



Women  
Entrepreneurship  
Knowledge Hub

# Indigenous Women Entrepreneurs

Preliminary Report



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## Women Entrepreneurship Knowledge Hub

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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.

Canadian Council for  
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### Canadian Council for Aboriginal Business (CCAB)

is committed to the full participation of Indigenous Peoples in Canada's economy. A national, non-partisan association, CCAB offers knowledge, resources and programs to both Aboriginal and non-Aboriginal owned companies that foster economic opportunities for Indigenous Peoples and businesses across Canada.

**CCAB Research** continuously strives to support Indigenous communities and companies in Canada. Their work is used to develop policies and programs for federal and provincial governments and corporate Canada. Identifying how Indigenous businesses can take part in supply chains, making meaningful connections through networking events, and developing customized business lists of relevant Indigenous companies are just a few ways CCAB research can help unlock an organization's potential. The goal is to assist in fostering meaningful relationships with Indigenous peoples, businesses, and communities for organizations.

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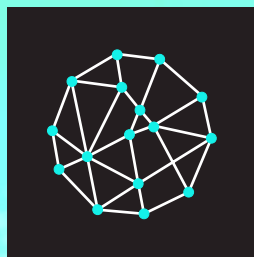
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# Introduction

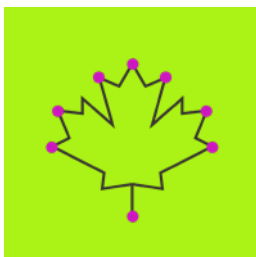
To understand the current landscape of Indigenous women business owners, this preliminary report approaches CCAB's 2016 Promise and Prosperity survey from a gendered perspective. Gaining insights into the differences between women-owned and men-owned businesses is a key part of understanding the unique experiences of Indigenous businesses in the Canadian economy and contributes to data-driven reconciliation strategies.

Indigenous entrepreneurs in many cases face systemic disadvantages, such as access to services, financing, information, and basic infrastructure; for Indigenous women entrepreneurs in particular, these barriers are multiplied.<sup>1</sup> For example, the Indian Act prevents those on reserve from securing loans from financial institutions using property owned by a band; the funding that is available is from Aboriginal Financial Institutions (AFI), which often have limited access to capital and are not designed specifically for Indigenous women.<sup>2</sup> There is also anecdotal evidence that points toward involvement in the informal economy by Indigenous entrepreneurs, which disqualifies them from access to programs.

This report presents an overview of business characteristics, demographics, trends, successes, and challenges of First Nations, Inuit, and Métis women entrepreneurs.

<sup>1</sup> Richard, A. (Forthcoming). *Indigenous Outreach & Partnership Strategy*.

<sup>2</sup> Impakt. (2017). *Creating a New Narrative Tag*.



# Indigenous Women Entrepreneurship in Canada

While Indigenous people report lower rates of entrepreneurship than the Canadian average (3.1% vs 7.5% in 2017), Indigenous women are more likely than other women to pursue entrepreneurial enterprises, particularly when self-employment is considered.

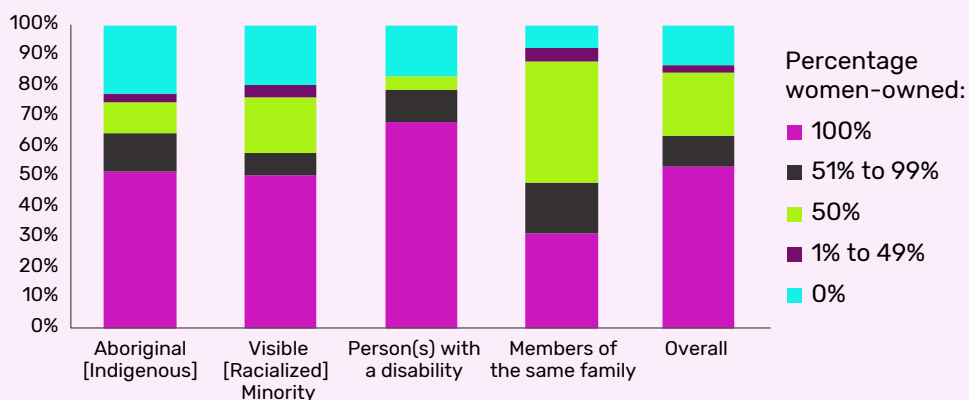
## Percentage of self-employed population who are women:

> Overall **36.2%**      > Indigenous **40.2%**

**SMEs with majority Indigenous ownership are more likely to be women-owned (2.9% vs. 2.5% overall) and wholly women-owned (22.6% vs. 13.1% overall) firms.**

**FIGURE 1**

*Firm ownership by gender and diversity*



Source: ISED (2018). Survey on financing and growth of small and medium enterprises (SFGSME), 2017. Innovation, Science, and Economic Development Canada, Government of Canada. <https://www.ic.gc.ca/eic/site/061.nsf/eng/03086.html>.



The proportion of majority and wholly women-owned Indigenous businesses is increasing:

## MAJORITY women-owned:

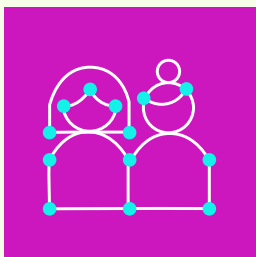
2011  
**1.9%**  
✓  
2017  
**2.9%**

## WHOLLY women-owned:

2011  
**14.8%**  
✓  
2017  
**22.6%**







# Indigenous Women-Owned Business Profile & Characteristics

## Profile of an Indigenous women-led business

### Most Indigenous women entrepreneurs:

- > Are First Nations (50%) or Métis (49%)
- > Are located off-reserve (71%)
- > Own one business (83%)
- > Do not have employees (70%)
- > Run a sole proprietorship (67%)
- > Work in the service industry (74%)
- > Have been running their business since before 2009 (77%)

FIGURE 3

*Do you have any employees other than yourself?*

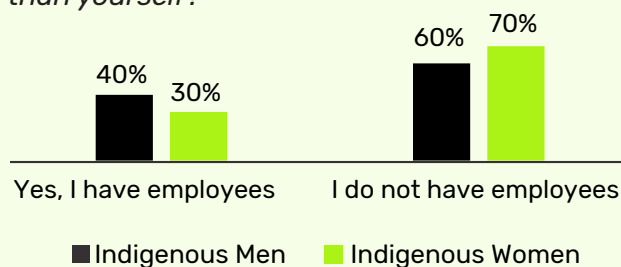


FIGURE 5

*Business Type*

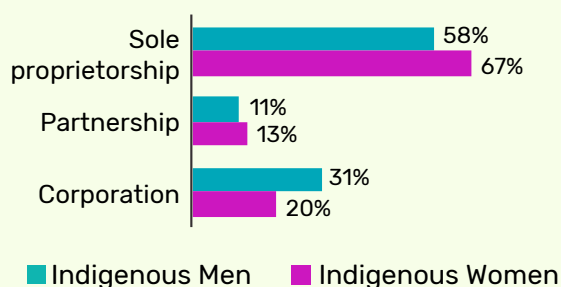


TABLE 1

*Identity of Indigenous Women Entrepreneurs*

	Indigenous Men	Indigenous Women
First Nations	46%	50%
Métis	53%	49%
Inuit	3%	2%

Note: Data has been rounded to the nearest percentage.

FIGURE 2

*How many businesses do you own?*

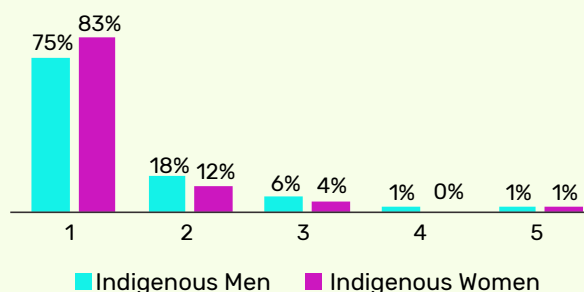
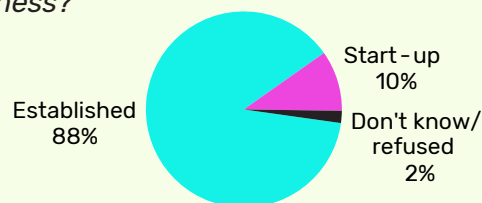


FIGURE 4

*Do you consider this an established business or are you in the process of starting up the business?*



There are important distinctions between Indigenous communities based on First Nations, Inuit, and Métis identity, region, and whether or not they are living on reserve or off reserve.

# Business Characteristics

## LOCATION

Indigenous women are slightly more likely to have a business operated from their home (69% vs 64%) and are equally likely to run their business on a reserve.

FIGURE 6

*Does this business currently operate from your home or from the home of a business partner?*

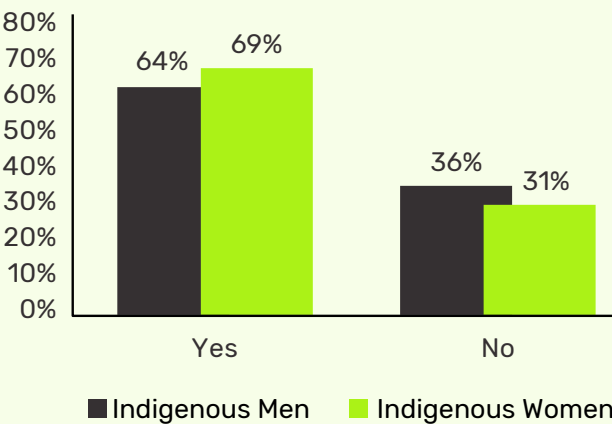
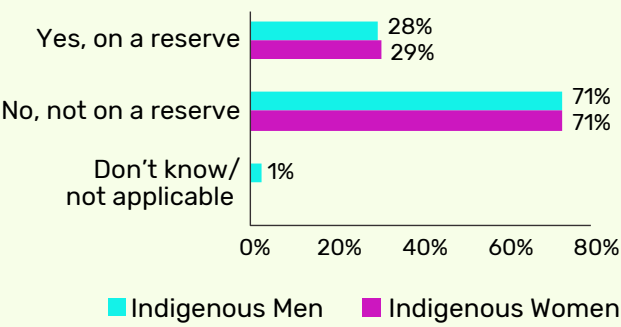
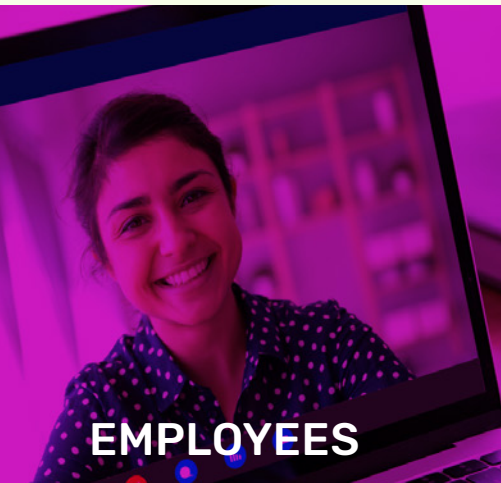


FIGURE 7

*Is this business located on a First Nations reserve or not?*





### EMPLOYEES

On average, Indigenous woman-owned businesses have fewer employees than businesses owned by Indigenous men, but have a higher percentage of Indigenous employees.

**TABLE 2**

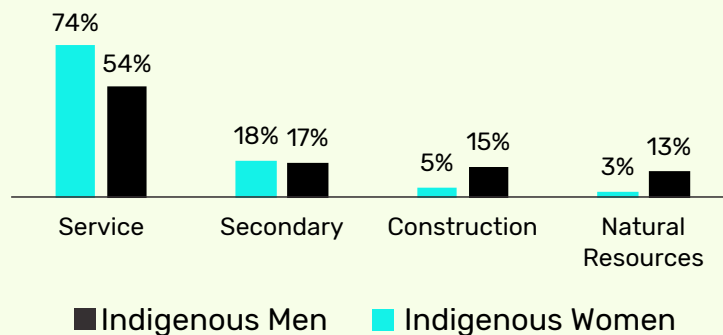
*What percentage of your permanent full-time employees are Indigenous?*

	Men	Women
None	21%	20%
1-9%	1%	-
10-19%	6%	4%
20-29%	7%	5%
30-39%	7%	4%
40-49%	4%	1%
50-59%	12%	7%
60-69%	7%	5%
70-79%	2%	4%
80-89%	6%	5%
90-99%	1%	-
100%	26%	44%
Mean (including 0)	51%	61%

# Industry

Indigenous women (74%) and men (54%) entrepreneurs most often work in the service industry, in fields such as professional, scientific, and technical services; arts, entertainment, and recreation; accommodations; and information and cultural industries.

**FIGURE 8**  
*Industry Summary*



## Government Programs

**TABLES 3: A + B**

*Have you ever used any government programs that:*

Provide loans or grants to small or start-up businesses?		
	Indigenous Men	Indigenous Women
Yes	32%	32%
No	67%	68%
Don't know/not applicable	1%	-

Provide financial support for employment, training, or apprenticeships?		
	Indigenous Men	Indigenous Women
Yes	23%	27%
No	76%	73%
Don't know/not applicable	1%	-

## Profitability & Financing

Indigenous women-owned businesses experienced less revenue growth compared to Indigenous men-owned businesses and were less likely to report a net profit in the previous fiscal year (71% vs 79%).

**TABLE 4**

*In the past year, did your business's gross sales revenues...?*

	Indigenous Men	Indigenous Women
Increase	44%	36%
Decrease	16%	22%
Stay the same	39%	41%
Don't know/not applicable	1%	1%





TABLE 5

*What was the main source of financing you used to start up your business?*

	Indigenous Men	Indigenous Women
Personal savings	52%	60%
Business loans or lines of credit from financial institutions	16%*	7%
Indigenous lending agencies or capital corporations	7%	8%
Personal loans or lines of credit from financial institutions	7%	6%
Federal government grants or loans	4%	6%
Retained earnings	2%	-
Provincial/territorial government grants or loans	2%	1%
Loans from financial institutions (unspecified)	1%	-
Financial assistance from family/friends	-	1%
Aboriginal Business Canada	-	1%
Other	4%	3%
Don't know/not applicable	4%	6%

\* In the tables in this report, an asterisk beside a percentage indicates subgroup differences that are significant at the 95% level.

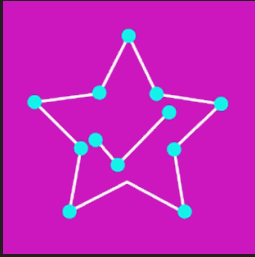
Indigenous women are significantly less likely to use loans to finance the start-up of their business. The percentage of Indigenous women who reported **using personal savings for starting up their businesses** is higher than that of Indigenous men (60% vs. 52%).

TABLE 6

*Please tell me whether each of the following sources of financing is important to your business at the present time:*

	Indigenous Men	Indigenous Women
Retained earnings	80%*	72%
Personal savings	74%	74%
Personal loans or lines of credit from financial institutions	62%*	54%
Business loans or lines of credit from financial institutions	61%*	53%
Indigenous lending agencies and capital corporations	43%	39%
Retained earnings	41%	36%
Federal government grants and loans	40%	35%

Among **established businesses**, retained earnings and business or personal loans or lines of credit from financial institutions were more important sources of financing for Indigenous men-owned businesses than for those owned by Indigenous women.



# Successes, Challenges & Strategies

## Perceptions of business success

Just over half of Indigenous women and men business owners viewed their business as “extremely successful” or “very successful”, while very few viewed their businesses as unsuccessful.



### Both genders attributed their success to:

- > Hard work/lots of time and effort
- > Good client base/ steady work
- > Good reputation/ recognition

## Challenges

For those that identified their business as “not very” and “not at all” successful, women and men also shared similar reasons for their struggles:

### Marketing difficulties:

- > Indigenous Women  
**38%**
- > Indigenous Men  
**21%**

### Poor economy/market:

- > Indigenous Women  
**34%**
- > Indigenous Men  
**17%**

### Not fully committed to business/part time:

- > Indigenous Women  
**24%**
- > Indigenous Men  
**15%**

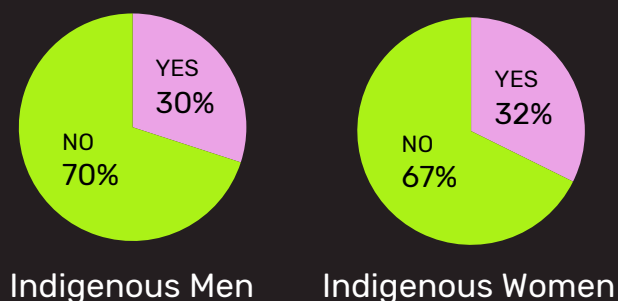


# Strategies

## BUSINESS PLANNING

FIGURE 9

*Did your business have a written business plan in place for the past year?*

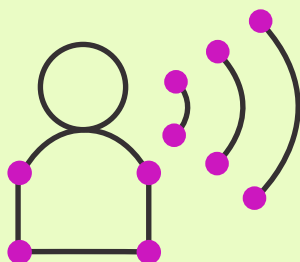


Slightly more Indigenous women-owned businesses had a written business plan in place for the past year.

TABLE 7

*To what extent do you actively seek external advice or input for your business in:*

	Formal ways, such as through an advisory board or hiring a consultant?		Informal ways, such as through networking or a mentor?	
	Indigenous Men	Indigenous Women	Indigenous Men	Indigenous Women
Often	8%	9%	26%	36%*
Sometimes	13%	18%	30%	27%
Rarely	22%	23%	15%	13%
Never	57%	50%	29%	24%



## ADVICE SEEKING

Indigenous women are more likely to sometimes or often seek advice in formal (27%) and informal (63%) ways compared to Indigenous men (21%, 56%).



## BUSINESS NETWORKS

Indigenous women-owned businesses rank their community relationships as most important to their business success (83%), while Indigenous men rank their suppliers as most important (80%).

FIGURE 10

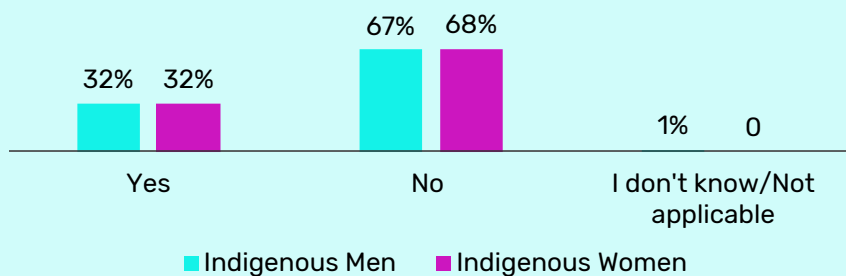
*How important to the success of your business are ongoing relationships with each of the following?*



## GOVERNMENT PROGRAMS

FIGURE 11

*Have you ever used any government programs that:  
Provide loans or grants to small or start-up businesses?*



Indigenous men- and women-owned businesses are equally likely to use government loans and grants for small businesses (32%). Indigenous women-owned businesses are more likely to use government financial support for employment, training, and apprenticeships (27% compared to 23%).

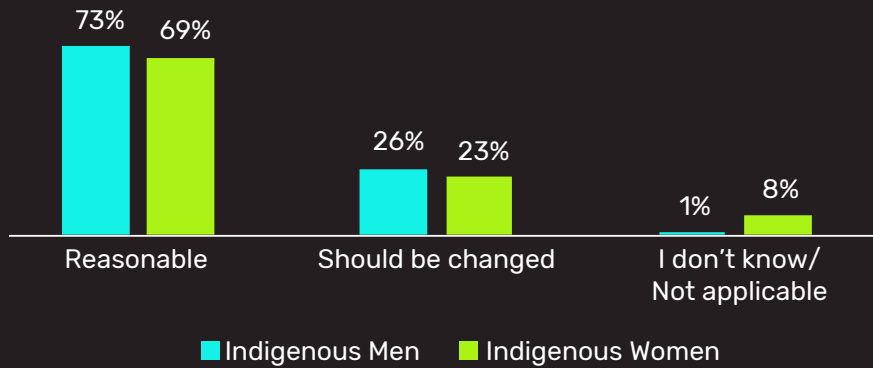


Aboriginal Business Canada programs by the former Aboriginal Affairs and Northern Development Canada (AANDC; now Indigenous Services Canada) and provincial/territorial government programs are the two most commonly used programs by Indigenous men- and women-owned businesses.



**FIGURE 12**

*Do you think the current criteria are a reasonable way to prove a business is an Indigenous business, or should the criteria be changed?*



Women-owned Indigenous businesses are less likely to think Procurement Strategy for Aboriginal Business (PSAB) eligibility criteria are reasonable (69% compared to 73% of men)





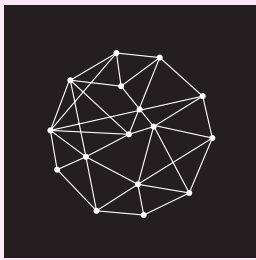
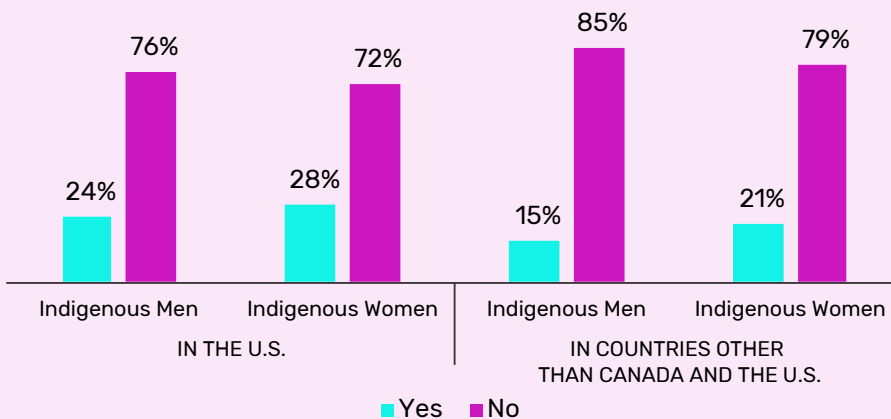


FIGURE 13

*In the past year, in which of the following places did your business have clients:*

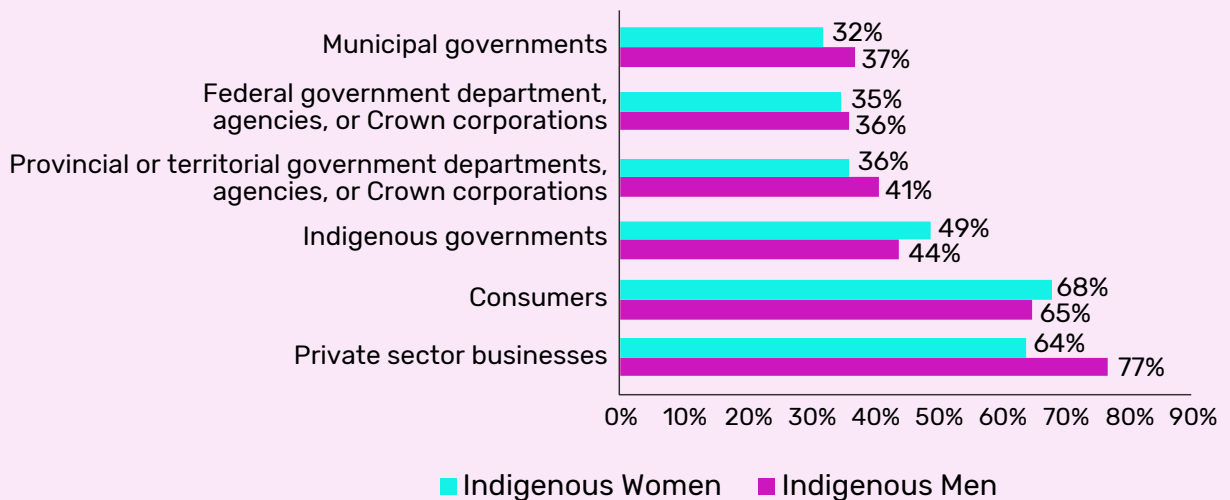


Indigenous women-owned businesses are somewhat more likely to have clients in the U.S. (28% vs. 24%) than Indigenous men-owned businesses, and are slightly more likely to export to countries outside of Canada and the U.S. (21% vs. 15%).

*Indigenous women's businesses are more likely to supply goods and services to consumers (68%) and Indigenous governments (49%), but less likely to supply to the private sector and non-Indigenous government departments.*

FIGURE 14

*In the past year, did you supply goods or services to any of the following?*





# Innovation & Tech

Indigenous men and women entrepreneurs have comparable rates of innovation of products and services.

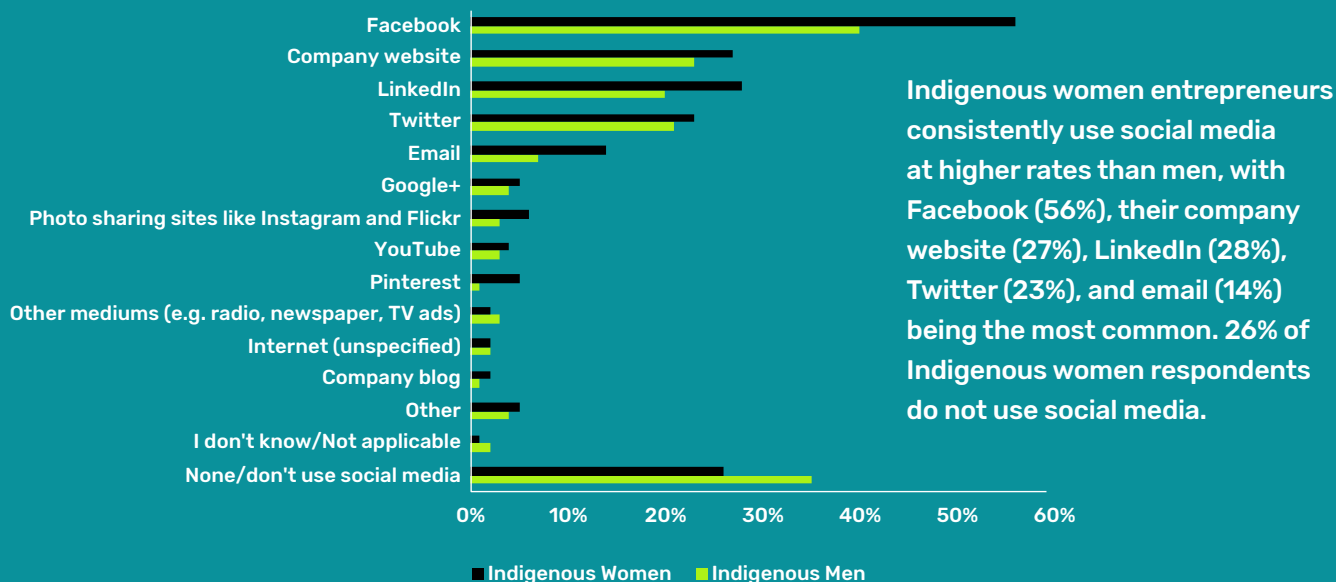
FIGURE 15

*In the past three years, did your business:*



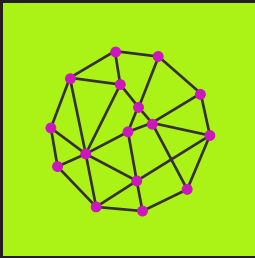
FIGURE 16

*Which, if any, social media tools do you use in your business?*



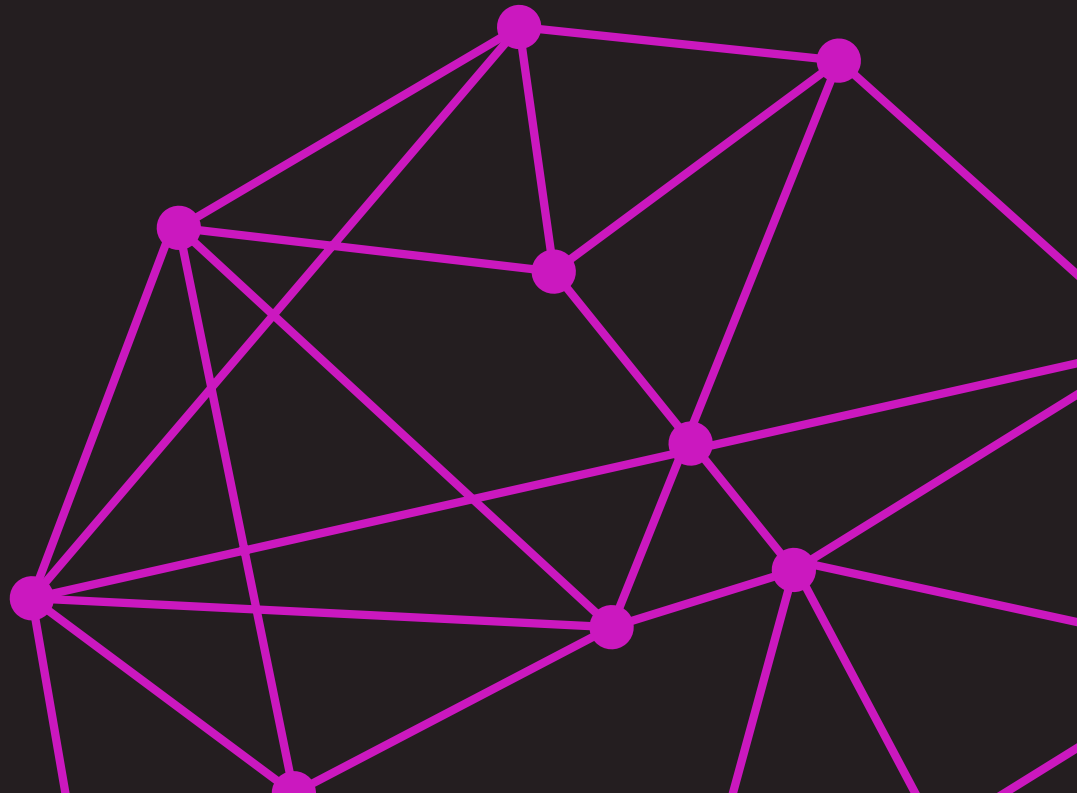
Internet connection is comparably present in Indigenous women-owned (88%) and men-owned (85%) businesses and equally reliable (94% of men and women entrepreneurs report a very reliable or somewhat reliable internet connection).

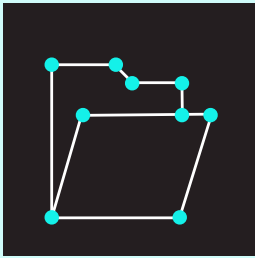




# Conclusion

- > Definitions matter: the framing of activities that could be considered entrepreneurship has an impact on which activities are counted and supported by policy and training opportunities.
- > Indigenous women-owned businesses tend to be smaller, focused on the service industry, and have a more social or community focus.
- > With regards to employees, they tend to have fewer total staff, but have a higher percentage of Indigenous employees.
- > Indigenous women-owned businesses are slightly more likely to be operated from the owner's or partner's home.
- > Indigenous women most often rely on personal savings for business financing, compared to Indigenous men, who rely on business loans or lines of credit from financial institutions.
- > Compared to men-owned businesses, respondents highlighted the importance of community relationships over supplier relationships and are more likely to seek out formal and informal business advice.
- > Additionally, when it comes to government programs, women-owned businesses focus more on employment, training, and apprenticeship funding.
- > Women consistently use social media for their work more than men and engage in innovation of products and services at comparable rates to Indigenous men-owned businesses.





# Appendix

- > These results are based on a telephone survey with 1,101 First Nations, Métis, and Inuit business owners across Canada, conducted from February 10 to March 10, 2015. The margin of error for a sample of 1,101 is +/- 3.0 percentage points, 19 times in 20. The margin of error is greater for results pertaining to regional or other subgroups of the total sample.
- > The primary methodological challenge in conducting this survey was defining and locating a representative sample of Indigenous business owners across Canada. The 2011 National Household Survey (NHS), which provides the best available and most current statistics of Indigenous small businesses, was used to construct an ideal profile of this population based on Indigenous identity, business type, and size.
- > The sample list of Indigenous businesses from CCAB's 2011 national Aboriginal Business Survey was used as the basis for the current sample frame and updated using existing databases and/or contact lists, as well as by snowball sampling. The final results were weighted by identity group, business size, and type. Weights were assigned based on 2011 NHS data on self-employed Indigenous people in Canada.
- > The questionnaire for this research was based on the 2011 Aboriginal Business Survey (ABS) and was designed to include both structured and open-ended questions. Input on the questionnaire design was solicited from the 2015 ABS Research Advisory Committee and study sponsors. Prior to the launch of the survey, the questionnaire was pilot tested with "live" respondents.
- > The survey was conducted in accordance with the professional standards established by the Marketing Research and Intelligence Association (MRIA), as well as applicable federal legislation (Personal Information Protection and Electronic Documents Act, or PIPEDA).
- > The results have been tested for significant differences between related subgroups. The statistical tests undertaken were an independent T-Test for means and independent Z-Test for percentages.
- > In the tables in this report, an asterisk beside a percentage indicates subgroup differences that are significant at the 95% level.



# 2016 Promise and Prosperity Respondent profile

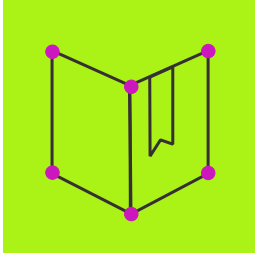
The tables below present a profile of the final weighted sample of Indigenous business owners by both personal and business characteristics.

Personal characteristics	%
<b>Identity</b>	
Métis	52
First Nations	47
Inuit	12
<b>Gender</b>	
Man	63
Woman	37
<b>Age</b>	
Under 35	7
35–44	20
45–54	30
55 or older	38
<b>Education</b>	
Did not complete high school	14
High school graduate	14
Some post-secondary	12
Completed college	28
Completed university	19
Post-graduate studies	13

Business characteristics	%
<b>Type of Business</b>	
Sole proprietorship	61
Corporation	27
Partnership	12
<b>Size of Business</b>	
No employees	64
Employees	36
<b>Sector</b>	
Service	62
Secondary	17
Construction	12
Primary	10
<b>Year Established</b>	
Over 15 years (prior to 2000)	32
6–15 years (2000–2009)	43
Past 5 years (2010–2015)	23
<b>Annual Sales Revenues</b>	
Less than \$25,000	14
\$25,000–Less than \$100,000	21
\$100,000 or more	35
Refused/no answer	29







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