The State of Women’s Entrepreneurship in Canada 2024
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SMES are the engine of Canada’s economy: 90% of private sector employment is with SMEs vs. 50% in the U.S.

Studies show advancing gender equality and women’s participation in the economy could add up to $150 billion to Canada’s GDP.

Canada’s world first Women Entrepreneurship Strategy (WES) includes nearly $7 billion in investments and commitments.

WES aims to increase women-owned businesses’ access to financing, networks and expertise to start up, scale up and access new markets.
Women Entrepreneurship: Structure and Strategy

**Women Entrepreneurship Strategy (WES)**

- **Inclusive Women Venture Capital Initiative**
  - $15-million commitment
  - Make venture capital more inclusive

- **Women Entrepreneurship Knowledge Hub**
  - 10 regional hubs
  - Research network

- **Women Entrepreneurship Loan Fund**
  - $55 million in government funding
  - Microloans of up to $50,000

- **WES Ecosystem Fund**
  - $165 million invested since 2018
  - Enhancing organizations supporting women entrepreneurs
About the Women Entrepreneurship Knowledge Hub (WEKH)

• **10 hubs** coordinating across regional and industry ecosystems with more than **250 partners**

• **Evidence-based approach to** creating an inclusive ecosystem

• **Sharing information** about programs and support to organizations supporting **diverse women entrepreneurs**

• Assessing best practices and “**what works**” for whom

• Capacity building and training
The State of Women’s Entrepreneurship (SOWE) in Canada

Published annually, SOWE is a go-to resource for the most complete picture of women’s entrepreneurship in Canada. It tackles barriers, enablers and progress, and spans sectors and regions.
Entrepreneurship Research
Women Entrepreneurship Strategy: Impact

A 2023 WEKH survey of participants assessed impact.

76.6% of respondents participated in new industries following their participation in WES programs.

Top new industries identified:

- Consulting and advisory services 15%
- Information, communication and technology 11.4%
- Agriculture and food processing 10.9%
Women Entrepreneurship Strategy: Impact

Networking
• 52.2% formed new support networks
• 43.2% gained new advisors
• 41.3% networked with entrepreneurs in the same industry

Innovations
65.9% of attendees introduced innovations into their business, including:
• Innovations in business processes (39.5%)
• Products and services (30.2%)
  Business models (26.4%)
• Sustainable practices (23.3%)

Sustainability
• 17.8% set new sustainable development goals
• 28.9% made progress toward sustainability goals
Canada: The International Context

• Canada is one of the few countries, along with the U.S., China and India, to have at least three cities ranked in the global top 50 for startup ecosystems.
• Canada scores 100 out of 100 on the Women, Business and Law Index, indicating equal legal rights and freedoms for women and men entrepreneurs.
• Canadian women were more engaged in total early-stage entrepreneurial activities compared to the global average (14.8% vs. 10.1%), but less active compared to Canadian men (14.8% vs. 18.3%) in 2022.
• Canadian women match the global average (5.5%) for established business ownership rate, but men in Canada have a higher rate than women (7%).
• Globally, women are more likely to be solopreneurs in the early stages of businesses compared to men (36% vs. 24.5%). In Canada, the gap is much wider, with women far outpacing men (35.3% vs. 14.5%).
Barriers for Women Entrepreneurs

- Gendered stereotypes and assumptions about innovation, entrepreneurship, technology
- Systemic bias embedded in policies, programs and services
- Structural differences (size, sector, form)
- Access to financing and markets
- Wayfinding: fragmentation among services
- Challenges accessing networks
- Gendered programs and supports
- Competencies
Assumptions about Innovation and Entrepreneurship

Innovation is not just about technology. It is about “doing different.” Without adoption, there is no innovation.

Doing differently

New products and services

New initiatives or organizations

New processes
Gendered stereotypes: “Think Entrepreneur. Think Male.”
On average in 2023, 18.4% of all businesses are majority owned by women in Canada compared to 2022 estimates (18%).

Over 80% of women entrepreneurs are self-employed.

Women are 37.2% of the self-employed population (2023).

Earnings gaps remain with men entrepreneurs.

37.1% of women entrepreneurs earn less than $50,000 annually compared to 31.7% of men entrepreneurs.

10.9% of women entrepreneurs earn more than $150,000 compared to 14.8% of men entrepreneurs.
Empowering Women in Venture Capital

Societal-Level Barriers

- Networking and relationship-building are essential for venture capital (VC) entry, but gender-based biases hinder women's opportunities.
- Gender stereotypes, bias and education requirements limit women's capacity building in VC.

Organizational-Level Barriers

- A lack of diversity and gender focus, respect toward women and supportive policies hamper women's advancement.
- Changes in recruitment, parental leave support, and equity, diversity and inclusion-specific practices are necessary to dismantle existing norms.

Individual-Level Barriers

- Educational requirements, skill shortages and lack of effective leadership hinder women's advancement.
- Gender stereotypes in degree requirements disproportionately exclude women.
<table>
<thead>
<tr>
<th>Industry</th>
<th>Majority Men-Owned</th>
<th>Majority Women-Owned</th>
<th>Equal Ownership</th>
<th>0%</th>
<th>10%</th>
<th>20%</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
<th>90%</th>
<th>100%</th>
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</thead>
<tbody>
<tr>
<td>Construction</td>
<td>87.5%</td>
<td>8.8%</td>
<td>5.7%</td>
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<td>10</td>
<td>20</td>
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<td>60</td>
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<td>80</td>
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<td>Agriculture, Forestry, Fishing and Hunting; Mining and Oil and Gas Extraction</td>
<td>69.8%</td>
<td>24.3%</td>
<td>5.8%</td>
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<tr>
<td>Wholesale Trade</td>
<td>79.7%</td>
<td>14.0%</td>
<td>6.3%</td>
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<td>10</td>
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<td>80</td>
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<td>100</td>
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<tr>
<td>Transportation and Warehousing</td>
<td>79.8%</td>
<td>13.5%</td>
<td>6.6%</td>
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<td>10</td>
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<td>100</td>
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<td>Manufacturing</td>
<td>79.1%</td>
<td>11.3%</td>
<td>9.5%</td>
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<td>20</td>
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<tr>
<td>Accommodation and Food Services</td>
<td>59.6%</td>
<td>22.8%</td>
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<td>10</td>
<td>20</td>
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<td>80</td>
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<td>100</td>
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<tr>
<td>Professional, Scientific and Technical Services</td>
<td>65.6%</td>
<td>14.3%</td>
<td>20.0%</td>
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<td>20</td>
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<td>90</td>
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<td>Retail Trade</td>
<td>57.1%</td>
<td>16.7%</td>
<td>26.2%</td>
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<td>10</td>
<td>20</td>
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<td>70</td>
<td>80</td>
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<td>All Other</td>
<td>60.2%</td>
<td>12.1%</td>
<td>27.8%</td>
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</table>
Intersectional Perspectives

- Indigenous businesses are majority-owned by women at a higher rate than the Canadian population (24.7%)
- Around 19.2% of small businesses in Canada are majority owned by racialized individuals
- 2SLGBTQ+ individuals represent about 3.3% of majority owners of small businesses in Canada (with 1–99 employees).
- In Q3 2023, 2.2% of private sector businesses in Canada were majority-owned by persons living with disabilities, up from 1.4% in Q3 2022.
Women Entrepreneurs Drive Economic Development, Innovation and Sustainability

- Between 2017 and 2020, there has been an increase in SMEs majority-owned by women and gaps in innovation, exporting and growth are narrowing.
- Women entrepreneurs are more likely to adopt sustainability initiatives than men entrepreneurs.
- Need to reconsider assumptions about economic impact and “multiplier” effects.
Opportunities and Challenges

47.5% of women-owned businesses had all their employees trained in the necessary skills for their business compared to 41.9% of all businesses.

80.2% of women entrepreneurs mainly serve local customers; 48.9% also serve out-of-province customers; 25.5% sustained international customers.

In 2023, 53.8% of women-owned businesses received a Canada emergency business account (CEBA) loan, and 31.3% fully repaid their loan.
Top Five Business Obstacles for Women Entrepreneurs

All are cost related:

- Cost-related obstacles: 66.5%
- Rising inflation: 51.1%
- Rising cost of inputs: 40.7%
- Rising interest rates and debt costs: 38.3%
- Labour-related: 36.7%
Percentage of Businesses That Are Able To Take on More Debt by Majority Ownership, Canada, 2023

- Yes, business or organization can take on more debt: 50.7% (Majority Women Ownership), 58.8% (All Ownerships)
- No, business or organization cannot take on more debt: 26.4% (Majority Women Ownership), 23.0% (All Ownerships)
- Ability to take on more debt, unknown: 23.0% (Majority Women Ownership), 18.2% (All Ownerships)
Percentage of Employees Fully Proficient in Skills Needed in the Business by Majority Ownership, Canada, 2023

- Majority Women Ownership
- AllOwnerships

- 100%
  - Majority Women: 47.5%
  - All: 41.9%

- 80% to 99%
  - Majority Women: 30.7%
  - All: 26.0%

- 60% to 79%
  - Majority Women: 16.4%
  - All: 14.4%

- 40% to 59%
  - Majority Women: 6.2%
  - All: 8.4%

- 20% to 39%
  - Majority Women: 1.9%
  - All: 1.2%

- 1% to 19%
  - Majority Women: 0.8%
  - All: 0.9%

- 0% - No employee has all the...
Location of Customers by Gender of Entrepreneur, Canada, 2022

- Local: Women 80.2%, Men 78.5%
- Out of Province: Women 48.9%, Men 52.8%
- International: Women 25.5%, Men 33.2%
The Way Forward
Societal Level

• Expose structural factors enabling and inhibiting women entrepreneurs: stereotypes and assumptions, policies, infrastructure, culture etc.
• Leverage data on what works for whom, share best practices and develop norms.
• Incentivize collaboration and coordination to reduce duplication in the ecosystem.
• Apply a gender and diversity lens to policies, infrastructure and culture.
• Strengthen policies to ensure transparency and accountability (e.g., Investing in Women Code).
Coralus (Formerly SheEO) Results & Impact 2022 – 2023

<table>
<thead>
<tr>
<th>Funds invested</th>
<th>Canadian ventures</th>
<th>Repayment rate</th>
<th>SDG targets addressed</th>
<th>Jobs created (Canada)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 M$</td>
<td>80</td>
<td>92%</td>
<td>100%</td>
<td>932</td>
</tr>
</tbody>
</table>

SDG targets addressed:

1. No Poverty
2. No Hunger
3. Good Health
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Renewable Energy
8. Good Jobs and Economic Growth
9. Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace and Justice
17. Partnerships for the Goals
Organizational Level

Build awareness and commitment to gender and diversity inclusion among all ecosystem partners

- Set targets, collect data and report on the impact of services provided to women entrepreneurs
- Leverage procurement as a strategic tool at all levels to promote inclusion and accountability
- Explore and test innovative models that respond to the needs of diverse women
- Reduce gender bias and discrimination in financing and funding decisions
Building the Pathways: Inclusion at Every Stage

- Ideation
- Early Incubation (MVP)
- Incubation
- Scaling
- Venture/ Self-Sustaining
- Global Leaders

Lots of small bets
Select & scale most promising
Link to next investment
Diversity Assessment Tool: Embedding EDI in All Ecosystem Players

- Governance, Leadership & Strategy
- Recruitment, Selection & Promotion
- Diversity Across the Value Chain (including design, implementation and evaluation of policies and programs)
- Measurement & Tracking
- Values & Culture
- Outreach & Expanding the Pool

- Deep dives into organizations in the ecosystem, most of all government
- Need to go beyond commitment to EDI in HR to apply a lens across functions
Organizational Strategies

Programs
- Consider goals (growth, sustainability, SDGs); needs (competencies, wraparound supports) eligibility (incorporation, sectors, size), outreach (intermediaries), selection (assumptions, bias)

Financing
- Address systemic bias in loans—“5 c’s;” the average amount of financing authorized for men-owned businesses is about 150% higher than that for women-owned businesses
- Venture capital—same pitch, different outcomes, bias and capacity issues
- Alternatives—crowdfunding, community funding, micro loans, grants, loans

Customers
- Procurement as a strategic lever – public and private sector

Incubators and Accelerators
- Women’s needs and preferences are different in terms of services and processes

Educational Institutions
- 58 post-secondary institutions entrepreneurship-related degrees at all levels, with an average of 22 entrepreneurship-focused courses per institution.
- Little focus on women in content or pedagogy
Individual Level

- Focus on evidence-based training programs tied to success factors.
- Build competencies for creating an inclusive entrepreneurial ecosystem.
- Build competencies for entrepreneurial success reflecting unique needs of diverse women entrepreneurs.
- Support networking, mentorship and sponsorship tailored to the needs of entrepreneurs.
- Provide wraparound supports at each stage of entrepreneurs’ journey.
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