

COVID-19 Indigenous Business Survey - Phase II

First Nations, Inuit,
and Métis Businesses

October 2021



Canadian Council for
**ABORIGINAL
BUSINESS**



Table of Contents



Background and methodology	3
Summary	4
Impacts of COVID-19	5
Business impacts	5
Impact on revenue	7
Impact on revenue	8
Business outlook for the next six months	10
Assistance required and used	11
Most pressing business needs	11
Qualitative analysis of Inuit-owned Indigenous businesses	12
Timing of financial assistance	13
Lending relationships	14
Financial assistance needed and applied for	15
Barriers to accessing government assistance programs	17
Non-government financial assistance	18
Business change due to COVID-19	19
Skills and training needed	20
Profile of Indigenous businesses	21
Conclusion and Discussion	25
Works Cited	28



Background and methodology

To understand the impacts of the COVID-19 pandemic and the changing economic environment, the Canadian Council for Aboriginal Business (CCAB), the National Aboriginal Capital Corporations Association (NACCA), and the National Indigenous Economic Development Board (NIEDB) undertook a second phase of the COVID-19 Indigenous Business Survey in December 2020. The survey was designed and administered by CCAB with the intent of gathering quality data about Indigenous businesses and the challenges they face because of the pandemic.

A total of 825 surveys were completed between December 18, 2020 and February 2, 2021. The interview length was 15 to 20 minutes, and the survey was available in both French and English. The survey was programmed in SurveyMonkey, and was distributed using an open engagement approach, promoted online by CCAB, NACCA and NIEDB through their business networks. Targeted advertisements were also used to promote the survey on Facebook and Instagram.

This survey is a follow-up (Phase II) to the first COVID-19 Indigenous Business Survey (Phase I conducted six months previously, between April 29 and May 22, 2020). Due to the open and voluntary nature of the survey, the data is unweighted and reflects the experiences of the respondents. The profiles of participating businesses in Phases I and II are sufficiently similar that the results are compared for questions asked in both phases¹. This report explores the impact of COVID-19 on Indigenous businesses who responded to the January 2021 survey, how these impacts have changed or not since May 2020 (where comparable questions were asked), and highlights where these impacts vary across Indigenous identity groups (First Nations, Inuit and Métis). It also explores barriers to accessing government and non-government assistance.

Of the 825 responding businesses, 64 percent were First Nations-owned (n=528), three percent were Inuit-owned (n=27), and 30 percent were Métis-owned (n=249) (the remaining three percent did not identify the majority ownership of the business). This overrepresents First Nations businesses and underrepresents Métis businesses according to Statistics Canada Census data on entrepreneurship. Moreover, while Inuit-owned Indigenous businesses are included in the total sample, due to the small number of participating Inuit businesses, they are not reported separately or directly compared with other Indigenous identity groups. Instead, we have used open questions from the survey alongside supporting data from other sources to provide context for the experiences of Inuit businesses during the pandemic.

¹ It is possible that some participants in the Phase II survey had previously participated in the Phase I survey; however, due to privacy reasons, there is no way to identify the proportion of these “repeat” participants. As well, questions were worded to encompass the entire COVID time period or with reference to specific time periods (e.g., since the 2019 fiscal year), to ensure that all participants would answer in the same context regardless of whether they had previously participated in a survey.

Summary

The COVID-19 pandemic has continued to have an undeniably negative impact on Indigenous-owned businesses, although the nature of the impact differs somewhat by Indigenous identity group. Among Indigenous businesses participating in this survey, half reported lower revenues from the 2019 fiscal year, just under four in ten (37%) closed temporarily and another two percent closed permanently. It is important to note that these numbers may actually be underrepresented, since closed or struggling businesses may not have had the capacity to participate in the survey. Almost half (48%) of Indigenous businesses laid off staff either temporarily (33%) or permanently due to the pandemic (15%); one in ten (11%) hired new staff. Declining revenues and permanent staff layoffs are more widely reported by Métis businesses, while moderate to severe impacts on (remaining) staff are more widely reported by First Nations-owned businesses.

Ten months into the pandemic, there have been some improvements in these key measures. Compared to May 2020, there is now a small group of Indigenous businesses (13%, up 9 points) that describes the impact as positive, and one in five businesses (19%) are reporting increased revenues from the previous year (up 12 points since May 2020). Looking ahead, Indigenous businesses are almost as likely to be optimistic about their businesses (36%) as to have a negative outlook (42%) for the next six months. This level of optimism is similar for First Nations and Métis-owned businesses.

One area of persistent disparity is that First Nations entrepreneurs appear to face greater barriers to accessing financial support than do Métis-owned businesses. They remain less likely than Métis-owned businesses to have current or previous lending relationships with any financial institutions. In terms of government support, First Nations businesses are about half as likely to have applied for, and received, the Canada Emergency Wage Subsidy. Finally, tendency to identify the application requirements as a barrier to accessing the federal government's COVID-19 Economic Response Plan skews slightly higher among First Nations businesses.

The survey results also indicate that Indigenous businesses have made substantive changes to their business as a direct result of the pandemic, most notably by accelerating their digital transformation and building an online presence. Despite such adaptations, they see value in continuing to build their skill sets. In particular, First Nations businesses express somewhat greater interest than Métis-owned businesses in improving their digital skills, such as by learning how to engage with clients remotely, to operate virtual platforms (e.g., Zoom) and incorporate e-commerce platforms to generate online sales.

Throughout this report respondents are referred to in a variety of ways; for example as "Métis businesses", "Métis-owned businesses", or collectively as "Indigenous businesses."





Impacts of COVID-19

Business impacts

Overall impact

Indigenous businesses who participated in this survey continue to experience negative impacts due to the COVID-19 pandemic. Close to three quarters (73%) say their business operations have been negatively impacted by the pandemic. However, this proportion has declined since May 2020 (down 18 points), with an increasing minority who report a positive impact (13%, up 9 points) or a neutral impact (8%, up 3 points). There are no statistically significant differences between First Nations and Métis businesses in terms of reported overall impact of COVID-19 on business operations.

Overall impact of COVID on business operations

Impacts on business operations	May 2020 Overall (n=766)	Jan 2021 Overall (n=822)	Jan 2021 First Nations (n=526)	Jan 2021 Métis (n=248)
Net: Negative	91%	73%	73%	77%
Very negative	56%	36%	37%	37%
Somewhat negative	35%	37%	36%	40%
Neutral/no impact	5%	8%	9%	6%
Net: Positive	4%	13%	13%	14%
Very positive	1%	3%	3%	3%
Somewhat positive	3%	10%	10%	11%

Note: Numbers in green/red are significantly higher/lower than in May 2020.

Q19. Considering your business operations, has the overall economic impact of the COVID-19 pandemic been ...? **Base: Total businesses responding to question (May 2020 Overall: n=766; Jan 2021 Overall: n=822; First Nations: n=526; Métis=248).**

Impacts on Business

When asked about the specific impacts of COVID-19 on their business (from a list provided), drops in revenue (61%) continues to be first on the list for all Indigenous businesses, but is identified by fewer than in May 2020 (down 16 points). Similarly, fewer than before report lower customer demand, cancellation of meetings or events, or cancelling staff travel. Reported business impacts are similar for both First Nations and Métis businesses.

Impacts of COVID-19 on business

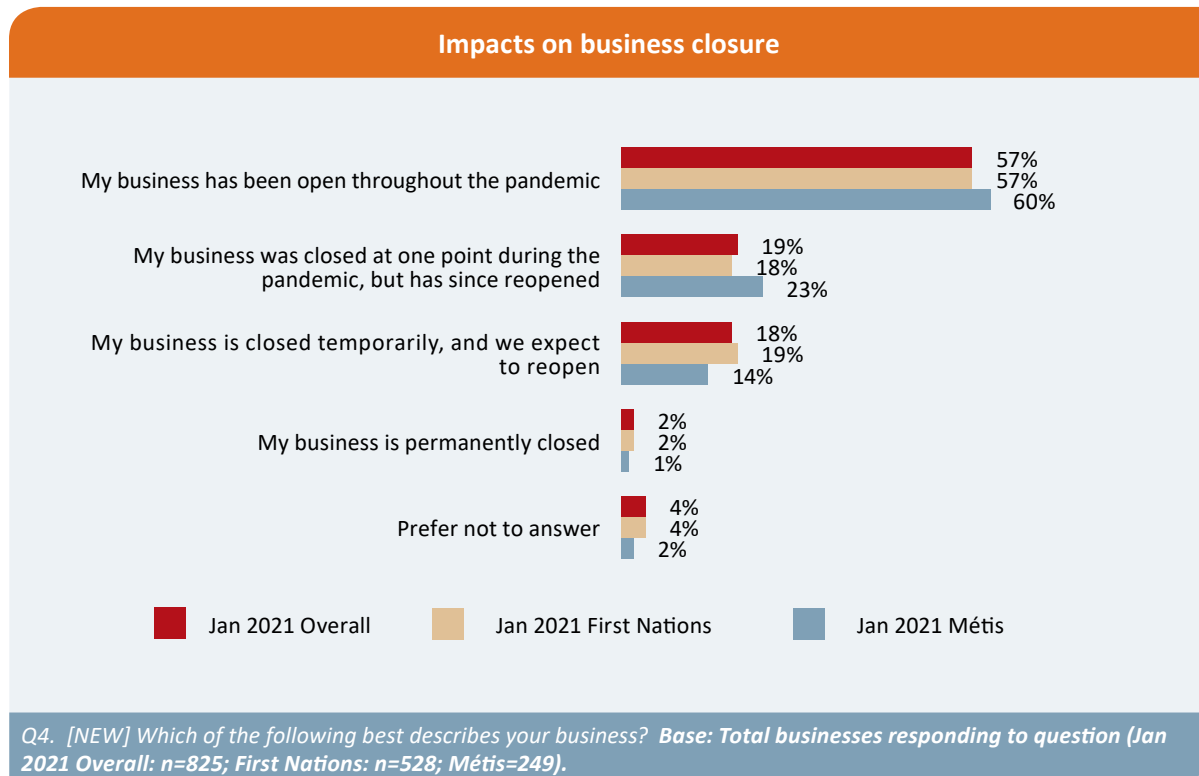
Impacts on business experienced	May 2020 Overall (n=766)	Jan 2021 Overall (n=822)	Jan 2021 First Nations (n=526)	Jan 2021 Métis (n=248)
Decrease in revenues	77%	61%	60%	64%
Cancellation of meetings, gatherings, or events	60%	51%	54%	50%
Decrease in demand for products or services	66%	43%	42%	49%
Higher anxiety from staff	41%	41%	40%	45%
Pressure to find new ways of providing services or goods	N/A	40%	38%	44%
Additional personal debt (to support the business)	N/A	37%	37%	40%
Cancellation of contracts	37%	36%	35%	41%
Closed or restricted travel in and out of the community	36%	36%	40%	28%
Additional costs resulting from public health requirements to physically distance	N/A	32%	31%	36%
Disruptions in your supply chain	25%	29%	29%	31%
Cancelling staff travel	32%	22%	24%	17%
Staff absences due to self-quarantine or illness	20%	19%	19%	21%
Staff absences due to family responsibilities, including home schooling	18%	18%	19%	17%
Increase in demand for products or services	11%	14%	16%	10%
Unreliable internet causing disruptions for at-home workers or e-commerce	7%	12%	12%	13%
Increase in revenues	N/A	8%	10%	5%
Other	5%	6%	5%	6%
No current impacts	1%	2%	1%	3%

Note: Numbers in green/red are significantly higher/lower than in May 2020.

Q18. Which of the following impacts has this business experienced as a direct result of the pandemic? **Base: Total businesses responding to question (May 2020 Overall: n=766; Jan 2021 Overall: n=822; First Nations: n=526; Métis=248).**

Business closure

More than half of Indigenous businesses (57%) report that their business has been open throughout the pandemic, whereas just under four in ten (37%) closed temporarily – a pattern that is similar for both First Nations and Métis businesses. Two percent of participating businesses have closed permanently; this group is likely underrepresented assuming that closed or struggling businesses are less likely to notice or choose to participate in the survey.



Impact on revenue

Indigenous businesses continue to experience significant financial losses. Half (51%) of Indigenous businesses report declined revenues since their 2019 fiscal year. This proportion represents an improvement since May 2020, when two-thirds (67%) reported lower revenues in the first quarter of 2020 than in 2019. In fact, one in five businesses (19%) are now reporting increased revenues from the previous year (up 12 points since May 2020). Métis-owned businesses are more likely than First Nations-owned businesses to report decreased revenues (57% vs. 49%, respectively).

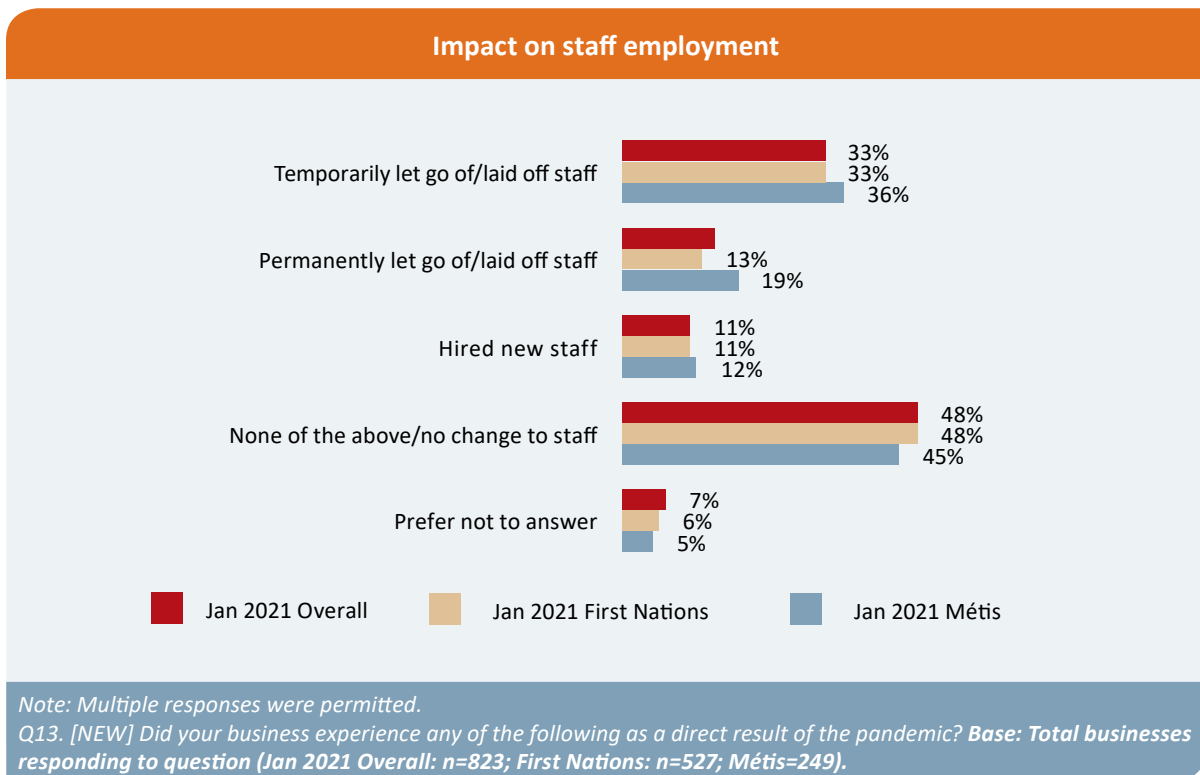
Impact of COVID-19 on business revenue

Impact of COVID on business revenue	May 2020 Overall (n=759)	Jan 2021 Overall (n=821)	Jan 2021 First Nations (n=526)	Jan 2021 Métis (n=247)
Net: Decreased	67%	51%	49%	57%
Severe decrease (50% or more)	30%	22%	22%	24%
Moderate decrease (20% to less than 50%)	26%	21%	20%	23%
Minimal decrease (less than 20%)	11%	8%	8%	9%
No change	8%	9%	9%	9%
Increased	7%	19%	20%	15%
Not applicable	8%	10%	11%	8%
Prefer not to say/DK	11%	12%	11%	11%

Q16. How much, if at all, has your gross annual revenue changed since the 2019 fiscal year? Please provide your best estimate. **Base: Total businesses responding to question (May 2020 Overall: n=759; Jan 2021 Overall: n=821; First Nations: n=526; Métis=247).**

Impact on staff

Close to half (48%) of Indigenous businesses laid off staff either temporarily (33%) or permanently (15%) due to the pandemic. Permanent staff layoffs are more commonly reported by Métis-owned businesses, compared to First Nations-owned business (19% vs. 13%).



To further understand the impact of COVID-19 on employees, Indigenous businesses were asked what proportion of their employees are still able to carry out a majority of their duties throughout the pandemic. More than four in ten Indigenous businesses (43%) report a moderate or high impact on their staff (i.e., fewer than 80 percent able to continue most of their duties) due to COVID-19. However, this group of businesses is smaller than before (52%).

First Nations businesses are more likely to report a moderate to severe impact on their staff, compared to their Métis counterparts (48% vs. 34%). In turn, minimum impact on staff is more widely reported among Métis businesses (51%, compared to 38% of First Nations businesses).

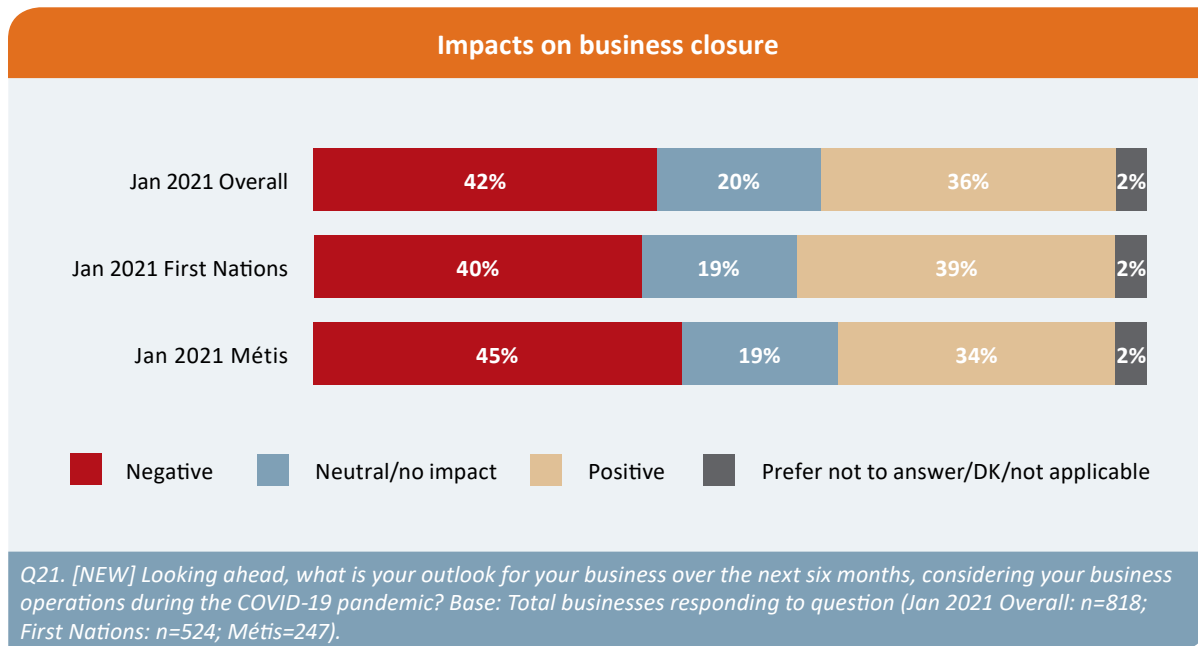
Impact of COVID-19 on employees

Impact of COVID on employees	May 2020 Overall (n=746)	Jan 2021 Overall (n=824)	Jan 2021 First Nations (n=527)	Jan 2021 Métis (n=249)
Low impact (80% to 100%)	30%	42%	38%	51%
Net: Moderate to high impact	52%	43%	48%	34%
Moderate impact (40% to less than 80%)	21%	21%	23%	18%
High impact (less than 40%)	31%	22%	25%	16%
Prefer not to say/DK	17%	16%	14%	15%

Q20. What percentage of the business's employees are still able to carry out majority of their duties at this point in the pandemic? Base: Total businesses responding to question (May 2020 Overall: n=746; Jan 2021 Overall: n=824; First Nations: n=527; Métis=249).

Business outlook for the next six months

Indigenous businesses were asked about their business outlook for the next six months. Close to four in ten (36%) Indigenous businesses are optimistic about their businesses for the coming months, with a similar proportion that anticipates negative impacts (42%). The remaining one in five predict no change. There is no statistically significant difference in business outlook by Indigenous identity.





Assistance required and used

Most pressing business needs

Indigenous-owned businesses were asked an open-ended question about their most pressing business need. Similar to May 2020, they continue to cite a return to normal business (49%) as their most pressing business need during this challenging time, rather than focusing on financial support.

Fewer businesses than in May 2020 cite the need for financial support (28%, down 11 points), while a slightly greater minority than before would like help with management and planning (16%, up 4 points). The need for financial support skews slightly higher among Métis businesses (33% vs. 26% of First Nations businesses), while the need for support with management and planning skews to First Nations businesses (18% vs. 11% of Métis businesses).

Most pressing business needs

Pressing business needs	May 2020 Overall (n=647)	Jan 2021 Overall (n=750)	Jan 2021 First Nations (n=481)	Jan 2021 Métis (n=227)
Economy/business back to normal in terms of ability to return to work and resume events and meetings, access to contracts, projects and clients, and the ability to generate revenue and increase sales	53%	49%	49%	50%
Financial support , including support for maintaining business operations, and access to grants, loans and capital	39%	28%	26%	33%
Support with management/planning/staff	12%	16%	18%	11%
Additional resources and training	11%	13%	14%	11%
Adaptation and innovation , including adding new production lines, building their online presence or accelerating digital transformation	5%	6%	7%	5%

Note: Numbers in green/red are significantly higher/lower than in May 2020.

The percentages do not add to 100% since multiple mentions were allowed.

Q17. What is your most pressing business need at this time? **Base: Total businesses responding to question (May 2020 Overall: n=647; Jan 2021 Overall: n=750; First Nations: n=481; Métis=227).**

Qualitative analysis of Inuit-owned Indigenous businesses

The subsample size for Inuit-owned Indigenous businesses (n=27) is too small to report on or compare with the other groups. However, a qualitative review of their responses suggests a largely similar picture to First Nations and Métis businesses, with a return to normal business and financial support as the most pressing needs. They hope for an end to the pandemic so they can resume events and meetings and access to clients, projects and contracts. Specific types of assistance mentioned include financial support to maintain business operations, and access to grants and capital. Loan interest relief was also mentioned, likely due to the burdens of increased debt and high interest. The following comments were responses to the question “What is your most pressing business need at this time?”

“Funds to meet financing needs of clients.”

“Loan interest relief.”

“Denied funding several times with no apparent reason other than limited funding available.”

“Technical support to add training courses online. We do have a website but lack IT experience. Marketing is needed as well. Require funds related to COVID-19 business protocol.”

“Virtual community and stakeholder engagements / enhanced policy and procedural development.”

“Shipping is very difficult during this time”

“Grants to continue operations”

“Equipment for virtual services”

The Inuit Tapiriit Kanatami (ITK), a national non-profit organization that represents over 65,000 Inuit people, has conducted research on the impacts of COVID-19 on Inuit Nunangat. The report, “The Potential Impacts of COVID-19 on Inuit Nunangat” is one of ITK’s quarterly research briefings which outlines the potential impacts of COVID-19 on Inuit people and businesses in their region. ITK has also created a resource page to ensure that information on COVID-19 supports, financial assistance, and latest news

about the pandemic is easily accessible. This research and support page will be an important resource for understanding the experiences and informing recovery for Inuit communities. Other Inuit-led organizations such as Qikiqtani Inuit Association (QIA) and Pauktuutit Inuit Women of Canada have set up similar hubs to connect Inuit communities with available resources at this time.

ITK's research suggests that the COVID-19 pandemic is significantly impacting Inuit people and organizations by exacerbating challenges in relation to poverty, food security, education, employment, transportation, and business sustainability. For example, fixed operating costs for businesses in Inuit Nunangat are drastically higher than businesses in southern Canada.² Work restrictions on transportation during the pandemic distinctly impact Inuit Nunangat.³ The transportation of goods is completely reliant on airlines and sealift, as the majority of communities in Inuit Nunangat are inaccessible by road. Past delays in the arrival of sealift goods have negatively impacted businesses and families across Inuit Nunangat. The digital divide also contributes to accessibility issues for businesses seeking to access current funding programs and work remotely. In addition, there is a concern that most resources are not available in the Inuktitut language, presenting a significant barrier to accessing funding from federal agencies.⁴ Inuit businesses are experiencing the impacts of COVID-19 in acute and distinct ways.

Timing of financial assistance

The survey shows that financial assistance remains a pressing need for businesses, although there has been some improvement in the business survival rate since May 2020. More than four in ten (44%) participating businesses say they cannot last more than six months without further supports (a decline of 10 points), while the minority of businesses who do not need further supports has increased (up 12 points to 23%).

First Nations and Métis-owned businesses currently report similar survival rates.

² The Potential Impacts of COVID-19 on Inuit Nunangat (Ottawa: Inuit Tapiriit Kanatami, June 2020), https://www.itk.ca/wp-content/uploads/2020/06/itk_the-potential-impacts-of-covid-19-on-inuit-nunangat_english.pdf

³ Ibid.

⁴ Ibid.

Business continuity without support

Business continuity without support	May 2020 Overall (n=697)	Jan 2021 Overall (n=503)	Jan 2021 First Nations (n=318)	Jan 2021 Métis (n=163)
Net: Less than 6 months	54%	44%	44%	45%
1 month	10%	4%	6%	2%
3 months	23%	16%	16%	17%
6 months	21%	24%	22%	26%
1 year	16%	22%	18%	28%
Other	16%	10%	12%	6%
Not applicable (business does not need further supports)	11%	23%	23%	22%
Not applicable (business has already closed)	2%	2%	2%	1%

Note: Numbers in green/red are significantly higher/lower than in May 2020.

Q30. How long can this business continue to operate under current conditions, if no further supports are available? **Base: Total businesses responding to question excluding "Prefer not to answer" and "Don't know" (May 2020 Overall: n=697; Jan 2021 Overall: n=503; First Nations: n=318; Métis=163).**

Lending relationships

Previous CCAB research demonstrates that access to appropriate credit and lending is an issue for Indigenous businesses. The findings from our national Aboriginal business survey, outlined in our research report entitled Promise and Prosperity: Aboriginal Business survey 2016, showed that 51% of Indigenous business owners find locating potential sources of funding very or somewhat difficult. Another financing-related concern is meeting the qualifications or requirements for lending; almost half (45%) of Indigenous firms have had difficulty with this.⁵ As was the case in May 2020, the survey results suggest that this continues to be a greater challenge for businesses owned by First Nations entrepreneurs: they are more likely than Métis-owned businesses to say they have no lending relationships with any financial institutions (40% vs. 29%, respectively). In turn, Métis-owned businesses are more likely to report lending relationships with multiple sources, including Large Financial Institutions, Aboriginal financial institutions, and credit unions.

⁵ Promise and Prosperity: The 2016 Aboriginal Business Survey (Toronto: Canadian Council for Aboriginal Business, 2016) <https://www.ccab.com/wp-content/uploads/2016/10/CCAB-PP-Report-V2-SQ-Pages.pdf>

Financial lending relationship (current or past)

Financial lending relationship	May 2020 Overall (n=734)	Jan 2021 Overall (n=818)	Jan 2021 First Nations (n=523)	Jan 2021 Métis (n=247)
Large Financial Institutions (TD, RBC, CIBC, BMO, Scotiabank)	38%	29%	27%	34%
Aboriginal Financial Institutions	22%	29%	28%	35%
Federal Government (BDC, Regional Development Agencies)	11%	13%	11%	15%
Credit unions	12%	11%	8%	20%
Provincial/Territorial Government	4%	4%	4%	3%
Other	8%	4%	3%	6%
None of the above	39%	36%	40%	29%

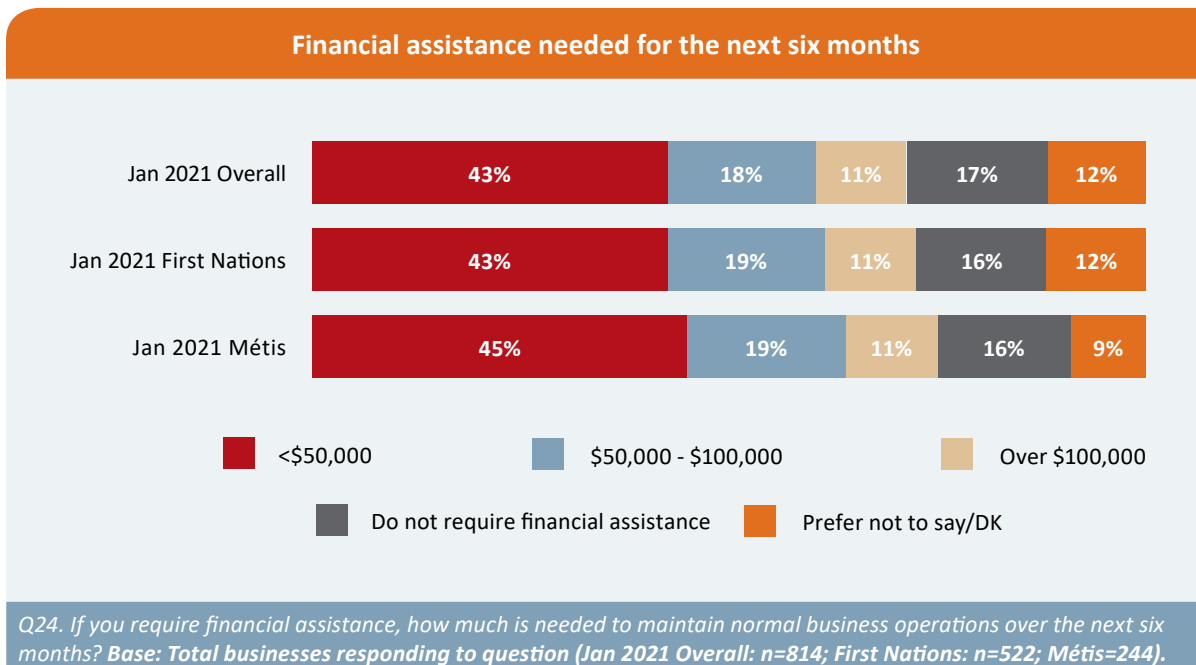
Note: Numbers in green/red are significantly higher/lower than in May 2020. Multiple responses were permitted.

Q22. Does this business have a current or previous financial lending relationship with the following....? **Base: Total businesses responding to question (May 2020 Overall: n=734; Jan 2021 Overall: n=818; First Nations: n=523; Métis=247).**

Financial assistance needed and applied for

Government financial assistance

More than four in ten (43%) Indigenous businesses say they need up to \$50,000 to maintain normal business operations over the next six months. One third (29%) say they will need higher amounts of \$50,000 or more. The amount of financial assistance needed does not vary significantly by Indigenous identity.



Businesses who reported needing financial assistance were asked if they had applied for and/or received government financial assistance. Of respondents who required financial assistance, more than half (58%) applied for at least one type of government support and 52% received it. This left 6% who did not receive any government funding they applied for and 42% who did not apply.

The top source of government financial assistance is CEBA (32% received among those needing financial assistance), followed by CEWS (18% received). Notably, Métis-owned businesses are twice as likely as First Nations-owned businesses to report that they applied for CEWS (30% vs. 17%) and received it (28% vs. 14%).

Government sources of financial assistance
(among those who indicated they need financial assistance)

Financial lending relationship	Jan 2021 Overall (n=554)		Jan 2021 First Nations (n=360)		Jan 2021 Métis (n=554)	
	Applied	Received	Applied	Received	Applied	Received
Net: Applied/Received ANY	58%	52%	57%	51%	60%	55%
Canada Emergency Business Account (CEBA)	38%	32%	38%	32%	40%	35%
Canada Emergency Wage Subsidy (CEWS)	21%	18%	17%	14%	30%	28%
Relief measures for Indigenous businesses	13%	10%	13%	10%	15%	12%
Indigenous Community Business Fund (ICBF)	12%	8%	14%	9%	8%	6%
Indigenous Tourism Stimulus Development Fund	9%	7%	10%	7%	6%	6%
Canada Emergency Rent Subsidy (CERS)	10%	7%	8%	6%	13%	8%
Business Credit Availability Program (BCAP)	8%	4%	7%	4%	10%	3%
Regional Relief and Recovery Fund (RRRF)	6%	3%	7%	4%	2%	1%
Northern Business Relief Fund	2%	1%	2%	1%	-	-

Note: Numbers in green/red are significantly higher/lower than in May 2020.

Q25. [NEW] Please indicate whether you have applied for financial assistance from any of the following government sources:
Base: Those who indicated they need financial assistance (Jan 2021 Overall: n=554; First Nations: n=360; Métis=171).

Among those who applied for financial assistance, half (52%) applied for less than \$50,000, while three in ten (31%) applied for higher amounts. Similarly, among those who received financial assistance, half (51%) received less than \$50,000.

Barriers to accessing government assistance programs

The Government of Canada's COVID-19 Economic Response Plan includes tax remittance deferrals and zero-low interest loans. Indigenous businesses that applied or considered applying to the COVID-19 Economic Response Plan were asked about barriers to accessing the program. Nearly half (46%) of this group say the financial requirements were a barrier to access, and one quarter (26%) say they had difficulty meeting the application requirements.

First Nations-owned businesses are slightly more likely than Métis-owned businesses to say the application requirements are a barrier (28% vs. 22%, respectively).

Barriers to accessing federal government COVID-19 economic response plan				
Barrier to accessing COVID-19 economic response plan	May 2020 Overall (n=699)	Jan 2021 Overall (n=715)	Jan 2021 First Nations (n=458)	Jan 2021 Métis (n=214)
Financial requirements	N/A	46%	48%	44%
Payroll is currently less than \$20,000	18%	19%	18%	22%
Insufficient short-term cash-flow to repay tax deferrals or loans at a later date	23%	15%	14%	19%
Lack of assets that can serve as security	13%	13%	14%	11%
Low credit ratings, limited equity/cash savings that serve as a barrier to Federal programs administered by mainstream financial institutions	13%	11%	12%	9%
Inability to meet eligibility requirements of proving payroll due to employees being tax exempt	12%	11%	14%	6%
Current business debt is too high to service more debt, even if interest-free	14%	10%	9%	13%
The business losses were less than the programs required	N/A	9%	8%	11%
The business is not registered with the Canada Revenue Agency	NA	6%	9%	1%
Application requirements	NA	26%	28%	22%
Lack of relevant information, complicated application process	7%	11%	12%	10%
Requirements for financial statements and other financial records	11%	10%	10%	9%
Mainstream financial institutions require a higher level of due diligence/guarantees for Indigenous businesses, on-going concerns with Indigenous business risk/security (Section 89, Indian Act)	14%	9%	10%	9%
Legal structure of business (unincorporated, sole proprietor, or partnership not being supported)	12%	7%	8%	5%
Interest rates are too high	6%	5%	5%	6%
Language barriers	<1%	1%	<1%	1%

Barriers to accessing federal government COVID-19 economic response plan

Barrier to accessing COVID-19 economic response plan (continued)	May 2020 Overall (n=699)	Jan 2021 Overall (n=715)	Jan 2021 First Nations (n=458)	Jan 2021 Métis (n=214)
Other	10%	9%	10%	8%
Did not face any barriers	12%	15%	14%	18%

Note: Numbers in green/red are significantly higher/lower than in May 2020

Q28. If you applied or considered applying to the Government of Canada's COVID-19 Economic Response Plan, which of the following barriers have you faced, if any? **Base: Total businesses responding to question (May 2020 Overall: n=699; Jan 2021 Overall: n=715; First Nations: n=458; Métis=241).**

Non-government financial assistance

Indigenous businesses were also asked about sources of non-government financial assistance (from a list provided). One-quarter (27%) report receiving at least one type of non-government financial assistance, the most common being a line of credit (11%). Reported use of non-government sources of financial assistance is similar for businesses owned by First Nations and Métis.

Non-government sources of financial assistance

Non-government sources of financial assistance	Jan 2021 Overall (n=658)	Jan 2021 First Nations (n=420)	Jan 2021 Métis (n=198)
Received ANY non-government financial assistance	27%	26%	30%
Line of credit	12%	11%	13%
Private investment	5%	6%	6%
Business loan from a large financial institution	5%	4%	7%
Financial support from a Tribal Council or Indigenous government	4%	5%	2%
Funding from a community organization or partnership (business improvement associations, etc.)	3%	3%	3%
Funding from a non-profit or charity (not related to federal stimulus funds such as Indigenous Tourism Stimulus Development Fund)	2%	2%	4%
Fundraising or crowdfunding	1%	1%	2%
Refinancing	1%	1%	2%
Grant from a private business	1%	1%	1%
Financial support from a Chamber of Commerce	1%	1%	1%
Other	2%	1%	5%

Q29. [NEW] What non-government financial assistance has your business received, if any? **Base: Total businesses responding to question (Jan 2021 Overall: n=658; First Nations: n=420; Métis=198).**

Business change due to COVID-19

Businesses were asked in what ways, if any, they have changed their business as a direct result of the pandemic (from a list provided). The survey results show that accelerating digital transformation and building online presence, including increased online communication (38%), online marketing (33%) and creation of online platforms (28%), is the most common way Indigenous businesses have adapted due to the pandemic. First Nations and Métis-owned businesses report similar types of business changes.

Business change due to COVID-19

Business change due to COVID-19	Jan 2021 Overall (n=710)	Jan 2021 First Nations (n=454)	Jan 2021 Métis (n=215)
Increased online or remote communication between staff and clients (Zoom, Facebook Live, GoTo Meeting, etc.)	38%	40%	34%
Increased online marketing (advertisements, social media posts)	33%	34%	35%
Created an online platform (website, social media page)	28%	30%	26%
Some or all staff are working remotely	26%	28%	23%
Events are online	22%	24%	18%
Changed services or products to meet current demands	20%	21%	21%
Changed the physical space of the business to protect staff and clients (putting up barriers, moving desks farther apart, etc.)	20%	19%	21%
Marketed to different clientele	17%	19%	14%
Sales are delivery or pickup-based	17%	18%	16%
Modified roles and responsibilities to retain staff	13%	14%	10%
Trained staff for new roles or new business practices	12%	13%	13%
Changed to cashless transactions	11%	12%	9%
Begun using e-commerce platforms for our retail products (Amazon, Shopify, etc.)	11%	11%	11%
Used different suppliers or modified supply chain	9%	11%	7%
Events are outdoors and socially distanced	8%	9%	6%
Other	3%	3%	3%
None/I haven't changed my business practices	13%	11%	15%
Don't know/not applicable/Prefer not to answer	11%	11%	7%

Q35. [NEW] In which of the following ways, if any, have you changed your business as a direct result of the pandemic?
Base: Total businesses responding to question (Jan 2021 Overall: n=710; First Nations: n=454; Métis=215).

Skills and training needed

Indigenous businesses were also asked what skills and training (from a list provided) they would find most helpful navigating the business challenges they face due to the pandemic. Social media/digital marketing training and grant, proposal or application writing are identified as the most useful skills or training, regardless of Indigenous identity.

Notably, First Nations-owned businesses express the greatest interest in the following training opportunities, followed by Métis-owned businesses:

- Engaging with clients remotely (33% of First Nations-owned vs. 25% of Métis -owned)
- E-commerce training and platforms for online sales (31% of First Nations-owned vs. 25% of Métis -owned)
- Operating virtual platforms (e.g., Zoom, Facebook Live, Slack, Microsoft Teams, etc.) (31% of First Nations-owned vs. 22% of Métis -owned)

Skills and training needed

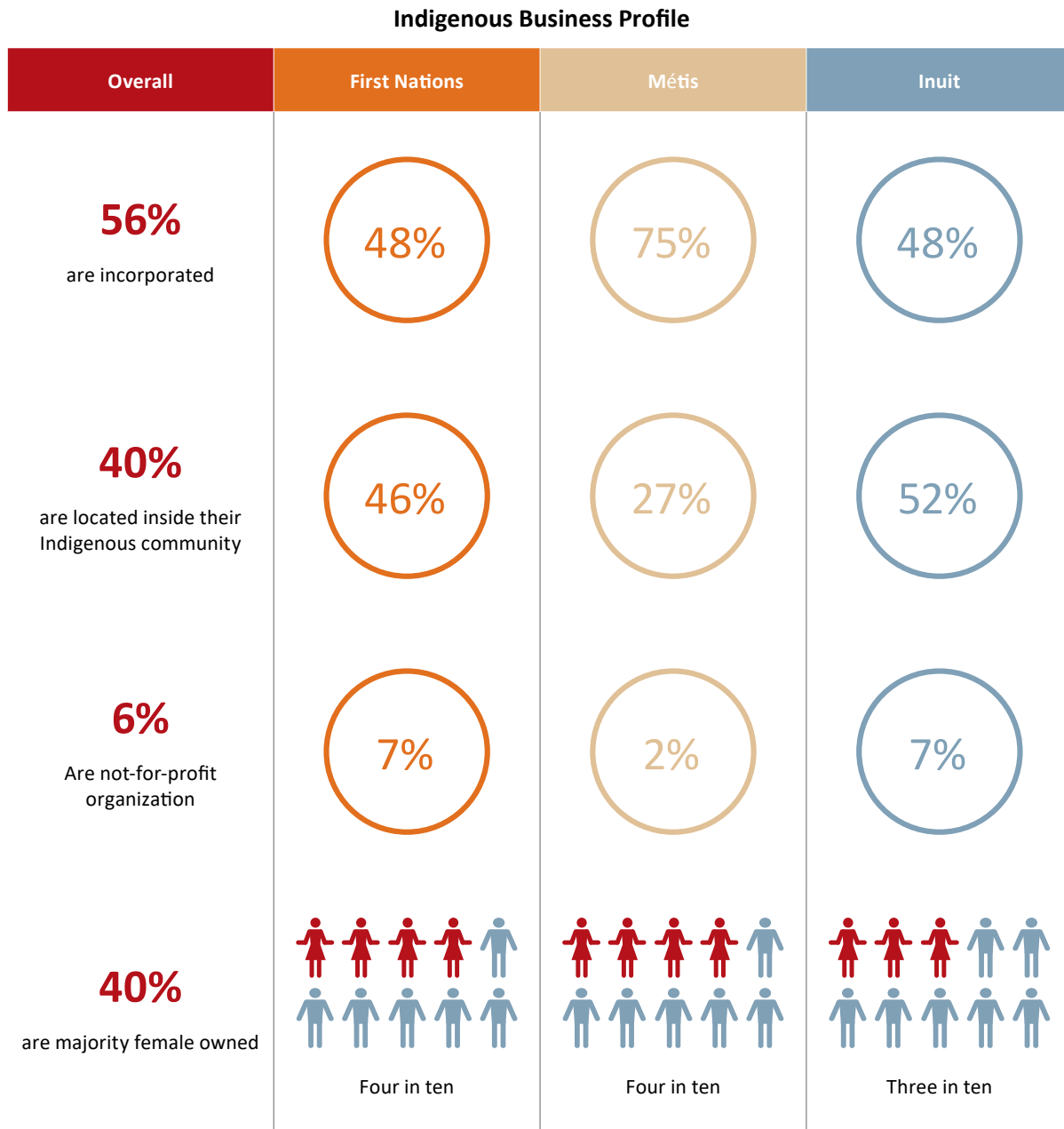
Skills and training needed	Jan 2021 Overall (n=705)	Jan 2021 First Nations (n=454)	Jan 2021 Métis (n=211)
Social media, digital marketing training	45%	48%	42%
Grant, proposal, or application writing	43%	45%	41%
Web development	36%	38%	36%
Long term business planning or continuity planning	36%	35%	38%
How to diversify our client base (e.g., exporting workshops, reaching new clients)	30%	31%	30%
How to engage clients remotely during COVID-19 pandemic (e.g., workshops, virtual events, etc.)	30%	33%	25%
E-commerce training and platforms for online sales	29%	31%	25%
Operating virtual platforms (e.g., Zoom, Facebook Live, Slack, Microsoft Teams, etc.)	28%	31%	22%
Financial planning	27%	28%	28%
Training on COVID-19 safety regulations	14%	15%	11%
Counselling services to improve health and wellness among staff	14%	13%	15%
Other	1%	1%	<1%
None	7%	8%	6%
Don't know/not applicable/Prefer not to answer	10%	8%	11%

Q36. [NEW] Which skills and training, if any, would be useful to you in navigating the business challenges you are currently facing due to the pandemic? **Base: Total businesses responding to question (Jan 2021 Overall: n=705; First Nations: n=454; Métis=211).**

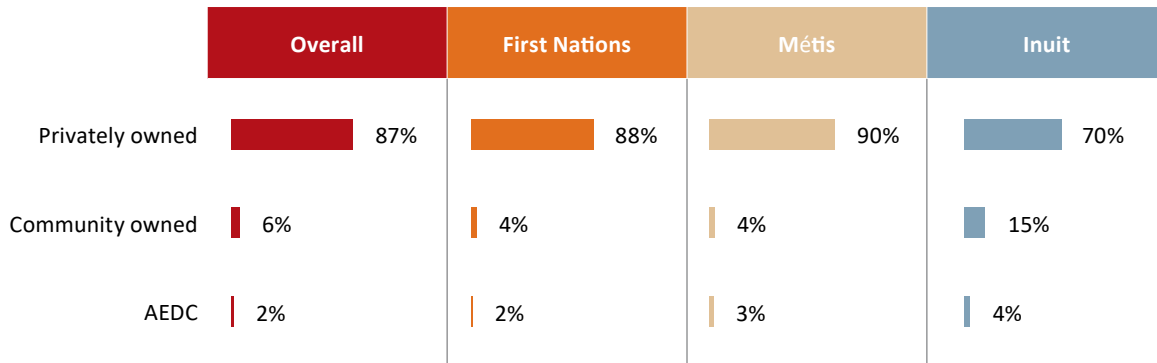


Profile of Indigenous businesses

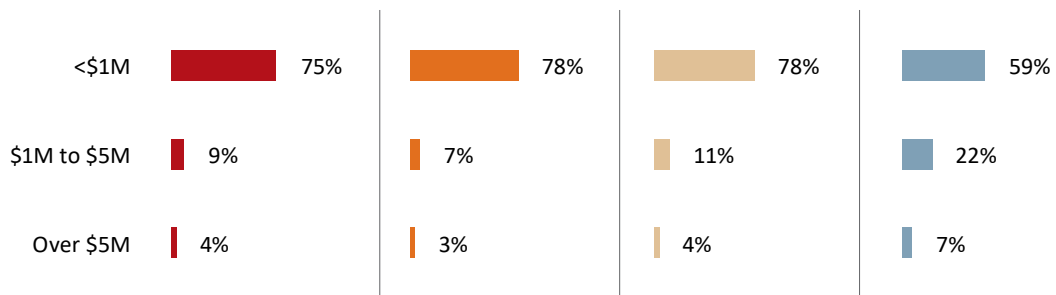
The following infographic presents the (unweighted) profile of Indigenous businesses who participated in this survey, by identity group. As a result of the voluntary nature of the survey, respondents had the option to decline these questions, so results cited in this section may not add to 100%.



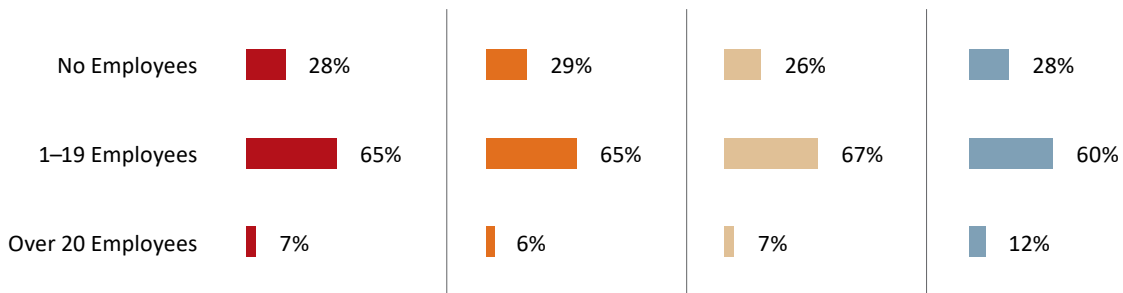
Privately or Community Owned



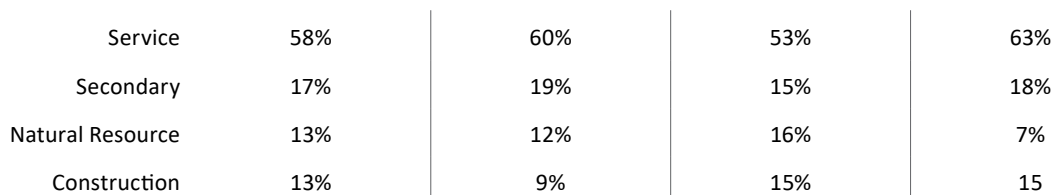
Annual Revenue



Business Size



Industry



The word clouds below present responses to the open-ended question “What does this business do?”.

Indigenous businesses operate in a wide variety of areas, including services, consultation, tourism, development, construction, retail, art and design, education and training, management, and other sectors. Services topped the list for First Nations and Métis-owned businesses, while Inuit-owned businesses frequently mentioned tourism and construction.

What does this business do?

First Nations-owned business





Conclusion and Discussion

The pandemic has had broad and potentially long-lasting impacts on the over 60,000 Indigenous businesses operating across all sectors and regions in Canada. Many sources point to the impacts being felt differently across different demographics and our survey data shows this is true for Indigenous identity groups. The findings from this second phase of the survey show that First Nations and Métis-owned businesses experience unique impacts, have different needs and require a variety of supports. For example, the need for financial support skews slightly higher among Métis businesses (33% vs. 26% of First Nations businesses), while the need for support with management and planning skews to First Nations businesses (18% vs. 11% of Métis businesses). As was the case in May 2020, access to appropriate credit and lending was a greater issue for First Nations businesses. First Nations-owned businesses were more likely than Métis-owned businesses to say they have no lending relationships with any financial institutions (40% vs. 29%, respectively). In addition, First Nations-owned businesses were slightly more likely than Métis-owned businesses to say the application requirements for government funding is a barrier (28% vs. 22%, respectively).

These findings highlight the need for a targeted approach that comprehensively addresses the unique impacts and needs of different subgroups of the Indigenous business population. A targeted approach can help to ensure that policies, programming and other supports are equitably distributed across First Nations, Métis and Inuit owned businesses. This includes the development and implementation of tailored policies and supports that consider the differential impacts and factors, such as identity and gender, for Indigenous businesses throughout the pandemic and into the recovery phase. In addition, more robust outreach and improved communication is necessary to increase the knowledge and accessibility of government supports.

Based upon the findings of the survey, our COVID-19 Phase II report outlines several calls to action to be taken by government, financial institutions and Indigenous entrepreneurs themselves, to recover from the ongoing economic impacts of the pandemic, including:



Develop and implement targeted policies, programming and other supports to address the different barriers experienced by First Nations, Inuit and Métis owned businesses throughout the pandemic and recovery phase.

Indigenous businesses cover a broad range of experiences, and no one strategy will be able to meet each individual's needs. For example, Métis businesses were more likely to see staff layoffs (19%) and to need financial support (33%), while more First Nations businesses had no relationships with financial institutions (40%), and were more likely to say they faced barriers to government support due to application requirements (28%). According to ITK, Inuit businesses face their own challenges such as high operating costs, reliance on air and sea transport for goods, and lack of digital infrastructure. Ensuring that recovery strategies address these needs, rather than only creating broad Indigenous or Canada-wide programming will help to build back equitably after the pandemic.



Provide additional funding to Indigenous businesses, particularly in forms other than loans.

Based on the findings, financial assistance remains a pressing need for Indigenous businesses. More than four in ten (44%) participating businesses say they cannot last more than six months without further supports. Further, access to appropriate credit and lending is a continued issue for Indigenous businesses. The survey results suggest that this is a greater challenge for businesses owned by First Nations entrepreneurs: they are more likely than Métis-owned businesses to say they have no lending relationships with any financial institutions (40% vs. 29%, respectively). Additional funding should be designed for the unique needs of different Indigenous identity groups.



Encourage innovation and adaptation.

In response to COVID-19 restrictions and the growing digital economy, businesses, employers and employees have had to make major changes to their operations. In response, government supports should be focused on encouraging innovation and adaptation. Our findings indicate social media/digital marketing training and grant, proposal or application writing as the most useful skills or training needed to navigate the challenges of the pandemic, regardless of Indigenous identity. Notably, First Nations-owned businesses express greater interest in the following training opportunities than do Métis-owned businesses: engaging with clients remotely (33% vs. 25%), e-commerce training and platforms for online sales (31% vs. 25%) and operating virtual platforms (e.g., Zoom, Facebook Live, Slack, Microsoft Teams, etc.) (31% vs. 22%)



Increase knowledge and accessibility of government supports.

The Government of Canada should increase knowledge and accessibility of government supports. First Nations-owned businesses were slightly more likely than Métis-owned businesses to say the application requirements are a barrier (28% vs. 22%, respectively). Improved communication and outreach by the federal government for First Nations-owned businesses in particular, in addition to streamlined processes is needed to ensure businesses are both aware and able to access supports. Increase knowledge and accessibility of government supports.



Conduct further research to understand the impacts and needs of Indigenous businesses as they continue to evolve throughout the COVID-19 pandemic and into the recovery period.

An equitable recovery will require continued, targeted research. The data from Phase II of the COVID-19 Indigenous business survey demonstrates that First Nations, Métis, and Inuit-owned businesses experience the impacts of the pandemic differently. Targeted research should be conducted to determine the unique impacts and distinct needs of the different subgroups of the Indigenous population. In particular, the full impacts of the pandemic on Inuit-owned businesses are difficult to determine, in part due to the gaps in data. Further research on the COVID-19 impacts faced by Inuit-owned businesses is imperative to better understand the complex nature of the mixed economies within Inuit communities and track the economic trends in Northern Canada. Future research will help address this data gap and lead to more comprehensive, robust policy development to ensure each subgroup of the Indigenous business population thrives. Governments, corporations, and associations must respond with data-driven strategies and programs to ensure that First Nation, Métis and Inuit businesses are not left behind in the aftermath of the pandemic.

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