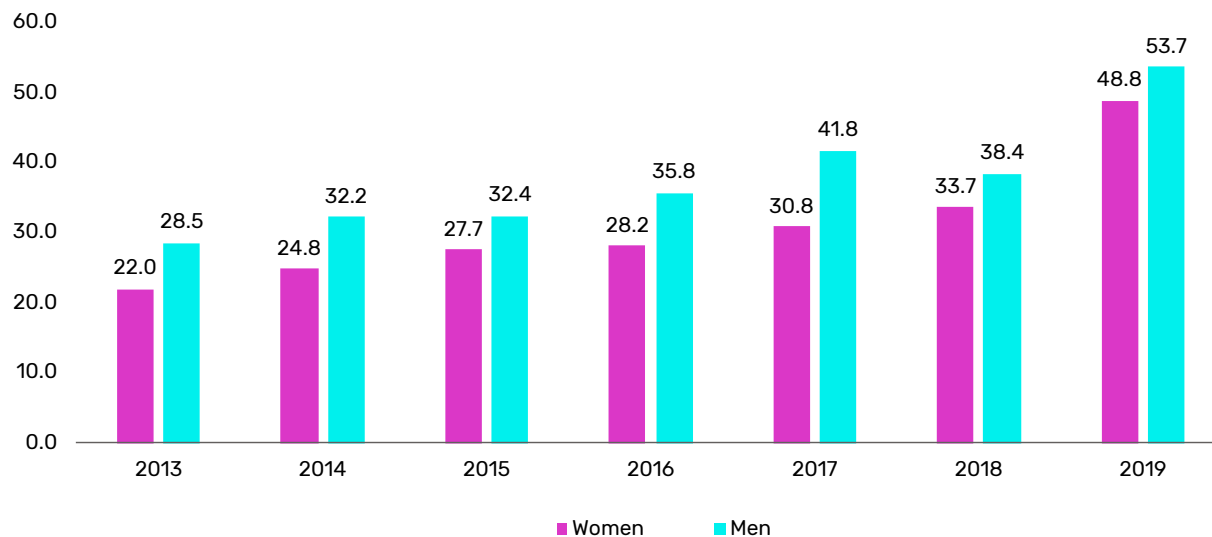


FIGURE 5

Attitudes by Gender, Canada (18+ yrs.), 2013–2019: Know an Entrepreneur



rose significantly, doubling to roughly half of women (48.8%) and men (53.7%) in 2019, up from just 22% for women and 28.5% for men in 2013. While the number of entrepreneurial connections is not gauged by the GEM Canada survey, this indicator does suggest growing personal connections to and awareness of entrepreneurship, no doubt a result of the rising rates of start-up activity that we have seen in Canada in recent years. Of special note, a marked gender gap is evident in some years on this indicator, though recent years show some narrowing. It will be interesting to see how trends continue in the early 2020s.

With respect to perceived opportunities, Figure 6 confirms a notable upward trend from 2013 to 2019, with over two-thirds of Canadians indicating they perceived good entrepreneurial opportunities by 2019. This is a steady increase from 2013, though less marked perhaps than the trend of personally knowing an entrepreneur. Of note, there is a small but persistent gender gap on this indicator, although it has narrowed over the time period studied.

Self-perceptions of skills, knowledge, and experience (KSEs) are important, with higher assessments linked to the readiness to launch a business and greater chances of success. As we can see from Figure 7, there has also been a steady rise across the 2013–2019 period for Canadian women and men. In 2019, nearly half of women (46.9%) agreed that they have the capabilities needed to be an entrepreneur, up from just over one-third of women in 2013 (38.0%). For men, in 2019, nearly two-thirds (63.8%) agreed compared to just over half (54.8%) in 2013.

Of note, this indicator shows one of the most marked and persistent gender gaps across the time period studied. This is, in many ways, a surprising finding given that Canadian women tend to be more highly educated than men. However, this may also reflect tendencies of women to underestimate their abilities, the sectors where they wish to launch businesses, or a lack of entrepreneurial training in women-dominant areas overall. We return to this issue in the following section, Employment, Growth & Innovation.

FIGURE 6

Attitudes by Gender, Canada (18+ yrs.), 2013–2019: Perceive Opportunities

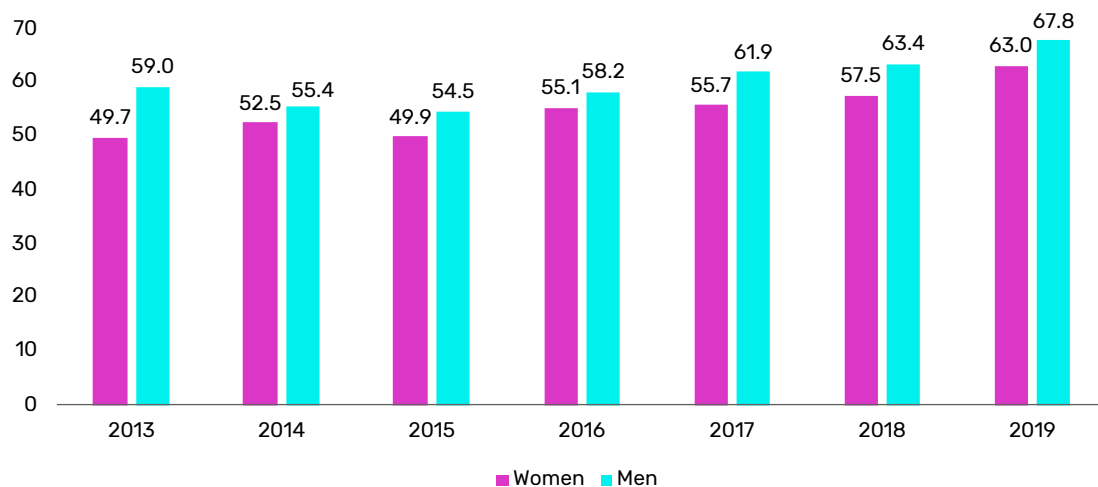
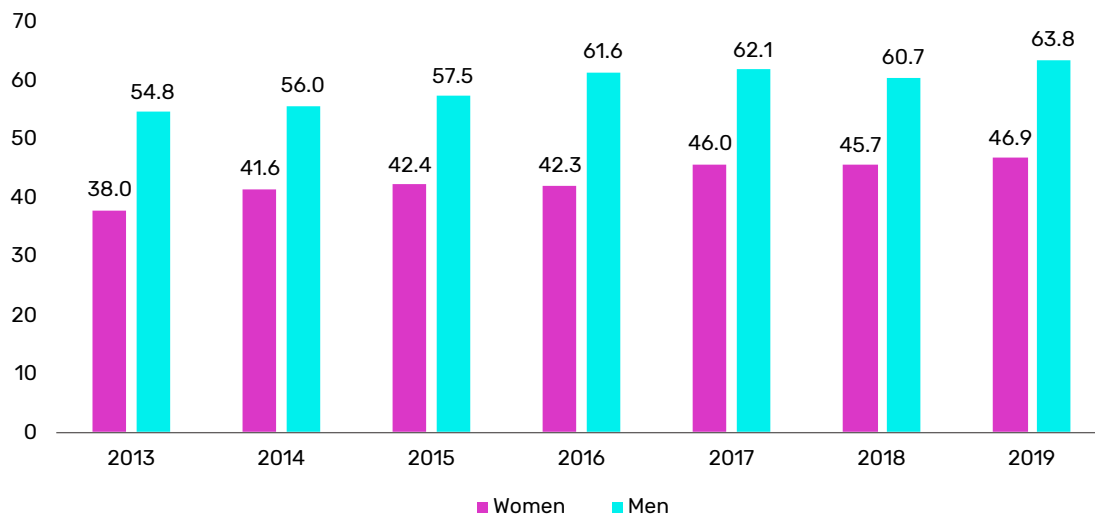


FIGURE 7

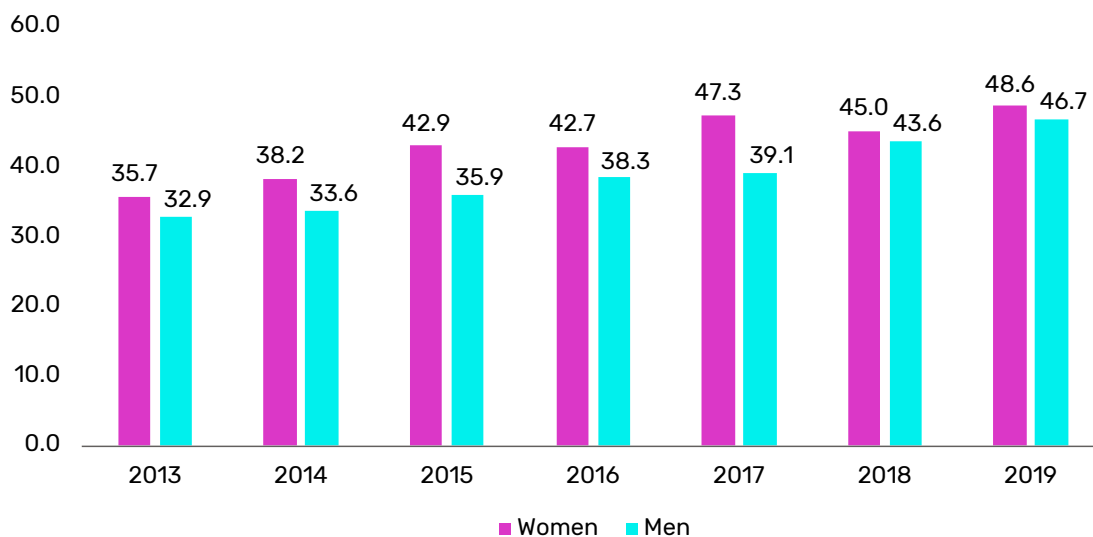
Attitudes by Gender, Canada (18+ yrs.), 2013–2019: Have the Skills, Knowledge, Experiences



Finally, Figure 8 displays self-assessments of fear of failure among Canadians. Here we see a steady rise in reported levels as well over the years, both for women and men. In 2013, roughly one-third of Canadians reported a fear of failure, with women more likely to do so by a few percentage points. In 2019, just under half reported a fear of failure, with a slighter higher tendency for women, again by a few points. While the gender gap on this item has varied over the years, it shows a narrowing in the most recent period. In some ways, this overall upward trend seems counterintuitive given that Canadians have been more likely to report they see good opportunities, have the relevant knowledge, skills, and opportunities, and know an entrepreneur. On the other hand, greater exposure to the experiences of entrepreneurs, through direct personal connections, as well as media stories, may mean that Canadians also have somewhat more realistic ideas about the challenges involved in starting a business.

FIGURE 8

Attitudes by Gender, Canada (18+ yrs.), 2013–2019: Fear of Failure



Region and Women’s Entrepreneurial Attitudes

Public attitudes toward work and economic issues in Canada often exhibit distinct regional and generational patterns.¹⁴ Given this, it is valuable to explore the extent to which entrepreneurial attitudes and self-perceptions may vary across region and age, in addition to gender. Regional differences may stem from a variety of factors. Canada’s economy has distinct regional economies, with unique histories, regulations, and a diverse mix of industries. Given this, it is reasonable to expect that attitudes towards entrepreneurship may vary notably by region. Age and generation may also be important. For instance, younger Canadians have grown up and launched their careers in more “entrepreneurial economies” where there is greater awareness of start-up cultures and entrepreneurship as a career option.

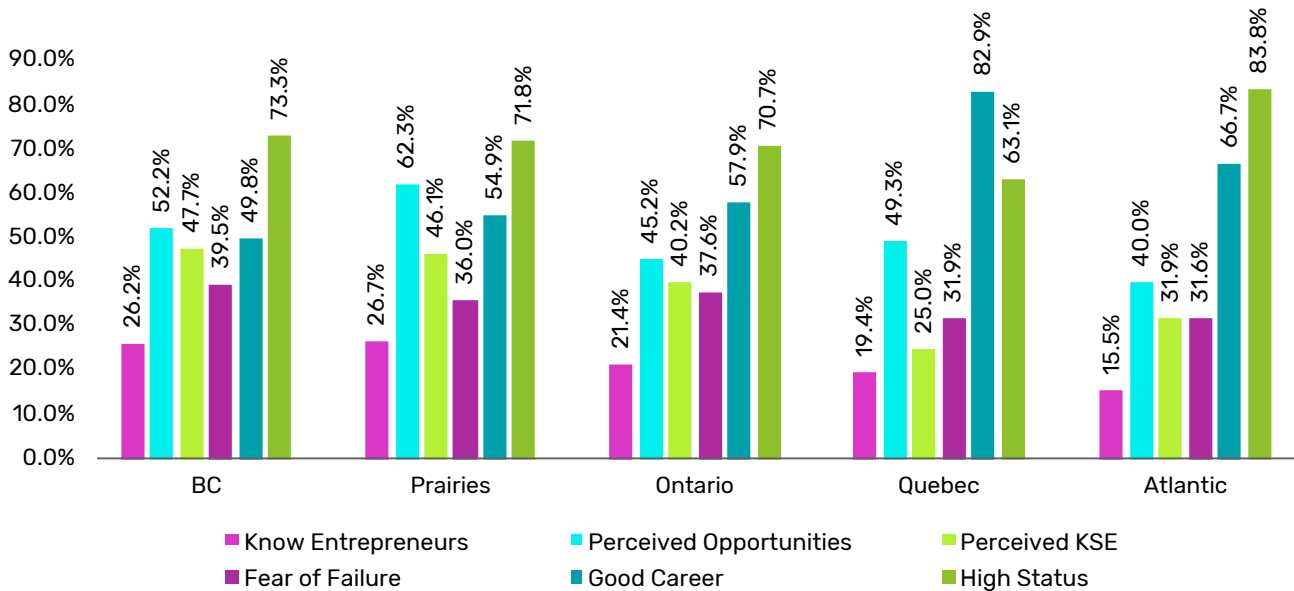
Figures 9 and 10 outline regional trends in attitudes and self-perception.¹⁵ We focus specifically on women in this section, contrasting two points in time—2013 and 2019—in order to examine how attitudes vary by region, and whether and how they have

changed over time. As we can see, looking first at data for 2013, there are striking regional differences. For example, women in BC and Alberta were much more likely to know an entrepreneur that women in Ontario, Quebec, or the Atlantic provinces. The same is true with self-perceptions of having the knowledge, skills, and education to be a successful entrepreneur. In terms of perceived opportunities, women in the Prairies in 2013 responded most favourably, followed by women in BC, Quebec, Ontario, and then the Atlantic provinces. That said, a smaller proportion of women in the Quebec and the Atlantic provinces reported a fear of failure with respect to launching a business than women in other regions. Finally, while entrepreneurship was clearly seen as a good career choice by Canadian women across regions, this was particularly the case for women in Quebec. And while entrepreneurship was generally seen as having a high status across the country, this was most notable for women living in the Atlantic region.

Turning to more recent attitudes, in 2019, we continue to see clear regional differences. However, as with Canadian trends overall, the most notable trend is a marked rise in

FIGURE 9

Attitudes of Women by Region, Canada (18+ yrs.), 2013



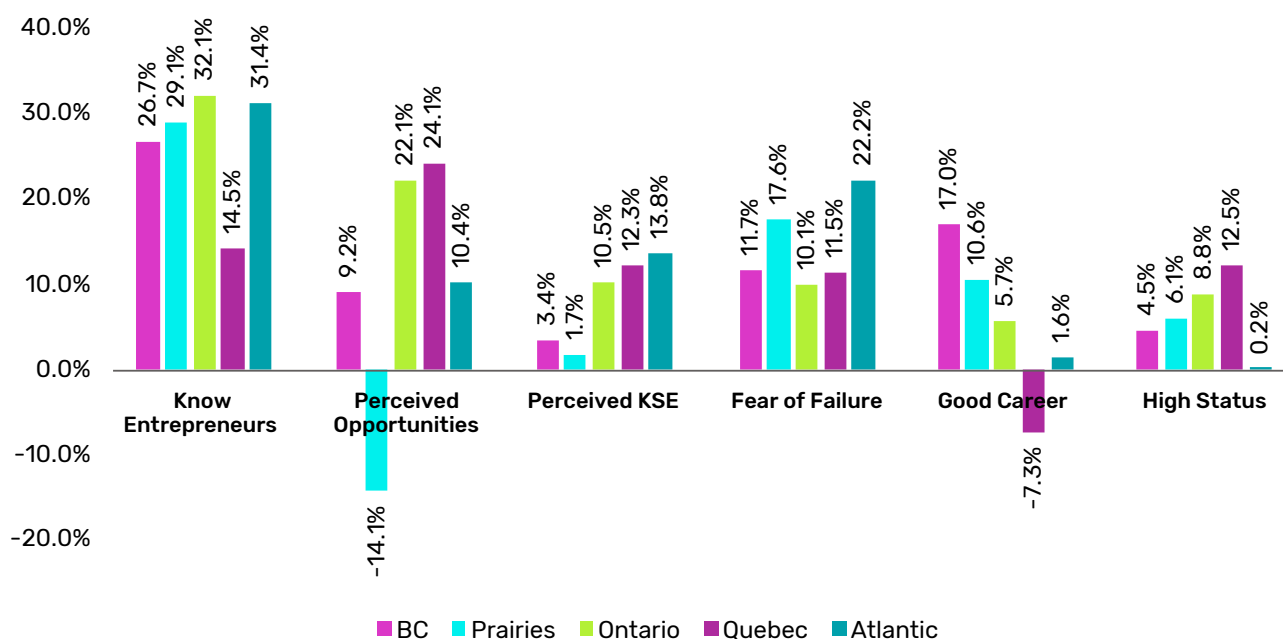
favourable responses across all indicators (although there are important exceptions). Figure 10 illustrates how women’s attitudes have changed from 2013 to 2019, showing how much agreement has increased or declined on specific indicators. Here the data is grouped by indicator to aid comparison between the regions. As we can see, the vast majority of indicators have seen positive increases. This is especially so with respect to knowing an entrepreneur, with anywhere from 20–30% more women reporting this was the case in most regions in 2019 than in 2013—with the exception of Quebec (here 33.9% agreed in 2019, compared to 19.4% in 2013). Self-perceptions of knowledge, skills, and experience also have risen notably for women in Ontario, Quebec, and the Atlantic provinces, while there has been general stability in BC and the Prairies.

In terms of perceiving good opportunities, it appears there are cyclical factors at work, as we would expect. In 2019, women in Ontario and Quebec were more likely to report that they see good opportunities for a business. In contrast, no doubt reflecting regional downturns, the proportion of women in the Prairies reporting good opportunities has fallen notably. Despite the seemingly positive trend in attitudes in the 2013–2019 period, Canadian women also continue to express a concern over the possibility of business failure. Here we see modest increases in BC, Ontario, and Quebec, and more notable jumps in the Prairie and Atlantic regions.

Still, the view that entrepreneurship is a good career and has high status has continued to notch upward in most regions across Canada, with some exceptions. For example, in the Atlantic provinces there has been relatively little change since 2013 on either indicator. In Quebec, women continue to see entrepreneurship as having high status, but there has actually been a decline in those viewing it as a good career choice.

FIGURE 10

2013–2019 Change in Attitudes of Women by Region, Canada (18+ yrs.)



Age and Women's Entrepreneurial Attitudes

With respect to age, Figures 11 and 12 illustrate attitudes and self-perceptions for Canadian women, starting with 2013 and tracing changes from 2013 to 2019. As we can see, looking across the age groups, from youngest (18–24 years of age) to oldest (65 years and up), or left to right on the graph, in 2013 it was younger Canadian women who held some of the most positive attitudes towards entrepreneurship—especially seeing entrepreneurship as a good career choice and having high status. But young women were far less likely than most other age groups to perceive good opportunities or to believe they had the necessary skills, knowledge, and experience to be successful. To some extent, this is understandable, given they have far fewer years of work experience compared to their older peers. Yet, roughly one-third of young women in 2013 reported knowing an entrepreneur, which is much higher than for all other age groups besides women aged 25 to 34 years.

How have attitudes changed for different age cohorts of Canadian women from 2013 to 2019? Figure 12 highlights some of the key changes. Again, attitudinal indicators are clustered together for different age groups based on change from 2013 to 2019 to aid comparison. As with region, attitudes and self-perceptions among Canadian women have generally become more positive over this period, with some exceptions. Especially notable, again, is the marked rise in women of all age groups who indicated that they knew an entrepreneur in 2019. Women under the age of 45 saw the most marked increases, but even women aged 65 and over saw a jump, more than doubling in that period (11.9% in 2013 compared to 30.2% in 2019). Growing numbers of women also reported seeing good opportunities, with the exception of those in the 45–54 age group. Perceptions of having the knowledge, skills, and experience also notched up steadily for all age groups, with the exception again of women aged 45 to 54 years old.

FIGURE 11

Attitudes of Women by Age, Canada (18+ yrs.), 2013

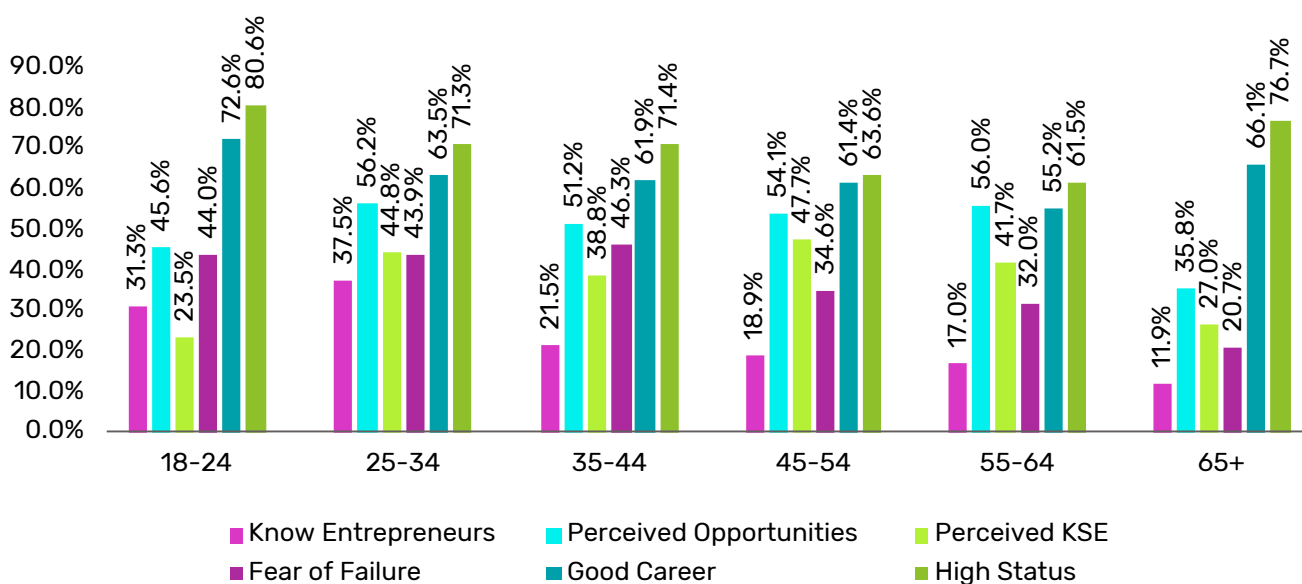
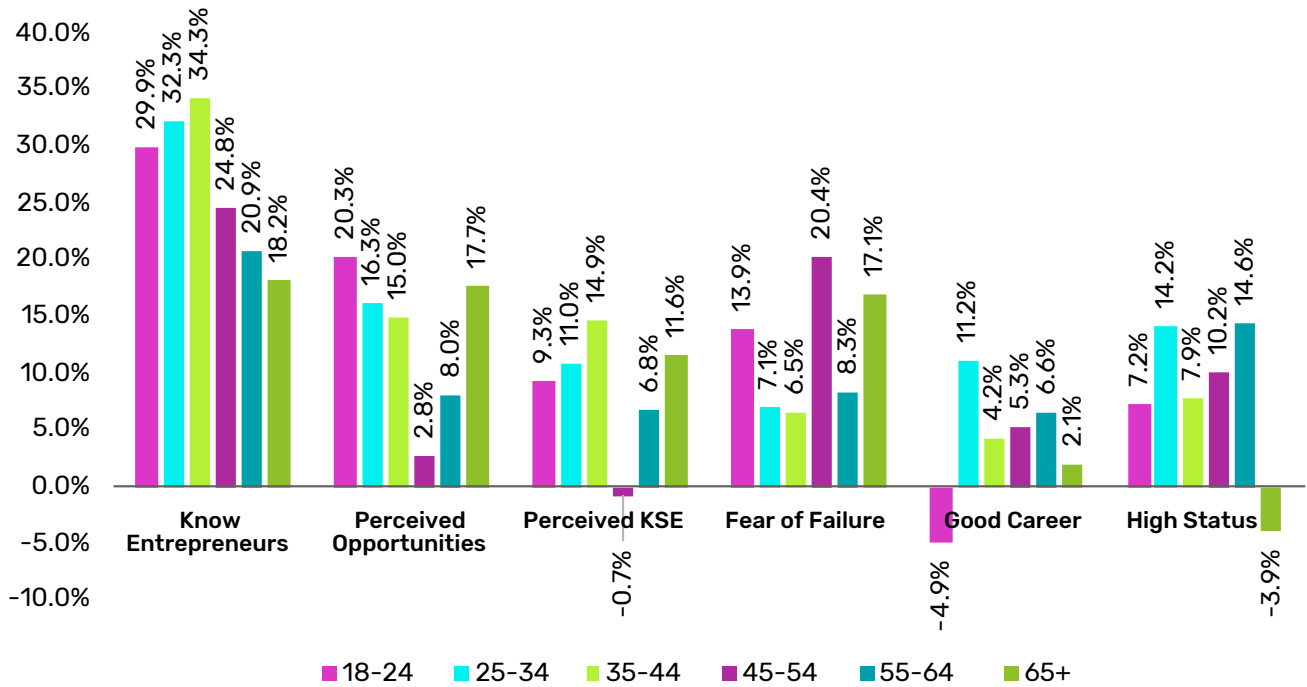


FIGURE 12

2013–2019 Change in Attitudes of Women by Age, Canada (18+ yrs.)



Worth noting as well is that while there have been slight increases in perceptions of entrepreneurship as a good career choice for most age cohorts, this is less so for very young women (18 to 24 years) and older women 65 years and up. And while growing numbers of women see entrepreneurship as a high-status career, this is not the case for women 65 years and older. Finally, attitudes around the fear of failure continue to show an upward trend, especially for women aged 45 to 54 and those 65 years and up. These age differences may reflect life course events, such as retirement or child or elder care responsibilities, where women may be more concerned about taking financial risks.¹⁶

Gender and Entrepreneurial Intention in Canada’s Economy

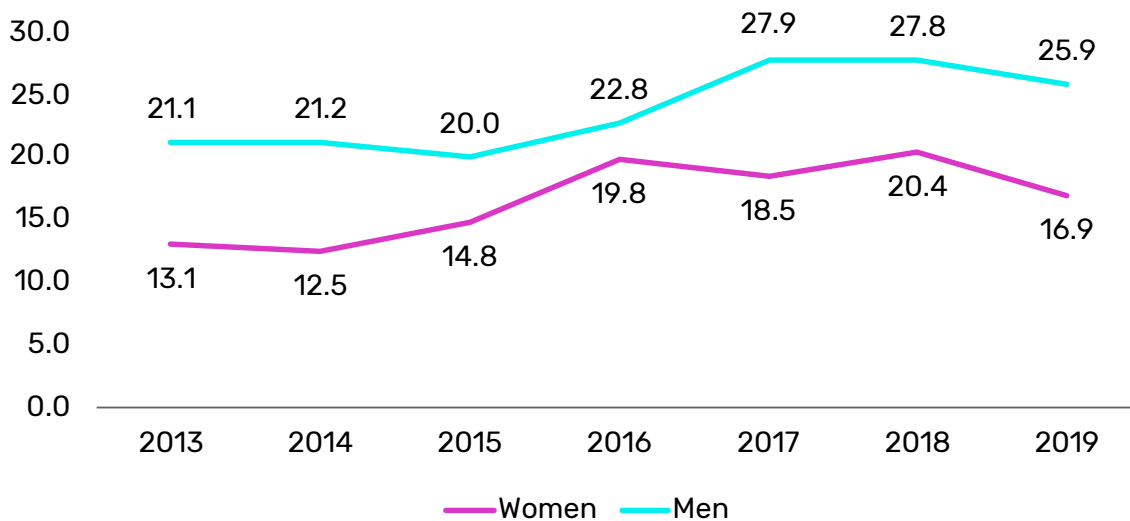
Beyond attitudes and self-perceptions, it is also useful to know whether and how “entrepreneurial intentions” have shifted for Canadian women and men during this period. It is clear that Canadians view entrepreneurship increasingly as a good career choice, perceive good opportunities, personally know an entrepreneur (consistent with rising rates of entrepreneurship), and believe they have the skills, knowledge, and experience to be successful. Given this, it seems reasonable to expect a rise in “entrepreneurial intentions” (EI) which GEM Canada defines as the plan to start a business in the next three years.¹⁷

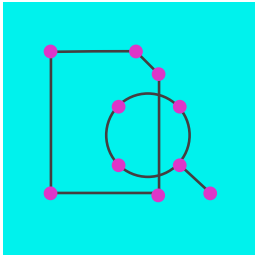
Figure 13 outlines trends in entrepreneurial intention by gender for the Canadian population overall, aged 18 to 64 years. Several trends stand out. Focusing first on women, we do see a growing proportion of Canadian women express an interest in launching a business, rising from just over 1 in 10 (13.1%) in 2013 to a high of 1 in 5 (20.4%) in 2018, before declining to 16.9% in 2019. For men, we see a somewhat similar pattern, with one in five men (21.1%) expressing plans for

business ownership in 2013, peaking in 2017, before settling at one-quarter of men (25.9%) in 2019. While a notable gender gap of about 8–9% is evident at the start of the 2013–2019 period, we see convergence by 2016, as women EI rose significantly compared to slower EI growth among men. But the gender gap has widened again in recent years, making convergence short-lived.

FIGURE 13

Entrepreneurial Intention Among Those Not Involved in Entrepreneurial Activity, Canada (18–64 yrs.), 2013–2019





Entrepreneurial Activity, Motivations & Attitudes

Shifting attention away from the Canadian population as a whole, this section examines in greater depth trends for Canadian women and men who are actively engaged in entrepreneurship. It examines two key activity measures from the GEM Canada data for the 2013–2019 period: *total early-stage activity* (TEA), which involves a business 3.5 years or younger, and *established business ownership* (EB), which involves a business over 3.5 years of age. In addition to activity rates, this section also examines gender-based patterns in “business exits,” which involve an individual leaving a business for voluntary or involuntary reasons. These reasons may include a decision to retire, a decision to sell to pursue other interests, or a decision to sell or close down the business due to a lack of profitability or viability.

Beyond activity and exit rates, this section also examines the issue of “entrepreneurial motivation”—that is, the specific reasons why entrepreneurs decide to launch a business venture. A wide range of research suggests that the factors motivating entrepreneurs are highly varied but very important to understand. While many entrepreneurs are motivated by “opportunity”—such as identifying new ways to address a market gap with a unique product or service—others may be motivated primarily by the potential to generate a higher income, to make a difference in the world, or to better balance their work and family responsibilities. Still others are propelled by “necessity motivations”—typically, job loss, high unemployment, or inflexible work environments that make balancing work and family impossible. Because necessity motivations are more often

associated with less positive experiences and outcomes for entrepreneurs, there has been great academic and policy interest in understanding some of the underlying motivating factors at play.

Gender and Total Early-Stage Entrepreneurial Activity (TEA) in Canada

As noted previously, Canada has developed a reputation for being a leader in women’s entrepreneurship, with some of the highest rates of start-up and total early-stage activity in innovation-based economies around the world. This has been confirmed both in past GEM *Global Women’s Entrepreneurship Reports*, and GEM *Canada Reports on Women’s Entrepreneurship*, as well as other entrepreneurship studies.¹⁸ To date, however, we have little analysis of GEM Canada data over an extended period of time.

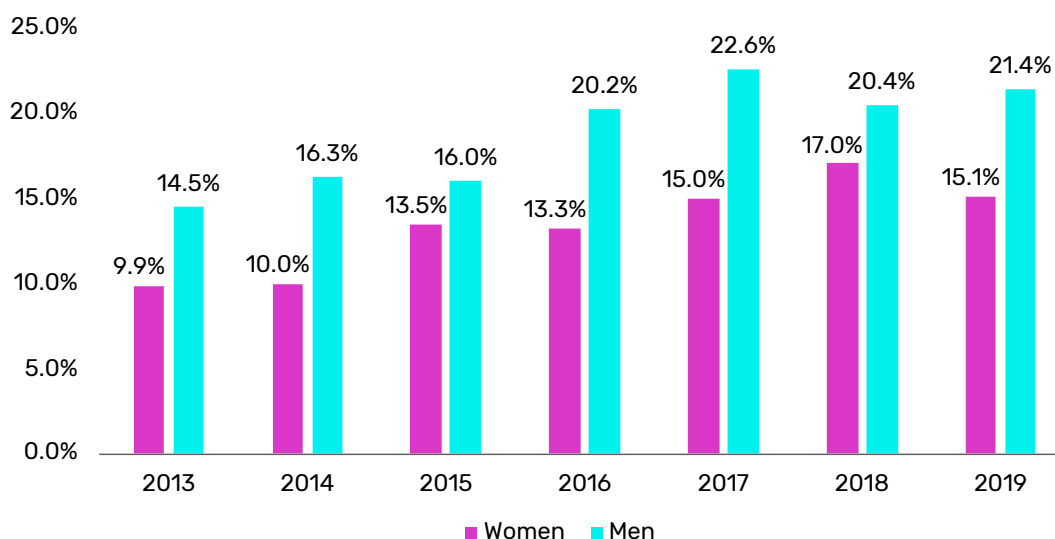
Figure 14 outlines evolving trends for the 2013–2019 period, illustrating the percentage of working-age women and men in Canada who have been engaged in total early-stage activity (TEA) from year to year. In addition to the time period graphed, there is one additional time point of interest related to Canada’s brief participation in the GEM APS in 2003. While data from this survey year is limited, we do know that the rate for total early-stage (TEA) activity for women was 5.2% and for men it was 10.9%.

Ten years later, by 2013, TEA activity rates were much higher for both genders, and there has been a steady upward trend in start-up activity over the 2013–2019 period—much as



FIGURE 14

Percentage of Women and Men in Total Early-Stage Entrepreneurial Activity (TEA), Canada (18–64 yrs.), 2013–2019



we see with entrepreneurial attitudes and self-perceptions. In 2013, approximately 1 out of every 10 women in Canada was involved in total early-stage business (9.9%). This is nearly double the proportion found to be involved in start-up activity in the 2003 GEM Canada survey. By 2019, the total early-stage activity rate for women had climbed by over 5 percentage points to 15.1%, or roughly 1 of every 7 Canadian women. Total early-stage activity also climbed for men during this period. In 2013, about 1 in every 7 men (14.5%) reported involvement in total early-stage activity. By 2019, men's TEA rate climbed to 21.4%.

Given the upward growth for both women and men, the gender gap in total early-stage activity has persisted over time, despite the growing number of Canadian women engaged in early-stage enterprise today. Exceptions to this general trend can be seen in 2015, where there was a brief convergence in TEA rates, as women's total early-stage activity jumped to 13.5% (from 10.0% in 2014) and men's TEA rates went largely unchanged at 16.0% in 2015 (from 16.3% in 2014). In 2016

and 2017, however, that convergence was followed by a marked jump in the gender gap, as men's TEA rates rose to their highest level of 22.6% in 2017. In 2018, there was another brief narrowing of the gap, before it widened again in 2019 as a result of falling rates of TEA for women and a marked upward jump for men. Overall, then, the gender gap has not narrowed in any consistent or substantial manner, despite women's growing engagement in start-up activity. In addition, while women's TEA rates have changed fairly steadily on a year-to-year basis, men's TEA rates have been a bit more volatile in some years.

Gender and Established Business (EB) in Canada

How do trends over the 2013–2019 period compare for more established business owners in Canada? From past research, we know that Canadian women have fairly high rates of established business ownership compared to women in many other innovation-based economies, although not as



high as the rates for total early-stage activity (TEA). In the *2015/16 GEM Canada Report on Women's Entrepreneurship* and GEM's *Global Reports*, for example, Canada was found to have the fifth highest rate of established business ownership (6.5%) among women in innovation-based economies, trailing countries such as the USA (7.6%), Australia (8.1%), Switzerland (9.4%) and Greece (10.6%), but higher than other countries such as Germany (4.4%), the UK (4.1%), and Sweden (3.0%). From Canada's earlier brief participation in the 2003 GEM Adult Population Survey, we know that established business activity was 3.1% for women and 5.6% for men.

Figure 15 shows the rates of established business ownership for women and men in Canada of working age (18 to 64 years old) for the 2013–2019 period. Several trends stand out. First, as noted, rates of established business activity for women are much lower than those for total early-stage activity (TEA). This is true for men as well. In 2013, just 5.8% of women in Canada were involved in an established business. This compares to 9.9% of women involved in early-stage firms (as

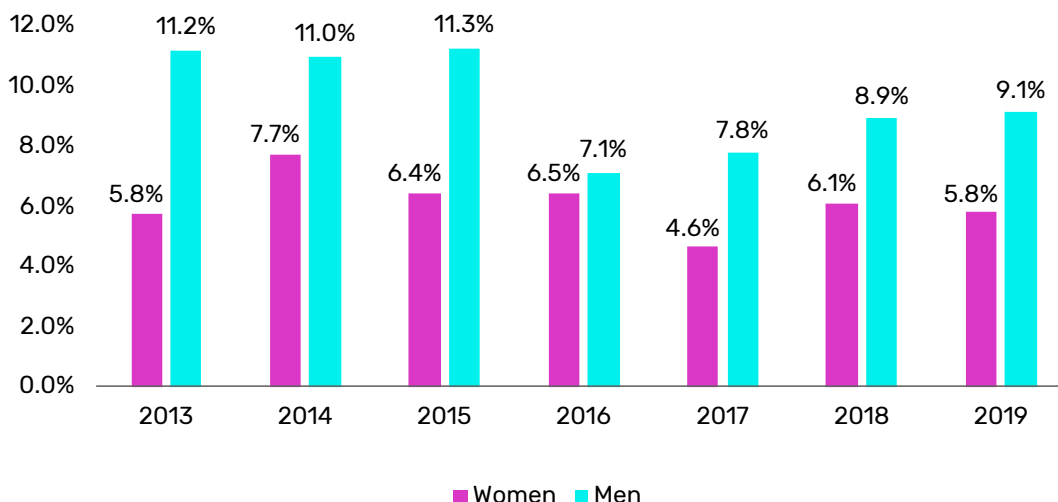
shown in Figure 14). More positively, however, the proportion of established women business owners in 2013 (5.8%) was about twice the proportion observed in the 2003 GEM Canada survey, a decade earlier (3.1%).

Looking at further changes in the 2013–2019 period, we can see that there has not been the same steady upward climb in women's established business rates as there has been with women's total early-stage activity. Rather, we see a fluctuating pattern, with increases in women's EB rates in some years and declines in others. For Canadian women, established business activity rates hit a high of 7.7% in 2014, with rates falling back to 4.6% in 2017, before returning back to 5.8%. In short, over the long-term, the overall activity rates are essentially unchanged from 2013, which is surprising given the growing entry of women into early-stage business.

Although there has not been a steady increase in women's established business activity, we can also observe that the gender gap did narrow slightly from 2013 to 2019. This is primarily the result of declining rates of established business ownership for men, most notably in 2016 when men's established

FIGURE 15

Percentage of Women and Men in Established Business Ownership (EB), Canada (18–64 yrs.), 2013–2019



business rates fell sharply, and women's and men's rates thus converged for a brief time. Since then, men's rates of established business activity have steadily rebounded to 9.1% in 2019, which has had the effect of widening the gender gap once again. But, over the long term, the gender gap has narrowed from what it was in earlier years, especially in 2013 and 2015.

More positively, looking at the 2003 GEM Canada data over a longer period of time, there is a narrowing of the gender gap. Expressed as the ratio of women-established to men-established business ownership, we have a figure of 55.3% in 2003 (3.1% women and 5.6% men). This moved to 63.7% (5.8% women and 9.1% men) in 2019.

Understanding Business Exits for Early-Stage Entrepreneurs

Beyond activity rates and entry into early-stage or established businesses, it is also important to explore how business discontinuances fit into the overall profile of entrepreneurship in Canada. Clearly entrepreneurship is a very dynamic process, with many new businesses launching each year, at the same time that a smaller group, both young and old, cease operations. As noted in the *2018 GEM Canada Report*, Statistics Canada data shows that nearly two-thirds of new firms survive for the first five years, but survival rates fall to 43% at the 10 year mark.¹⁹ This highlights the challenges of building a successful business, and the need to understand why exits occur.

Discontinuing a business can be the result of many different factors. For some entrepreneurs, it is an entirely *voluntary* decision, related to a desire to retire, for example, or to pursue other jobs or business opportunities. For other entrepreneurs, exits may be *involuntary*, necessitated by a lack

of sufficient profitability, or an inability to raise sufficient capital to scale a business, or as the result of unexpected downturns in the business cycle. Clearly involuntary exits (e.g., business failure) are very difficult for entrepreneurs, both financially, psychologically, and reputationally. But research also suggests that such experiences can increase the chances for future success, by sparking entrepreneurial learning and the exploration of new ideas.²⁰

Figure 16 shows rates of business discontinuance for women and men over the 2013–2019 period. We can observe that in all years men are more likely to discontinue their businesses than are women. While the overall rates are relatively low, there has been an upward trend over the long-term. In 2013, just 2.4% of women and 2.8% of men discontinued their businesses. These rates remained fairly stable for a few years, with a slight dip for women in 2014. By 2016, however, rates began to increase, peaking at 4.9% for women and 4.4% for men in 2018. Discontinuance rates have since fallen, especially for women.

It needs to be emphasized that an upward trend in business discontinuance from 2013 to 2019 is not surprising, given the growth in total early-stage activity itself. As the *2018 GEM Canada Report* notes, Canada has high rates of total early-stage activity and business exits, relative to other G7 countries. Obviously, business discontinuance is far more likely in contexts with high total early-stage activity, reflecting the challenges of building a business than can become established and succeed over the long run. That said, it is interesting to consider which factors lead entrepreneurs to discontinue their businesses and the extent to which there are gender-based patterns.



FIGURE 16

Discontinuance of Business, Women and Men, Canada (18–64 yrs.), 2013–2019

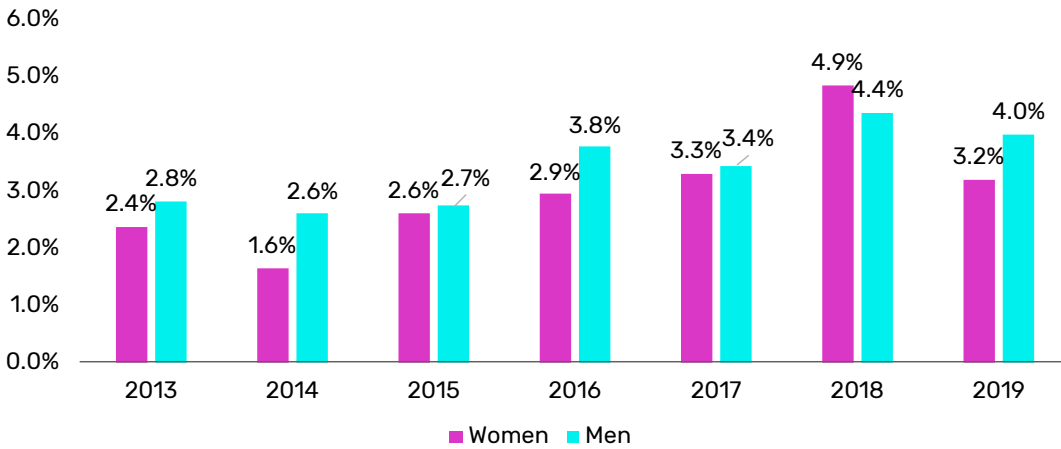
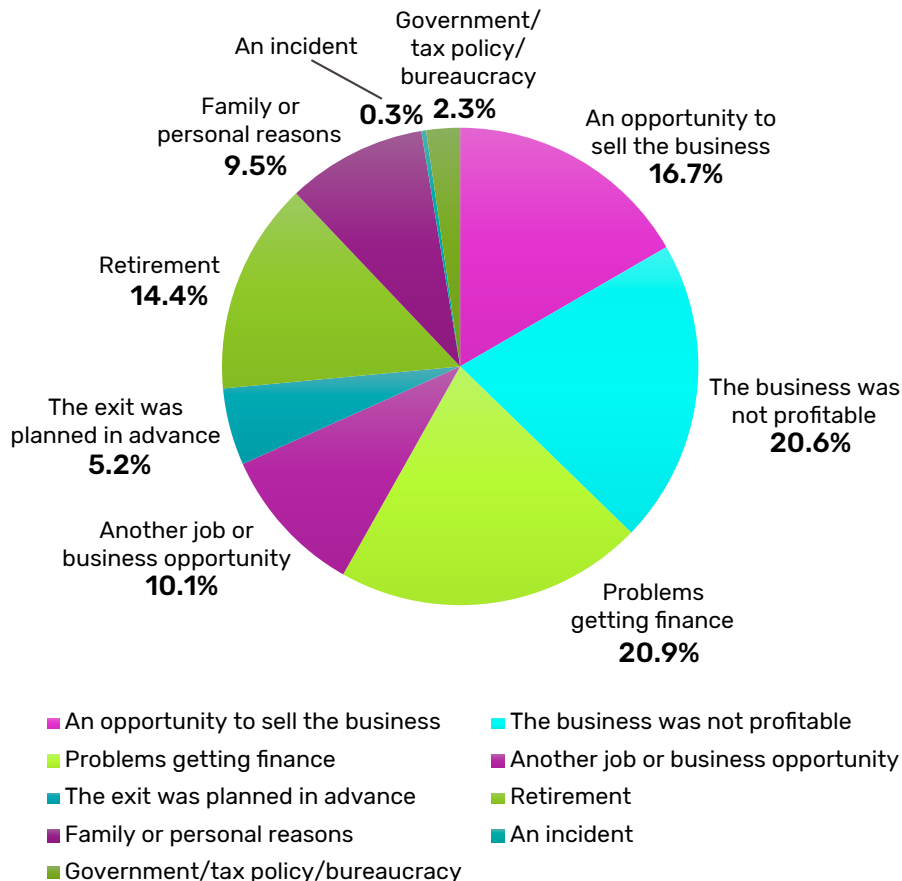


Figure 17 examines this question for Canadian women using data from the most recent year available, 2019. Of note, the two most important reasons for exiting a business were *involuntary*, related to difficulties getting financing for the business (20.9%) or ensuring sufficient profitability (20.6%). The third most commonly reported reason was the opportunity to sell the business

FIGURE 17

Reasons for Business Discontinuance, Women, Canada (18–64 yrs.) 2019



(16.7%), followed by the decision to retire (14.4%), another job or opportunity (10.1%), or a planned exit (5.2%). All of these factors can be considered *voluntary*. A final factor, one that can be considered either voluntary or non-voluntary and is frequently studied for women entrepreneurs concerns personal or family reasons, which is noted by nearly 1 in 10 (9.5%) women. A tiny proportion also reported government/tax policy/bureaucracy issues (2.3%) or other incidents (0.3%) as factors underlying a business exit.

How do women’s reasons for exiting a business in 2019 compare to those of men? Table 1 lists reasons by gender, ordered by the most commonly reported for women. There is fairly strong overlap in the top three reasons reported by women—problems of financing, lack of profitability, and opportunities to sell—which were reported by 58.2% of women and just over half of men (53.7%). As denoted by the highlighted cells below, women were slightly more likely than men to report problems in obtaining finance but also in having opportunities to sell, retire, or make a planned exit. In contrast, men were slightly more likely to report problems with profitability or having another job or opportunity. Surprisingly, men were slightly more likely than women to report family or personal reasons (12.9%), although this was an issue for 1 in 10 women as well (9.5%). These latter findings underline the fact that work–family issues are a concern for all working parents, not just mothers. This is no doubt a heightened issue among entrepreneurs, given the long hours typically involved in building and running a business.

TABLE 1

Reasons for Business Discontinuance, Women and Men, Canada (18–64 yrs.), 2019

Reasons	Women	Men
Problems getting finance	20.9	14.6
The business was not profitable	20.6	23.4
An opportunity to sell the business	16.7	15.7
Retirement	14.4	12.0
Another job or business opportunity	10.1	15.7
Family or personal reasons	9.5	12.9
The exit was planned in advance	5.2	2.9
Government /tax policy / bureaucracy	2.3	2.0
An incident	0.3	0.9

Gender and Business Start-Up Motivations in Canada

In Canada and many other nations there have been important debates over the reasons why we are seeing growing entrepreneurial activity. While some commentators suggest it may reflect important cultural shifts in attitudes, over the role of individual enterprise and risk taking in contemporary societies, others suggest that it may be more necessity-based, reflecting high unemployment and lack of well-paying, secure job opportunities. For some Canadians. The rise of a “gig economy” adds a complex new dynamic with respect to motivations, raising questions about how and why individuals engage in platform-based work and the role of opportunity- or necessity-based motivations. Understanding motivations is therefore valuable, although there are challenges to settling these questions as many individuals may be motivated by multiple factors.²¹ Reflecting



this, the GEM survey protocol has used different questions over the years to gauge entrepreneurial motivation. While this means that data over the 2013–2019 period is not strictly comparable, the variety of questions does provide valuable insights.

Table 2 outlines motivations for Canadian women and men involved in early-stage and established business in 2013, using questions that tap into “opportunity” and “necessity” motivations. In 2013, respondents were able to choose only one answer that best described their motivation. As we can see, looking at each item, the largest proportion of women were motivated by the “opportunity to increase income” (33.0% of women), followed by the “opportunity to increase independence” (29.1% of women). One-quarter of women were motivated by “economic necessity” (24.4%). A much smaller proportion indicated they had a mixture of motives (12.6% of women). Overall, these findings are encouraging, suggesting nearly two-thirds of women are motivated by opportunities. However, the necessity-based group, at one-quarter of women, is large.

TABLE 2

Motivations for Women and Men, Canada (18–64 yrs.), 2013

	TEA		EB	
	Women	Men	Women	Men
Opportunity: increase income	33.9%	50.5%	26.8%	42.4%
Opportunity: increase independence	29.1%	24.2%	47.9%	33.1%
Necessity	24.4%	18.7%	22.5%	21.6%
Mixed motive	12.6%	9.4%	2.8%	2.9%

For men, the order of motivation in 2013 is exactly the same, but there are differences in the magnitude of responses. For instance, a much larger proportion of men involved in early-stage activity—roughly half—were motivated by the “opportunity for increased income” (50.5% of men), perhaps reflecting the way that “breadwinner” expectations for many men still persist. Of note, economic necessity was less important for men than women, though still sizeable, with 18.7% of men choosing this option. Motivations around increased independence were close to those for women, motivating roughly one-quarter of men (24.2%). Just under 1 in 10 early-stage men entrepreneurs (9.4%) reported a mixture of motivations.

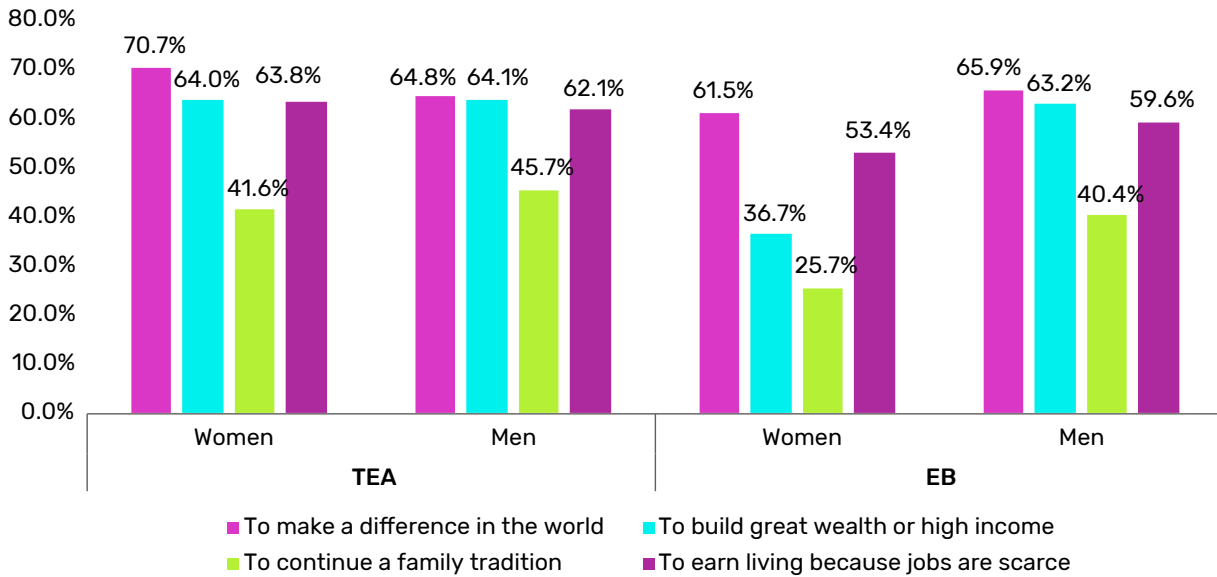
In 2019, the GEM Global Adult Population Survey (APS) introduced new questions on motivation, allowing survey participants to respond to as many motivations as were relevant to their situation, and to indicate on a five-point Likert scale how strongly they agreed or disagreed that these factors were important in launching a business.²²

Figure 18 illustrates motivations, using these new questions, for women and men who were involved in early-stage and established businesses in 2019. It is interesting to note that the motivations among early-stage women and men are more similar than different, although there are a few exceptions. Motivations around “building great wealth or income” are roughly the same by gender, chosen by nearly two-thirds of women and men. Roughly equal proportions of women and men, nearly two-thirds, also agree they are motivated to “earn a living because jobs are scarce.” Difference are apparent for “continuing a family tradition”—speaking to family business contexts—with men (45.7%) slightly more likely than women (41.6%) to agree. And women are more likely to be motivated by “making a difference in the world” (70.7%), though this is also the case for a smaller, though significant, majority of men (64.8%).



FIGURE 18

Motivations for Women and Men in TEA & EB, Canada (18–64 yrs.), 2019



For established business owners, differences are more evident between women and men. For instance, women in established businesses are far less likely to be motivated by building great wealth or high incomes, compared to men (36.7% of women vs. 63.2% of men). They are also less likely than men to be motivated by continuing a family tradition (25.7% of women vs. 40.4% of men). Necessity-based factors are important for well over half of both groups, with slightly higher agreement among men (59.6%) versus women (53.4%). Interestingly, among established owners, and in contrast with early-stage entrepreneurs, “making a difference in the world” is important for slightly more men (65.9%) than women (61.5%).

Gender Gaps in Attitudes Among Canada’s Entrepreneurs

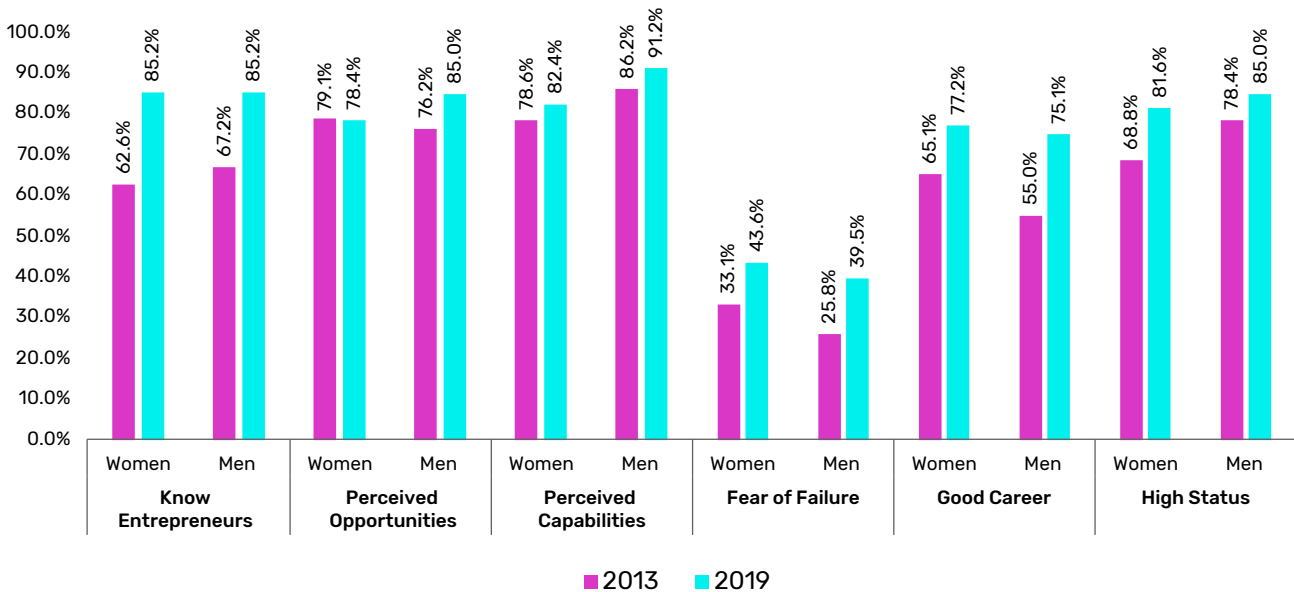
A final issue of interest concerns the attitudes of early-stage women entrepreneurs given the important role they have to play in launching new businesses. We are especially interested in how their attitudes have changed over time and to what extent a gender gap in attitudes exists between women and men involved in the early stages of launching a business.

Overall, Figure 19 shows that attitudes among those engaged in early-stage activity are highly positive on most indicators and have become more positive over time, as is the case with the Canadian population overall (see the second section, Entrepreneurial Attitudes and Self-Perceptions). For instance, in 2013, the vast majority of early-stage women knew other entrepreneurs (62.6%), perceived good opportunities (79.1%), and felt they had the knowledge, skills, and experience needed for success (78.6%). A strong majority felt that entrepreneurship



FIGURE 19

Attitudes of Women and Men Involved in TEA, Canada (18–64 yrs.), 2013 & 2019

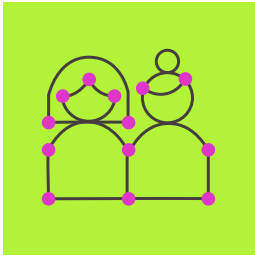


offered a good career choice (65.1%) and had high status (68.6%), though a notable group (33.1%) expressed concern over business failure. With respect to gender gaps, women were more likely than men to see good opportunities and view entrepreneurship as a good career choice, but also to be concerned about business failure. In contrast, men were more likely to know other entrepreneurs, feel they had the skills, knowledge, and experience needed for success, and to see entrepreneurship as having high status.

By 2019, we can observe increases for early-stage women across all attitudinal indicators, except for one item (perceived opportunities for women, which fell slightly). Over 75% or more of women report knowing other

entrepreneurs, having the capabilities to succeed, and viewing entrepreneurship as a good career choice and having high status. Gender gaps have narrowed on many items, such as knowing other entrepreneurs, which is a critical source of knowledge and learning. But in 2019 women were still less likely than men to believe they had the capabilities for success (82.4% women vs. 91.2% men), and to hold concerns over the potential for business failure (43.6% for women vs. 39.5% for men). These results are puzzling, in some ways, given the high levels of education among women entrepreneurs (see “Education” in the next section). They may reflect more realistic assessments by women of the risks involved in business ownership and the capabilities need for success.²³





Characteristics of Canada's Women Entrepreneurs

Despite the positive media attention towards entrepreneurship in Canada and other countries, research suggests a tendency to portray entrepreneurs in highly gendered ways, emphasizing stories of high-educated, technologically savvy, young men—or what Welter et al. (2016) have termed the “Silicon Valley ideal.”²⁴ From GEM Canada and GEM Global data, however, we know that entrepreneurship involves a much wider socio-demographic than many of these idealized images suggest.

This section examines the changing socio-demographic profile of entrepreneurship, focusing on women entrepreneurs in particular and exploring the intersection of gender with age, education, and region. Central questions include: What are the age and education profiles of women entrepreneurs? How have these changed over time? How does regional location shape involvement in entrepreneurship for women? How do women entrepreneurs and men entrepreneurs compare across socio-demographic indicators? Unfortunately, the GEM Global and GEM Canada surveys do not include questions on immigrant or Indigenous status, leaving some important gaps in this discussion. Moving beyond socio-demographics, this section also explores the nature of the industries in which Canadian women and men are building their businesses and the extent to which this has changed over time.

Age

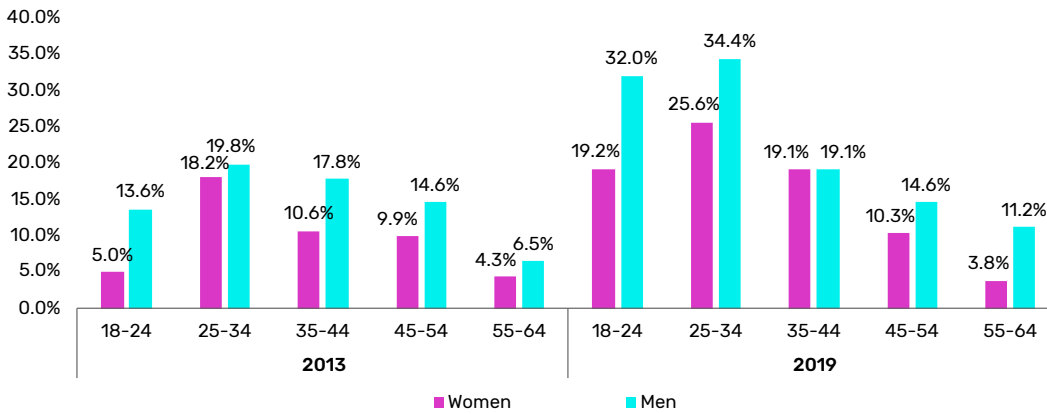
Figure 20 shows the age profile for Canadian women and men engaged in early-stage activity. We use five broad age groupings, comparing the age profile for 2013 (on the left-hand side) with that of 2019 (on the right). Several trends stand out in this comparison. First, and most notable, is the significant rise in TEA activity levels between 2013 and 2019 for both genders across nearly all age groups. In fact, the only group to see a very slight downward trend is women aged 55 to 64 years old, where activity rates fell by 2019. Second, over the 2013–2019 period, activity rates have increased most noticeably for younger women. In 2013, it was 25- to 34-year-olds who had activity levels above the national average, with about 18.2% of them engaged in early-stage activity, compared to the national average of 9.9% (see Figure 20). In contrast, women in the 35 to 44- and 44 to 54-year-old age range had average rates of activity, with younger women (18 to 24 years) and older women (55 to 64 years) being much lower. By 2019, however, activity rates for 18- to 24-year-olds have jumped sharply (from 5.0% in 2013 to 19.2% in 2019), as have activity rates for those aged 25 to 34 and 35 to 44 years of age. In contrast, activity levels of women 45 years and older have not significantly changed.

With respect to the gender gap in activity rates, there is some shifting among age groups. For instance, while there was rough gender parity in activity for women and men aged 25 to 34 years in 2013, a marked gap is evident for that age group in 2019. The reverse pattern is observed for



FIGURE 20

Age Profile of Women and Men in Total Early-Stage Entrepreneurial Activity (TEA), Canada (18–64 yrs), 2013 & 2019

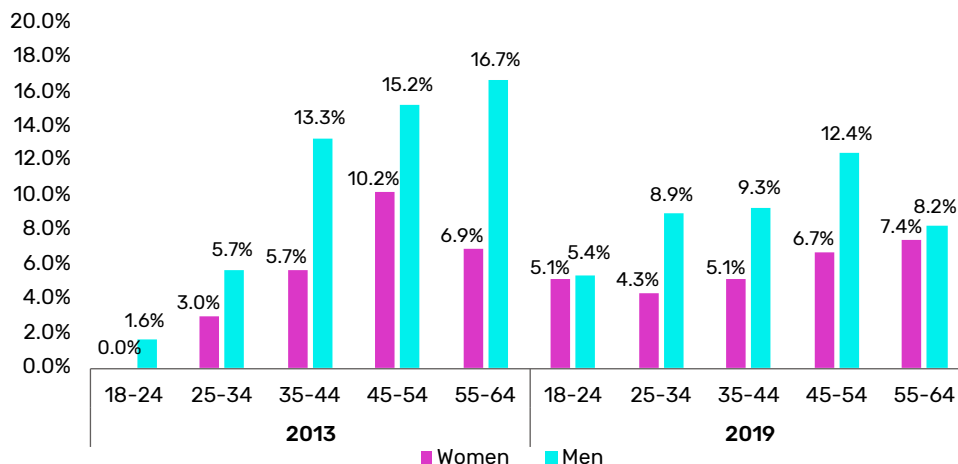


35- to 44-year-olds, where a gap of 7 percentage points had closed by 2019. To a large extent, the 2019 gender gap for younger Canadians in the 18 to 24 and 25 to 34 year ranges is driven by spikes for men in rates of total early-stage activity, perhaps reflecting not only greater interest in entrepreneurship, but also challenging economic conditions and the shift to a gig economy. For older Canadians 55 to 64 years of age, the gender gap in 2019 also increased.

What about women in established businesses? Figure 21 shows activity rates by age, comparing data for 2013 and 2019. Here we can note, first, the lower activity rates overall for women and men in established businesses, compared to those involved in early-stage activity. What is most noticeable, however, is the downward trend in established business ownership from 2013 to 2019 for many age groups, consistent with findings for the Canadian population overall (see Figure 15). This pattern is strongly gendered, with activity rates falling most significantly for men between 35 and 64 years of age, along with increases for men under 35 years old. For women, in contrast, there were increases in activity rates for many age groups, with a marked rise for 18- to 24-year-old women. But activity rates fell for women between 35 and 54 years of age, especially those in the 45 to 54 year band.

FIGURE 21

Age Profile of Women and Men in Established Business (EB), Canada (18–64 yrs.), 2013 & 2019



Education

Knowledge plays a critical role in building innovative, high-potential, businesses. Studies show that entrepreneurs rely on a wide range of skills, knowledge, and experience in creating new products and services to offer and making decisions about how to build, finance, and operationalize their business, in order to compete successfully in the market. Both formal and informal learning are important sources of knowledge.

Figure 22 outlines the educational background of Canadian women and men engaged in early-stage activity. It shows four broad groupings: high school degree or less; some post-secondary education; a college diploma or university degree; and graduate education. Rather than indicating activity rates in early-stage business for each educational group, it shows the educational composition of early-stage entrepreneurs as a group, comparing women and men and the time periods of 2013 and 2019.

Several important trends can be noted with respect to education. First, focusing on 2013, we can see rough educational profiles by gender, with high rates of attainment for the majority. Roughly four-fifths of women and

men entrepreneurs have some type of post-secondary education. Men are somewhat more likely than women to have high school or less (24.6% for men and 20.8% for women). While men are fairly evenly balanced between some post-secondary education (30.5%) and a college or university degree, (32.1%), women are just slightly less likely to have completed a college or university degree. Of note, well over 1 in 10 women (12.3%) and men (12.8%) had a graduate degree. Overall, the profile confirms high levels of human capital, consistent with a strong record of post-secondary training in Canada.

By 2019, the educational profile of early-stage entrepreneurs shows even higher levels of attainment. Nearly half of both women and men report having completed a college diploma or university degree. Graduate degree holders grew slightly, while those with high school or less declined slightly. Far fewer students had some post-secondary (without completion of a diploma or degree). Several factors may explain this trend. For instance, slowed GDP growth and higher unemployment rates for youth, in 2015–16, may have encouraged some young people to remain and complete post-secondary education. There may also be an effect over the 2013–2019 period of more entrepreneurial

FIGURE 22

Education in TEA by Gender, Canada (18–64 yrs), 2013 & 2019

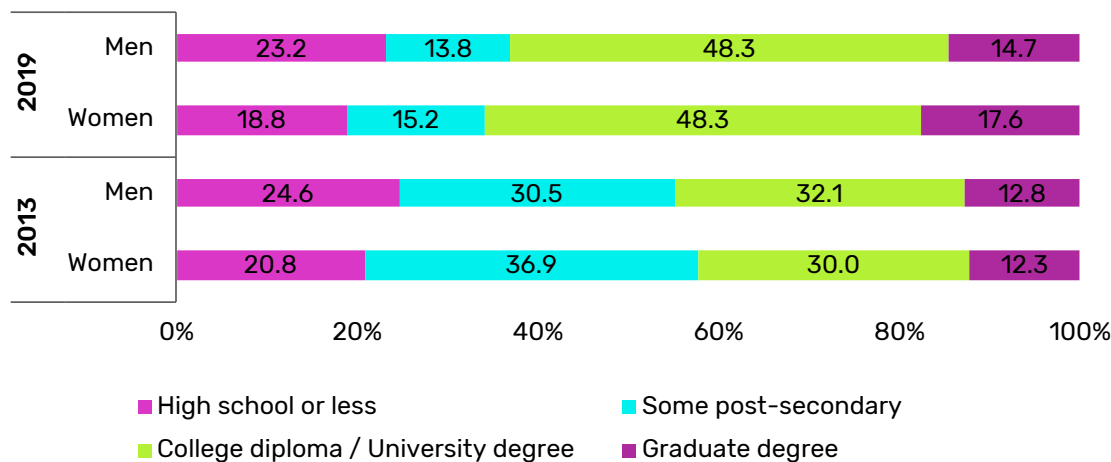
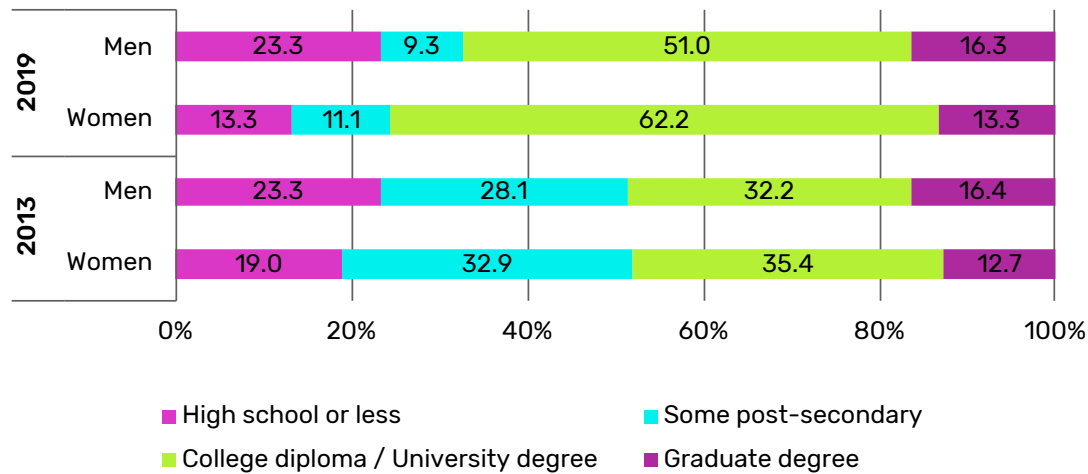


FIGURE 23

Education in Established Business by Gender, Canada (18–64 yrs), 2013 & 2019



programming in post-secondary institutions, leading students to pursue businesses at earlier stages of their careers, thus boosting the proportion with diplomas or degrees.

With respect to established business owners, the trends for 2013 to 2019 show parallel trends with respect to the rise of post-secondary attainment and, in fact, are even more striking (refer to Figure 23). In addition, gender gaps, while not significant in 2013, become more apparent over time. In 2019, over one-fifth of men and just over 1 in 10 women had high school or less. Far more women had some form of post-secondary education, with 62.2% of women and just 51.0% of men having completed a college diploma or university degree. Finally, men entrepreneurs are slightly more likely to have graduate level education (Master’s or PhD), but the profile for women and men in advanced training has changed very little from 2013 to 2019.

Region

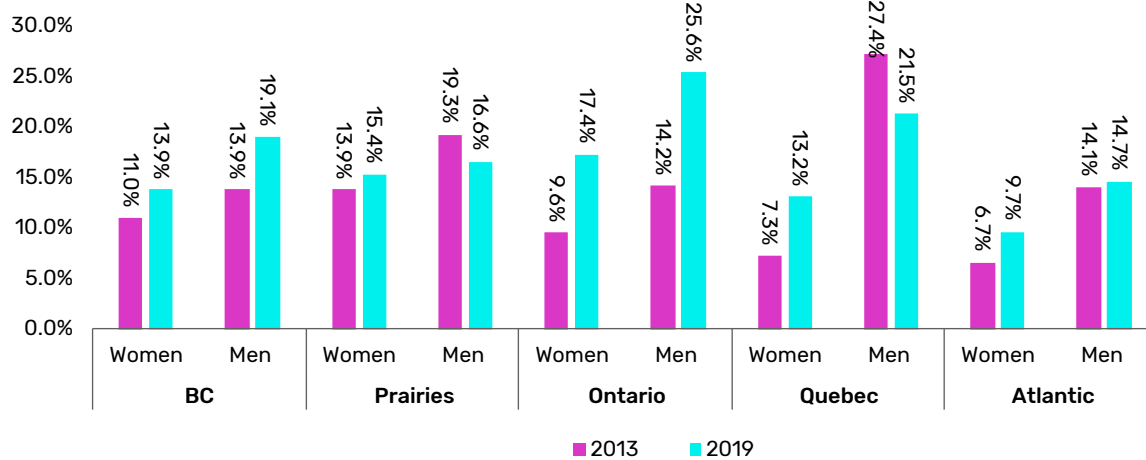
We can see the regional activity rates in Figure 24 for early-stage women and men entrepreneurs, as they have evolved over the 2013–2019 period. Looking first at women, across the various regions, we see a general increase in total early-stage activity from 2013 to 2019, as we would expect from overall Canadian rates. But we can also observe that growth has been felt unevenly across the country. For women in BC, the Prairies, and the Atlantic provinces, TEA rates have risen slightly, by a few percentage points. In contrast, TEA rates have jumped significantly for women in Ontario, moving from 9.6% in 2013 to 17.4% in 2019, and in Quebec, rising from 7.3% in 2013 and 13.2% in 2019. Thus, while the Prairies had the highest rate of total early-stage activity by women nationwide in 2013, by 2019 the leading jurisdiction was Ontario.

With respect to men’s activity over the 2013–2019 period, we see somewhat different patterns. In Ontario, total early-stage activity for men rose significantly, as with Ontario women, but in Quebec, we see a marked decline in total early-stage activity for men, in contrast to women. In the Prairie provinces, men saw a decline, while activity rates in the Atlantic provinces remained stable. In BC, rates for men saw a slight increase.



FIGURE 24

Regional Location Total Early-Stage Entrepreneurial Activity (TEA) by Gender, Canada (18–64 yrs), 2013 & 2019



As a result of these changes, gender gaps in activity rates remained apparent in all regions by 2019, though the magnitude of the gap had shifted in some places. There was a narrowing in the Prairies, Quebec, and the Atlantic provinces, due to both rising activity rates for women and falling or stable rates for men. In BC and Ontario, the gender gap remained relatively stable in 2019, despite the surge in women’s total early-stage activity (see Table 3).

TABLE 3

Ratio of Women to Men Total Early-Stage Entrepreneurial Activity by Region, Canada (18–64 yrs.), 2013 & 2019

	BC	Prairies	Ontario	Quebec	Atlantic
2013	0.79	0.72	0.67	0.27	0.48
2019	0.73	0.93	0.68	0.61	0.65

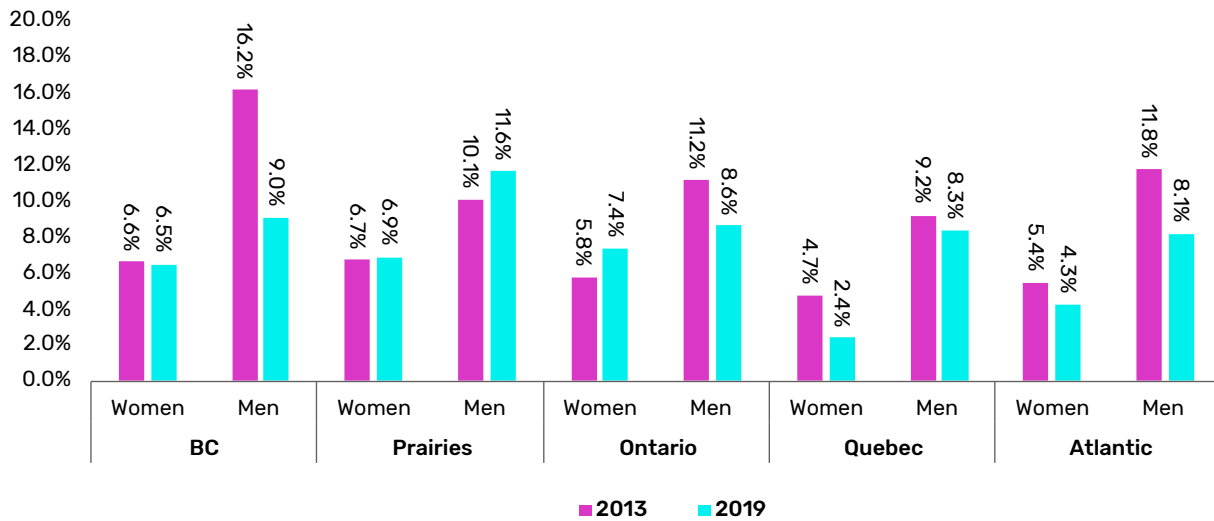
For established business owners, we see more stability between 2013 and 2019 than with total early-stage activity, as noted for Canadian rates overall (Figure 25). For women, established business activity rates were largely stable in BC and Alberta, with Ontario showing a slight increase in women’s activity, and Quebec and the Atlantic provinces showing a decrease. For men, there were significant declines, especially in BC and the Atlantic provinces, and a lesser extent in Ontario and Quebec. Only in the Prairie region do we observe an increase in men’s established business activity.

With respect to the gender gap for established businesses, there is a mixed picture with respect to changes from 2013 to 2019. In the Prairies the gender gap actually widened, as women’s activity remained stable and men’s activity rose. In Quebec, the gender gap widened too, as declines in women’s activity outpaced declines for men. Elsewhere the gender gap narrowed, with varying dynamics across regions. In Ontario, the gender gap narrowed as established business rates for women increased, and rates for men fell. In the Atlantic region, a narrowing gender gap is the result of declines in men’s activity, outpacing declines for women. Finally, in BC, a narrowing gender gap is also evident, but it is due to sharp declines in established business activity for men, with rates for women remaining stable.



FIGURE 25

Regional Location of Established Business (EB) by Gender, Canada (18–64 yrs), 2013 & 2019



Industry

A final area of interest concerns the industrial location of women-led business. Research on entrepreneurship and small business growth shows that industry sector plays a critical role in the success and longevity of a business. Historically, women entrepreneurs have tended to be overrepresented in women-dominant sectors of the economy (e.g., personal services, retail), where competition is high, and innovation and profitability are low relative to other sectors. Because much activity in these sectors is consumer-based, rather than business-to-business, spending can also be discretionary, making businesses vulnerable to business failure during economic downturns.

Figures 26 and 27 (see pages 31 and 32) illustrate the changing industrial location of women’s and men’s businesses over the 2013–2019 period, both for early-stage activity and established business owners. As we can observe, while women operate across a wide range of sectors, their activity is somewhat more clustered than that for men. Industrial patterns have shifted somewhat over the 2013–2019 period. To focus our discussion, the “top industries” are captured

in Table 4.

As Table 4 (see page 33) highlights there is a very notable concentration in a few key sectors, for early-stage and established women, with the “top industries” accounting for roughly two-thirds to three-quarters of businesses at any point in time. For early-stage women, there are both expected and surprising patterns. In 2013, nearly one-fifth (19.4%) were in retail, but another two-fifths operated businesses in professional service (20.2) or the government, health, education, and social services sector (17.7%). Encouragingly, 7.3% of women were active in the ICT sector which typically has more potential for innovation and growth. By 2019, however, we observe a noticeable rise of early-stage women within retail (34.6%) and declines in the professional services (9.7%). Other sectors, such as agriculture (9.7%) and personal/consumer services (7.4%) also became important.

For women leading established businesses, there is greater stability, as we might expect, with the same five sectors in the “top industries” in both 2013 and 2019. But we can observe some shifts in the relative importance of sectors over time. Much like trends for early-stage women,



FIGURE 26

Industrial Location of Women and Men in Total Early-Stage Entrepreneurial Activity (TEA), Canada (18–64 yrs), 2013 & 2019

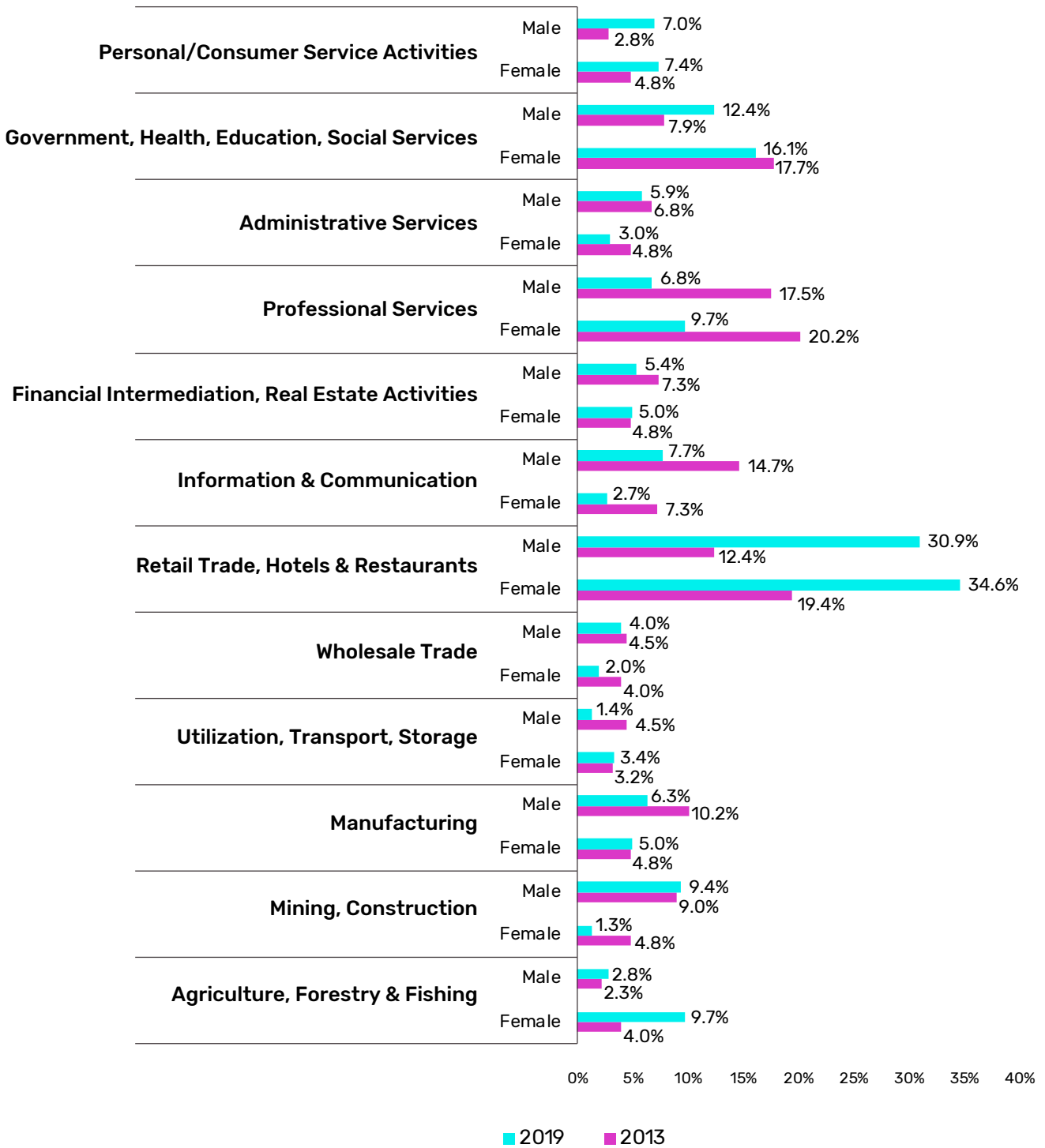
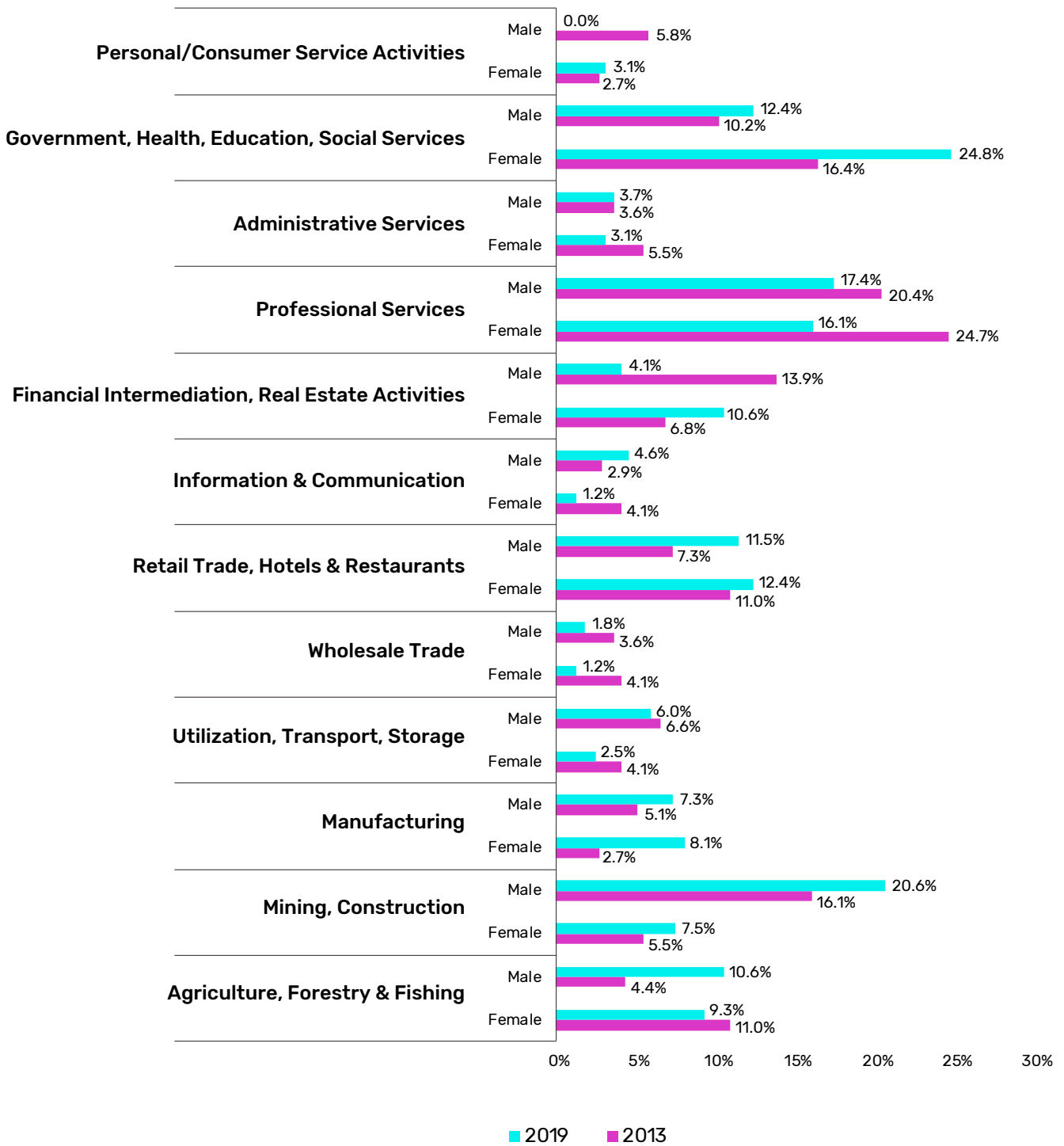


FIGURE 27

Industrial Location of Women and Men in Established Business (EB), Canada (18–64 yrs), 2013 & 19



the importance of professional services declined (from 24.7% in 2013 to 16.1% in 2019), while government related activity increased (16.4% in 2013 and 24.8% in 2019). In contrast to early-stage women entrepreneurs, retail services remained stable, agriculture declined slightly, while financial, intermediation, and real estate activity expanded. Though not noted on Table 4, manufacturing became more important for women by 2019, accounting for 8.1% of firms

With respect to gender-based trends, it is important to note that we can see some similar patterns for early-stage and established men in terms of shifting industrial locations. While they are much less concentrated into a small cluster of sectors, we do see the same jump in retail-related activity and the decline in professional services and ICT for early-stage men in 2019, as with early-stage women. Among established business owners, men also saw a slight decrease in professional services and a marked rise in retail services, government services, and agriculture and other primary activity.

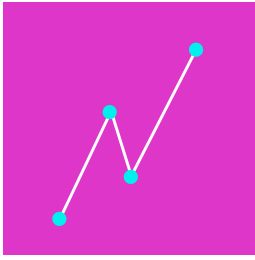
TABLE 4

Top Industries for Women, TEA and EB, Canada (18–64 yrs.), 2013 & 2019

Women TEA 2013		Women TEA 2019	
Professional services	20.2%	Retail, hotels, restaurants	34.6%
Retail, hotels, restaurants	19.4%	Govt, health, educ, social services	16.1%
Govt, health, educ, social services	17.7%	Professional services	9.7%
Information & communication tech	7.3%	Agriculture, forestry, fishing	9.7%
		Personal & consumer services	7.4%
Total	64.6%	Total	77.5%

Women EB 2013		Women EB 2019	
Professional services	24.7%	Govt, health, educ, social services	24.8%
Govt, health, educ, social services	16.4%	Professional services	16.1%
Retail, hotels, restaurants	11.0%	Retail, hotels, restaurants	12.4%
Agriculture, forestry, fishing	11.0%	Finance, intermed, real estate [FIRE]	10.6%
Finance, intermed, real estate [FIRE]	6.8%	Agriculture, forestry, fishing	9.3%
Total	69.9%	Total	73.2%





Employment, Growth & Innovation

As growing numbers of Canadian women have entered into entrepreneurship, there has been interest in understanding the economic impact of their business activity, with respect to its contribution to employment, economic growth, and innovation. There has also been a considerable interest in the industrial sectors where women launch businesses and their ability to secure sufficient financing to grow and scale their businesses.

Debate has also persisted over whether there is a “performance gap” between women-led and men-led businesses. Certainly, early academic studies suggested that women-led firms performed less well than firms headed by men, as measured by standard performance metrics such as revenue, profits, and size (e.g., employees or assets). More recent research, however, suggests that the situation is more nuanced. Women are more likely, on average, to launch and build smaller businesses and to favour sectors that have traditionally been women-dominant, with lower profits and returns (e.g., retail and consumer goods). However, when studies compare similar types of firms, by statistically controlling for industry, assets, and financing, as well as education, skills, work effort, and aspirations, they tend to find a relatively narrow performance gap, if any.²⁵

Taking direction from these debates, we explore longer-term trends in the 2013–2019 period for several performance indicators that are available in the GEM survey, focusing on employment trends, as well as innovation, exporting activity, and future growth aspirations.

Employment Trends

We can compare employment trends for women- and men-led firms over the seven-year period under study by focusing on the number of jobs that have been created. To simplify our analysis, we focus specifically on two time periods—2013 and 2019—to identify the net gains/losses that have occurred.

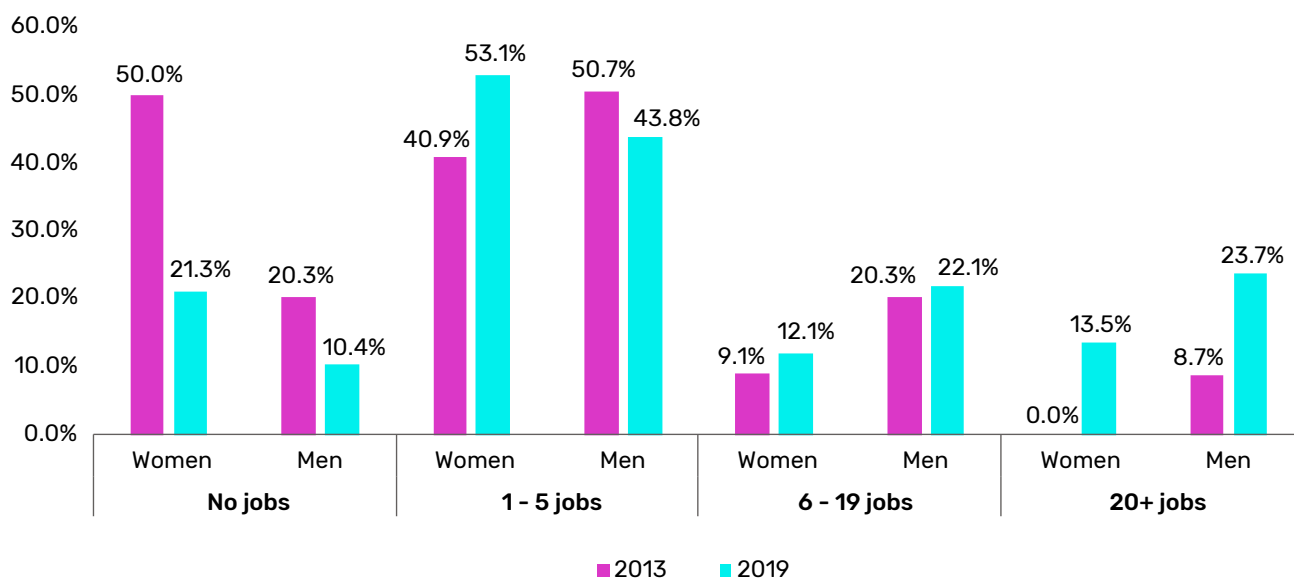
As we can see from Figure 28, in 2013, exactly half of women entrepreneurs in Canada were “solo entrepreneurs,” with no employees in their business.²⁶ This compared to just one in five men entrepreneurs who were “solo entrepreneurs.” Another four in ten women (40.9%) had created 1 to 5 jobs in their business, with the remainder (9.1%) building larger businesses in the range of 6 to 19 jobs. Of note, no women at this time reported creating 20 or more jobs. These trends for women contrast sharply with those of men entrepreneurs, where the vast majority of men (roughly 80%) had created jobs of some kind, with over half (50.7%) creating 1 to 5 jobs, nearly two in ten reporting 6 to 19 jobs (20.3%), and another 8.7% having created 20 or more jobs (8.7%).

Some striking changes are evident from 2013 to 2019. In particular, early-stage women have moved markedly out of solo entrepreneurship, with just 1 in 5 (21.3%) reporting that they have no employees. This may reflect two trends: the aging and success of some early-stage businesses that have moved or are on the cusp of moving from early-stage to established (3.5 years), as well as a growing shift towards launching larger start-ups, or beginning to scale much earlier in the initial years. While the bulk of women entrepreneurs



FIGURE 28

Employment (Number of Jobs), for Women and Men in Total Early-Stage Entrepreneurial Activity (TEA), Canada (18–64 yrs), 2013 & 2019



in 2019 reported 1 to 5 jobs (53.1%), there are very encouraging trends in the higher job numbers. Well over 1 in 10 (12.5%) women reported creating 6 to 19 jobs, and another 13.5% have created 20 jobs or more. The shift in this later group is especially noteworthy, given the relatively short period that has elapsed.

With respect to gender gaps, we see a similar shift in the 2013–2019 period for men, with increasing proportions launching businesses that have generated much larger job numbers. Taken together, just under half of early-stage men entrepreneurs report creating a business that has created either 6 to 19 jobs (22.1%) or 20 or more jobs (23.7%). In 2019, men were much less likely to be involved in solo entrepreneurship, with just one in ten (10.4%) reporting this status. Proportions in the range of 1 to 5 jobs also fell slightly.

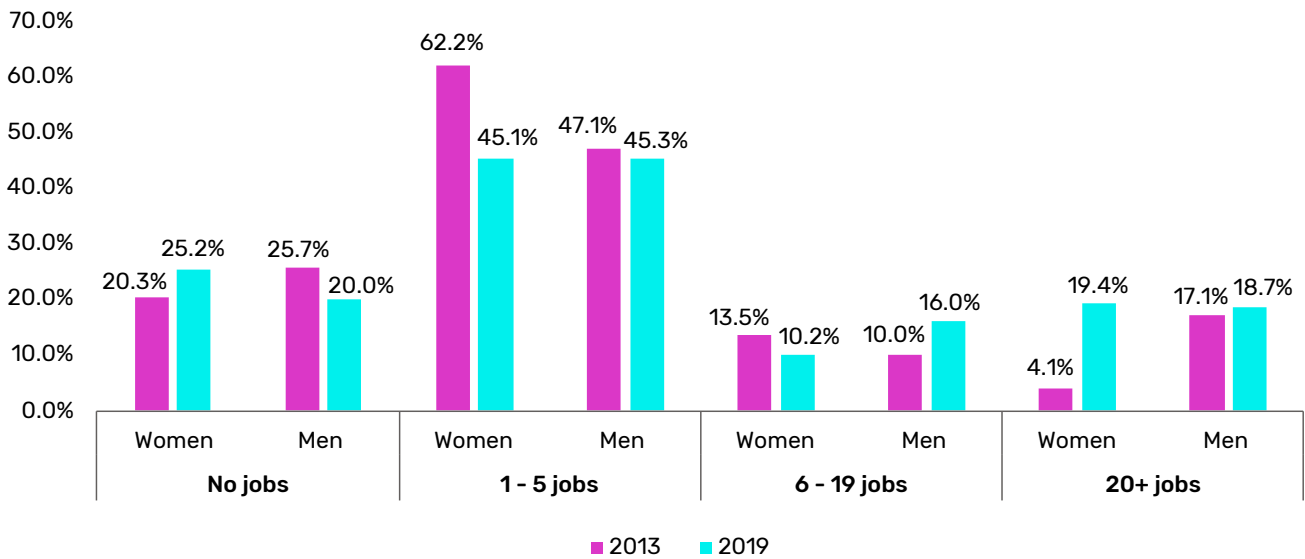
With respect to established businesses (3.5 years or older), we see somewhat more stability over the 2013–2019 period (see Figure 29). There is also a different employment profile for established business owners, as we would expect. In 2013, the majority of established women entrepreneurs reported that their business had created some jobs. Compared to early-stage women, a much smaller portion (just 20.3%) of established women entrepreneurs reported having no employees. Most established women (62.2%) reported that their business had created 1 to 5 jobs. Another 13.5% reported creating 6 to 19 jobs, with just over 4% reporting job numbers of 20 or more.

Comparing women with men in 2013, we see some differences, but they are not as marked as with early-stage entrepreneurs. Established men business owners were about as likely as women to have no employees (20.0%) and less likely than women to have created 1 to 5 jobs (47.1% for men) or 6 to 19 jobs (10.0%). But they were far more likely to have created 20 or more jobs, with almost 1 in 5 reporting this in 2013 (17.1% for men and 4.1% for women).



FIGURE 29

Employment (Number of Jobs), for Women and Men in Established Business (EB), Canada (18–64 yrs), 2013 & 2019



By 2019, the most striking pattern is the move to greater gender parity across the range of business sizes. For instance, roughly equal proportions of women and men led firms that had created 1 to 5 jobs (45.1% for women and 45.3% for men). The same is true at the highest end with firms of 20 or more jobs (19.4% for women and 18.7% for men). Women were slightly less likely to be report in the range of 6 to 19 jobs, and slightly more likely to lead firms that had not created jobs (25.2% women and 20.0% men), but the overall differences are relatively small. In short, among established business owners, the 2013–2019 period appears to have seen a move towards more similarity than difference.

Innovation

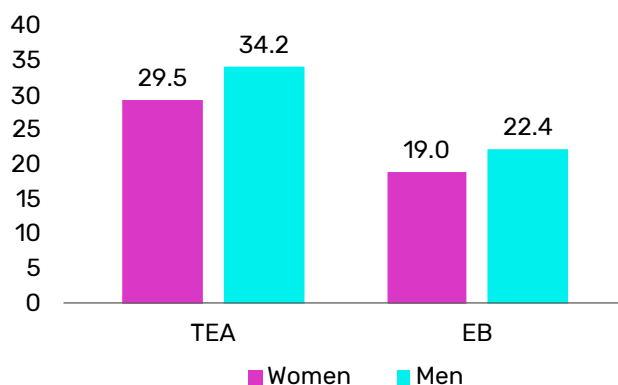
In recent years, growing attention has been paid to increasing innovation in women’s entrepreneurship and in entrepreneurship more generally.²⁷ There is widespread recognition of the need for truly new and innovative businesses, rather than imitative or copycat businesses which lead to oversaturation and low returns in many sectors. A central area of interest involves understanding the degree of innovation taking place and, relatedly, how various elements of the entrepreneurial ecosystem (e.g., universities, financial institutions, government policy) work to encourage and support and entrepreneurs in creating truly novel products, services, and technologies.

Figure 30 provides details on the proportion of early-stage and established business owners in 2013 that indicated innovations of some kind. In 2013, the GEM Canada survey captured innovation with a series of questions about the novelty of products and services, as well as markets, drawing on the GEM Global protocol. A combined measure captures these combined dimensions.

As we can see, in 2013, innovation was more likely to be found in early-stage than in established businesses. Women entrepreneurs were also less likely to report innovation than their peers who are men, regardless of business stage. Overall, women in early-stage business (29.5%) were much more likely to report innovation compared to women running established businesses (19.0%). We see the same trend for men, with a similar gap that favours innovation in early-stage firms over established businesses.

FIGURE 30

Innovation in Product or Market for Women and Men in Total Early-Stage Entrepreneurial Activity (TEA) and Established Business (EB), Canada (18–64 yrs.), 2013



In 2019, changes in the specific questions on innovation in the GEM Global and GEM Canada surveys mean that we cannot compare results directly to 2013, and hence cannot analyze across the 2013–2019 period of interest here. However, we can make comparisons using 2018 GEM Canada data for early-stage entrepreneurs (TEA)—the group of greatest interest, given that they are more likely to innovate. Comparing 2013 and 2018 confirms a strong rise in innovation among early-stage women. In 2018, nearly 4 in 10 early-stage women (39.1%) reported innovation, compared to 29.5% in 2013 as is evident for men in early-stage firms, with

43.2% reporting such innovation (up from 34.2%). It is important to emphasize that the measurement of innovation is a subjective one, reflecting an entrepreneur’s own assessment of whether, for instance, they are offering a novel product or service. Still, the upward trend is encouraging given the importance of innovation for success.

Exporting

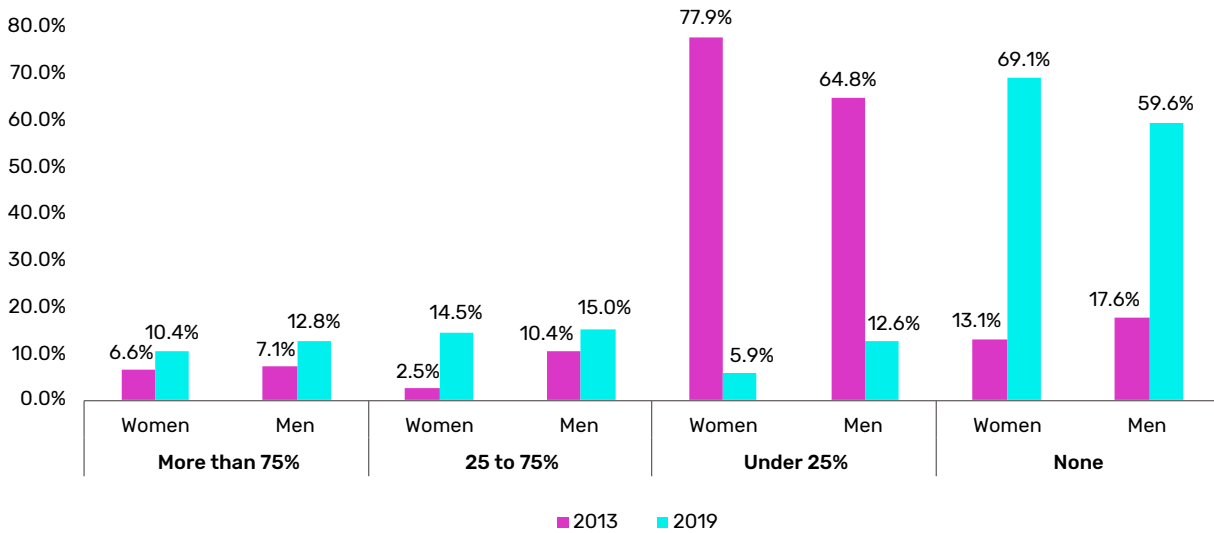
Over the years there has been a concerted push to encourage exporting among women-led business, in recognition of the importance of internationalization and new markets to business growth. Many women’s enterprise centres, such as Alberta Women Entrepreneurs (AWE) and others operating under the umbrella of Women’s Enterprise Organizations of Canada (WEOC),²⁸ have worked with government and private sector partners to promote trade missions for women entrepreneurs. The Government of Canada and its Business Women in International Trade (BWIT) initiative, as well as WEConnect International, also work to connect women entrepreneurs to new markets and global opportunities.²⁹

Figure 31 highlights exporting activity among early-stage business in 2013 and 2019. As we can see, in 2013, the majority of women (77.9%) reported having 1–24% of their customers outside of Canada. Another 9% of women reported that 25% or more of their customers were international, with the remainder (13.1%) having domestic customers only. In 2019, we observe a striking rise in the proportion of women with a purely domestic base country (69.1% of women), and a corresponding fall in the 1–24% band. Yet, there is also marked growth for early-stage women with an international customer base (25% or more), accounting for roughly one-quarter of women in 2019, compared to just 1 in 10 in 2013.



FIGURE 31

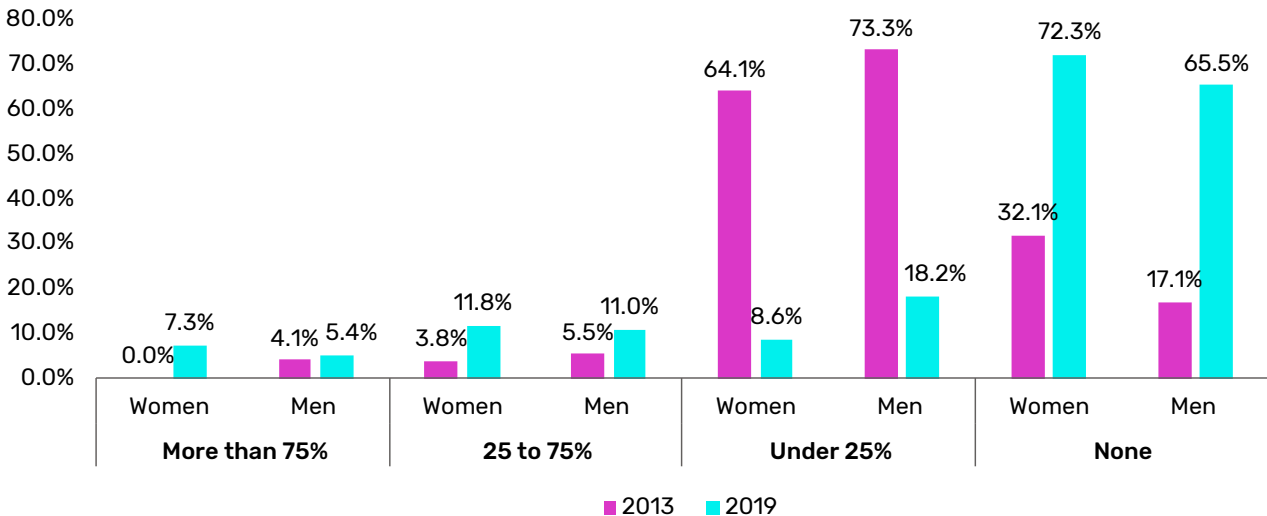
Exporting for Women and Men in Total Early-Stage Activity Entrepreneurial (TEA), Canada (18–64 yrs.), 2013 & 2019



Patterns for established business owners can be seen in Figure 32. Here it is interesting to note that women in established businesses in 2013 are far more domestically oriented, with nearly one-third (32.1%) reporting no international customers. Most of the remainder (64.1%) reported 1–24% of customers outside of Canada, with just a handful (3.8%) having 25% international customers or more. By 2019, the profile for women’s established businesses has become even more domestically oriented, with nearly three-quarters (72.3%) reporting no customers outside of the country. As with early-stage women, there is a marked rise in more internationally focused firms among a smaller group, with nearly 20% who report having 25% of customers or more outside of the country.

FIGURE 32

Exporting for Women and Men in Established Business (EB), Canada (18–64 yrs.), 2013 & 2019



Growth Intentions

A final issue of interest concerns the growth intentions of women entrepreneurs. Many academic studies find that there is an important relationship between growth orientations/aspirations and firm size. Traditionally, many women entrepreneurs have been found to be less interested in high growth and/or have preferences for more steady, controlled growth; however, there is some evidence that this is changing.³⁰

To what extent have growth expectations shifted for women entrepreneurs over the 2013–2019 period?

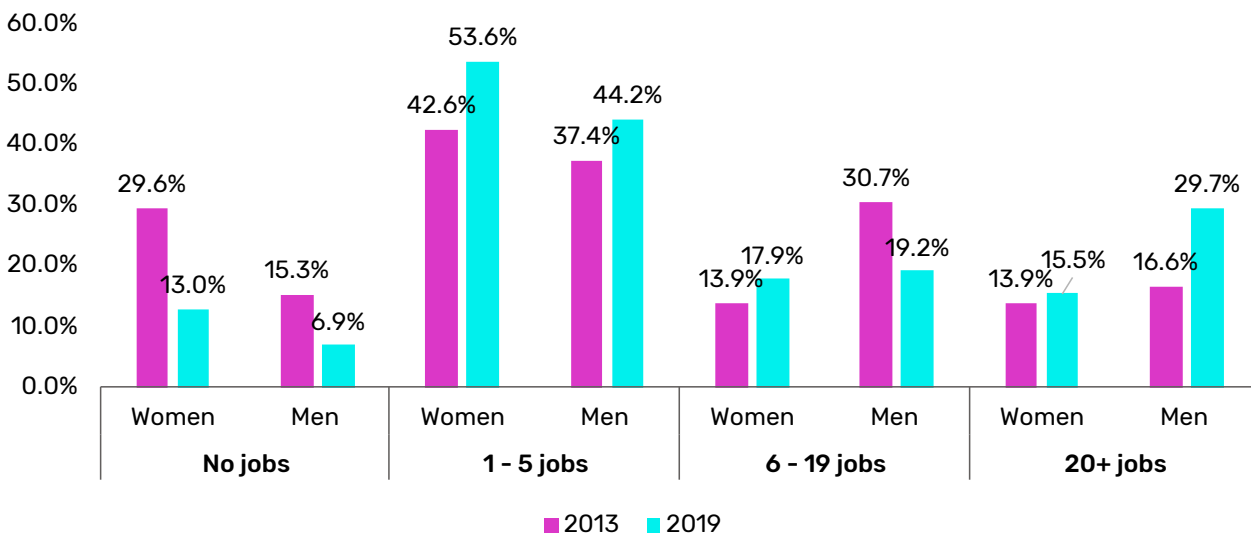
Figure 33 illustrates expected growth over the next five years for early-stage women and men in both 2013 and 2019. As we can see, in 2013, the vast majority of early-stage women business owners—almost three-quarters—anticipated created 0 to 5 jobs, with 29.6% indicating no jobs, and 42.6% indicating 1 to 5 jobs. The remaining one-quarter of women were evenly split between 6 to 19 jobs and 20 or more jobs (13.9% in both cases). The profile of growth expectations for early-stage men

in 2013 was quite different, with nearly two-thirds clustering in the mid-growth range of 1 to 5 jobs (37.4%) and 6 to 19 jobs (30.7%). Far fewer men aspired to no job growth. Of note, just a slightly larger proportion of early-stage men than women aspired to create over 20 jobs.

By 2019, how have growth orientations changed? First, far fewer early-stage women expect to create “no jobs” at all. This is true for men as well, but the decline for women is much more significant overall (moving from 29.6% of women in 2013 to 15.3% in 2019). Second, a greater proportion of women are found in the category of 1 to 5 jobs, with smaller upward shifts in the 6 to 19 jobs and 20 or more jobs category as well. Overall, the sense is of a slow shift towards higher growth aspirations, though still in the mid-range. Trends for men could also be described in these same terms, though there is a marked rise for men in the category of 20 or more jobs.

FIGURE 33

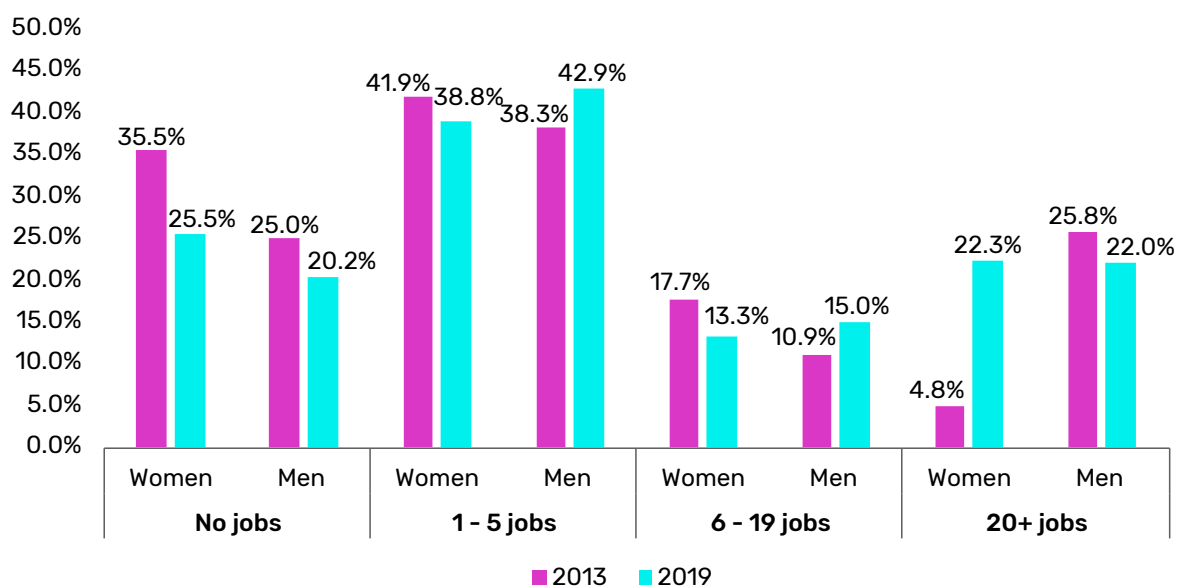
Expected Job Growth in Next Five Years for Women and Men in Total Early-Stage Entrepreneurial Activity (TEA), Canada (18–64 yrs.), 2013 & 2019

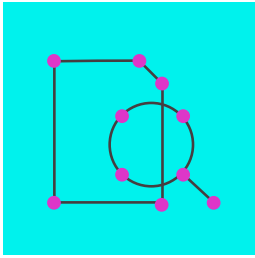


What are the trends among established businesses? As Figure 34 shows, the most significant trend is the marked upward shift in growth aspirations, with 22.4% of women expecting to create 20 or more jobs in 2019, compared to just 4.8% in 2013. It is especially notable as growth expectations for men in the range of 20 or more jobs shifted downwards slightly, leading to gender parity overall. While fewer women expected to create no jobs in 2019 than in 2013, there is still a sizeable group of roughly one-quarter of all established business owners who fall into this group. Women's expectations in the mid-range categories fell slightly, while for men, the reverse trend is seen.

FIGURE 34

Expected Job Growth in Next Five Years for Women and Men in Established Business (EB), Canada (18–64 yrs.), 2013 & 2019





Conclusion

Since 2013, the Global Entrepreneurship Monitor (GEM) Canada has conducted annual surveys on entrepreneurship in Canada, aiming to understanding entrepreneurial attitudes, activity, and aspirations, and the changing nature of the evolving entrepreneurial ecosystem. GEM Canada follows the survey protocols of the Global Entrepreneurship Monitor (GEM)—the largest and longest-running study of entrepreneurship in the world.

This report offers a special analysis of GEM Canada data, providing the first multi-year, gender-based investigation of trends for the 2013–2019 period. Overall, the analysis highlights many important developments with respect to Canadian women’s entrepreneurial activity from 2013 to 2019, a period when entrepreneurship has become a far more visible and influential force, economically and culturally, in Canadian society.

Concerning the nature and impact of entrepreneurial activity, the report confirms a number of emerging strengths related to Canadian women’s engagement with entrepreneurship, both for the Canadian population overall (i.e., those not currently engaged in business ownership) and Canadian women actively engaged in early-start-up firms, as well as more established businesses.

Among the key findings for the Canadian population overall:

- > Canadians have increasingly positive attitudes towards entrepreneurship, with both women and men holding favourable views. In 2019, a strong majority of Canadian women viewed entrepreneurship a “good career choice” (67.5%) and as having “high status” (69.9%). While a gender gap in attitudes does exist, with men holding more favourable views, it is extremely small (1–2%).
- > Canadian women in the general population also perceive their capabilities and potential opportunities very strongly, again with a positive upward trajectory over time. In 2019, a notable proportion of women indicated that they “perceived good business opportunities” (63.0%), “had the skills, knowledge, and experience” necessary for success (46.9%), and “knew other entrepreneurs” (48.8%). These findings suggest a fairly strong level of readiness among Canadian women to identify and pursue new business opportunities.
- > Relatedly, the data for 2013 to 2019 confirms growing “entrepreneurial intentions” among Canadian women in the general population. In 2019, roughly 1 in 6 women (16.9%) expressed an interest in launching a business, up from 13.1% in 2013.

For Canadian women who are already engaged in entrepreneurship, the analysis for the 2013–2019 period identifies many emerging strengths, as well as areas for further attention. Key highlights include:



- > There has been a dramatic expansion of Canadian women’s entrepreneurial activity from 2013 to 2019 in early-stage businesses (TEA) that are 3.5 year or younger. The data shows a more than 50% increase in women’s activity rates over the 2013–2019 period, from 9.9% of women in TEA in 2013 to 15.1% of women in 2019.
- > Among established businesses (EB), involving a firm 3.5 years and older, trends for women’s activity have been less dramatic and remained stable over the seven-year period, with 5.8% of women reporting such activity in 2013 and 2019. However, in 4 out of the 7 years studied, women’s activity rates rose above 5.8%, with a high of 7.7% for women in established businesses in 2014.
- > Overall, business exit rates (both voluntary and involuntary) for women were lower than for men, typically in the 2–3% range for the 2013–2019 period. For women, the most common reasons for exiting a business in 2019 were (in order): the inability to obtain financing, a lack of profitability, opportunities to sell, and retirement.
- > Canadian women entrepreneurs are primarily motivated by opportunity, rather than necessity (e.g., lack of job opportunities). However, necessity motivations appear to be in play for many women. Of note, in 2019, motivations for women and men in early-stage firms did not differ significantly, except that a more common motivator for women was to “make a difference in the world.”
- > A key strength that Canadian women bring to their ventures is a very high level of post-secondary education training. These high levels of human capital are reflective of the Canadian population generally but may also be a product of a strong surge of interest by younger women (18 to 34 years of age), who are typically more highly educated and have seen the greatest jumps in entrepreneurial activity from 2013 to 2019.

- > There are noteworthy changes in job creation for women-led firms, especially a shift away from “solo entrepreneurship” (no employees) in early-stage firms over the seven years. In 2013, roughly half of all total early-stage activity for women involved being a solo entrepreneur. By 2019, this had fallen to just 21.3%.
- > More than 1 in 10 women (13.5%) also reported having created 20 jobs or more in their firms in 2019. This is a significant shift, given that in 2013, there were no women running firms with 20 or more employees.

Beyond these more positive trends and developments, the 2013 to 2019 GEM Canada data also highlights areas where attention from program providers, policy makers, and others in the entrepreneurial ecosystem (e.g., educational institutions) may be beneficial:

- > Despite the positive upward trends in women’s entrepreneurial attitudes in the Canadian population, there continues to be a persistent gender gap, with men having more positive attitudes and self-perceptions, on average, and higher levels of entrepreneurial intentions. For instance, while women and men are equally likely to say they identify good opportunities, men are much more likely to believe they have the knowledge, skills, and experience needed for success (with 63.8% of men and 46.9% of women agreeing).
- > Gender gaps also persist in the total early-stage activity (firms 3.5 years and less), despite women’s very dramatic gains over the past seven years, due to a significant increase in total early-stage activity for men as well. Among established businesses (EB), the gender gap has narrowed, but this is primarily due to declining activity rates for men. A focus on helping women-led business grow and succeed over the long-term, thus increasing women’s presence in the established firm sector, seems important.

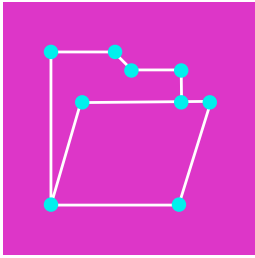


- > Despite Canadian women's growing engagement with entrepreneurship, they continue to report a growing and relatively high level of concern over business failure. This trend is true for both women and men, however, perhaps reflecting a more realistic appraisal of the challenges involved in building a business as it becomes more common in Canadian society. That said, and given the importance of this issue, it would be valuable to understand more about how women perceive and assess risk in the sectors they enter, and how this shapes their ongoing business strategies and approaches towards growth.
- > In terms of the industries where women entrepreneurs operate, they continue to cluster within a small number of fairly traditional sectors, though the importance of different sectors has shifted somewhat from 2013 to 2019. While some sectors offer good opportunities, in others (e.g., retail) it may be challenging to launch and grow a business in the long term, and there may be higher risks of business failure due to excess competition, low profit margins, and downturn in the business cycle. The fact that we have not seen more significant industrial diversification over a seven-year period is important, and may explain the relative stability of women's presence in the established business sector. Further policy and programming attention around this issue seems important.
- > Finally, with respect to future growth expectations in the next 5 years, the overall trend from women in early-stage firms suggests a slow shift towards higher growth aspirations. This is an encouraging development. Trends for men show a similar upward movement, but it is important to emphasize that far more men aspire to create 20 or more jobs. Recognizing that there is considerable diversity among women entrepreneurs, including those intentionally running solo firms or small scale business that contribute to their local

economies, it still seems worthwhile to understand more about Canadian women's approaches to growth and the barriers to and facilitators of higher growth for women entrepreneurs who aspire to grow larger firms.

Taken together, findings from annual GEM Canada surveys over the 2013–2019 period highlight many successes for Canada's women entrepreneurs. Clearly dramatic shifts have occurred in terms of their entrepreneurial attitudes, levels of total early-stage activity, and employment and growth orientations. Yet, the 2013–2019 trends also identify ongoing gender gaps between Canadian women and men, and highlight the need to continue building a strong and inclusive ecosystem that can support the efforts of current and aspiring women entrepreneurs. Future initiatives aimed at diversifying the industries in which women-led business are operating, encouraging innovation and internationalization, and supporting scale-up efforts will all play an important role in aiding the success of Canadian women entrepreneurs in the coming years.





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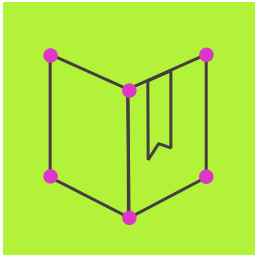
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