

Promise and Prosperity: The 2020 Ontario Aboriginal Business Survey

The Indigenous economy in Canada is growing at an exponential rate, with over 50,000 Indigenous-owned businesses across the country. CCAB Research has worked to understand the significant historical and institutional barriers to Indigenous business development, growth, and expansion; while recognizing the growth, success and capacity of Indigenous businesses in Ontario. Based on CCAB's past research studies, the 2020 Ontario Aboriginal Business Survey (2020 ABS) continues to investigate the Indigenous economy in partnership with the Ontario Ministry of Indigenous Affairs (IAO).

Growth and Success

- 60% of businesses focus on business-to-business supply
- 40% export outside of Canada
- 63% consider their business to be very or extremely successful

Challenges

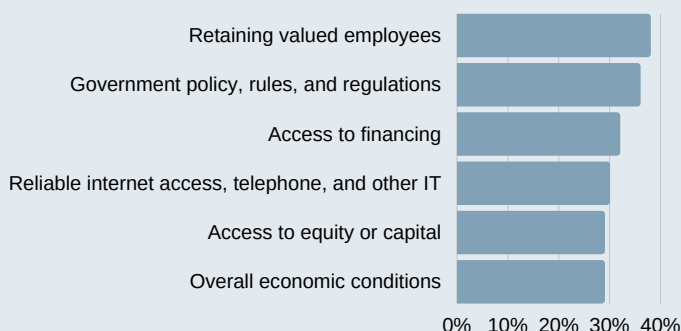
36% cite government policy, rules, and regulations as obstacles

Businesses remain most likely to credit their success to the support of their local community over governments and financial institutions.

32% struggle with access to financing

56% rely on personal savings for start-up and 64% use savings for ongoing financing.

Top Challenges:

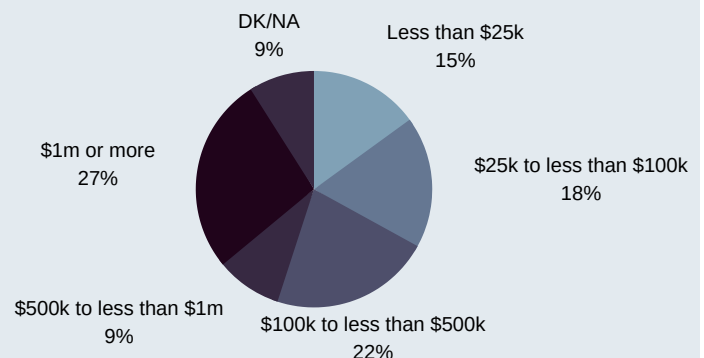


Government Contracts

26% of Indigenous businesses have bid on a contract with the Government of Ontario or the Government of Canada.

Of businesses interested in bidding on Ontario government contracts (33%), over a third would bid on projects over \$500k (35% of subsample).

Size of contracts considered:



Many businesses are deterred from bidding on government contracts

Some do not believe their products or services are relevant to the government, or are deterred due to the size and complexity of government projects.

Joint ventures are seen as a way of overcoming barriers to government procurement.

Next Steps

Based on the findings of the 2020 Aboriginal Business Survey, CCAB recommends the following actions to support Indigenous businesses in Ontario. Continuing to build on past Aboriginal Business Surveys, the findings of this study can be used by Indigenous organizations, businesses, and communities, as well as governments and the mainstream business community to develop tools, initiatives and policies that fully realize the potential of Indigenous business in Canada.



Build awareness of Ontario procurement and funding opportunities: There is clear interest for Indigenous businesses to access government procurement opportunities, but a lack of awareness and experience bidding on government contracts.



Develop Partnerships: Building partnerships is an important growth strategy. It is an opportunity to increase capacity, gain access to mentorship, provide access to capital, and unlock crucial procurement opportunities. Different levels of government can look to play a role in brokering or fostering joint ventures.



Simplify Access to Financing, Funding Opportunities: Indigenous businesses face several barriers including locating financing, government grants/loans and funding opportunities, meeting lending requirements, and knowing how to properly complete complex application processes. Efforts need to be made by governments to ensure the standards required to access funding are relevant and achievable for Indigenous businesses, and to support Indigenous businesses with the application process.



Build IT infrastructure and capacity for e-commerce: Indigenous businesses have often faced challenges with internet connectivity, which is increasingly necessary during the COVID-19 pandemic. Increasing IT infrastructure and skills-building opportunities will go a long way in helping the recovery process during 2020 and beyond.

Methodology

This data was collected prior to the COVID-19 pandemic. The results of the 2020 Aboriginal Business Survey are based on a telephone survey with a representative sample of 200 First Nations, Métis and Inuit businesses conducted from January 20 to February 14, 2020. In comparison to surveys conducted in recent years, CCAB has included private businesses and band-owned businesses.

The research is a collaboration between CCAB and Environics Research, one of Canada's leading research firms.

All of CCAB's research reports, including this current one, are available for download at www.ccab.com/research/.