



COVID-19 Indigenous Business Survey: Phase 3



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EXECUTIVE SUMMARY

INTRODUCTION

In early 2020, businesses and communities throughout Canada were confronted with unprecedented challenges due to the COVID-19 pandemic. Aside from the impacts on public health, businesses and organizations faced lockdowns, capacity limitations, supply chain interruptions, and other issues. Public health restrictions were not uniform among provinces, territories, or Indigenous communities but varied considerably by location and context. Small businesses, particularly Indigenous-owned operations, faced unique and compounding challenges, with many of them located in rural locations with limited access to health care, digital infrastructure, and emergency financing. While many Indigenous businesses are still struggling to survive, they have also shown tremendous resilience by innovating, adapting, and giving back to their communities.

This study is the third in a series examining the impacts on Indigenous business during the COVID-19 pandemic. The report looks back over the last year and a half, comparing Phase 1 (May 2020) and Phase 2 (January 2021) results while delving deeper into topics such as debt and funding access. Specifically, it aims to understand the changing impacts of COVID-19 on Indigenous businesses, hesitancy and barriers to accessing government relief programs, and their pressing needs for maintaining business operations throughout the pandemic. The project was led by the Canadian Council for Aboriginal Business (CCAB), in partnership with the National Aboriginal Capital Corporations Association (NACCA) and the National Indigenous Economic Development Board (NIEDB), with support from Indigenous Services Canada (ISC).

Previous phases of this research saw improvements on a number of indicators. This trend continues in the Phase 3 survey, with fewer overall negative impacts, closures, and employment impacts for Indigenous businesses. Despite improvements in business conditions, Indigenous businesses continue to be disproportionately affected by the epidemic, especially compared to the rest of Canada's business community.

METHODOLOGY

The Indigenous Business Survey Phase 3 was available between June 30, 2021, and August 4, 2021, collecting a total of 672 responses in both French and English. The survey 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. Participation was voluntary and relied on a self-selection method where respondents could complete the survey fully or partially if desired. Due to the open and voluntary nature of the survey, the data is unweighted and should not be considered a representative sample based on the total Indigenous business population in Canada. However, the data collected covers businesses from across industry sectors, identity groups (First Nations, Inuit, and Métis), gender, location (on/off First Nation reserves, Métis settlements, Inuit Nunangat), and business size (annual revenues, employee numbers).

This report compares Phase 1 (distributed from April 29 – May 22, 2020) and Phase 2 (distributed December 18, 2020 – February 1, 2021) where applicable.

LIMITATIONS

Due to the open and voluntary nature of the survey, the data is unweighted and should not be considered a representative sample based on the total Indigenous business population in Canada. However, the data collected covers businesses from across industry sectors, identity groups (First Nations, Inuit, and Métis), gender, location (on/off First Nation reserves, Métis settlements, Inuit Nunangat), and business size (annual revenues, employee numbers).

Compared to previous phases, businesses responding to the Phase 3 survey are smaller (i.e., not incorporated, no employees) and more likely to be owned by women. It should be kept in mind that some of the differences seen in this phase, such as fewer businesses with lending relationships and fewer businesses with employees, are impacted by a higher proportion of women-owned businesses within the sample (trends consistent with previous research by CCAB). **Caution should be used when comparing phase-over-phase results since changes may be due to the shift in the profile of responding businesses rather than to true changes in the measure itself.**

KEY FINDINGS

IMPACTS

- Indigenous businesses continue to experience negative impacts due to the COVID-19 pandemic. Two-thirds (66%) say the COVID-19 pandemic has negatively impacted their business operations. However, this proportion has steadily declined since May 2020.
- Revenue declines (52%) and cancellations of meetings, gatherings, or events (37%) continue to be the most significant COVID-19 consequences on Indigenous businesses.
- Many Indigenous businesses continue to experience significant financial losses. Close to half (46%) of Indigenous businesses report a drop in revenue in the first six months of 2021, compared to the 2019 fiscal year (i.e., pre-pandemic). However, this proportion has continued to decline.
- Half (50%) of Indigenous businesses laid off staff either temporarily (35%) or permanently (15%) due to the pandemic, statistically unchanged from January 2021. Additionally, a growing proportion hired new staff (20%, up 9 points).

CURRENT NEEDS

- Over a year into the pandemic still over one-third (36%) of Indigenous businesses continue to say they will not last more than six months without further supports., This proportion has steadily declined since May 2020 (54%). In turn, an increasing proportion of businesses report no need for further supports (30%, up 7 points) since January 2021.
- Similar to previous phases, a return to normal (42%) is considered the most pressing business need at present. Financial support remains the second-ranked concern, although the proportion expressing the need for financial aid has continued to decline (25%, down 3 points) since January 2021. There appears to be a growing need for help with management and planning (23%, up 7 points) and consistent interest in business resources and skills training (15%).
- Interest in training related to grant, proposal and application writing has increased since January 2021 (52%, up 9 points), as has an interest in training related to web development (42%, up 6 points), e-commerce, platform development for online sales (37%, up 8 points), and financial planning (35%, up 8 points).

FUNDING AND SUPPORT

- Close to one in four (38%) respondents that say they require financial assistance have applied for at least one type of government financial assistance, and many of them (33%) received it. The proportion that applied for aid has declined since Jan 2021 (38%, down 20 points), but the ratio of successful applicants is consistent (just under 9 in 10 of those that applied received assistance). However, this leaves almost two-thirds (62%) of those that report needing financial assistance that did not apply.
- Over half (59%) of the businesses that received government financial assistance reported that the funding did not meet their financial needs. Over one-third (37%) feel the funding met their needs (another 4% were unsure).
- An increasing number of businesses report low credit ratings or limited cash savings (18%) as a barrier to accessing government supports – this may be due to the increased size of loans needed to maintain business during the pandemic. Obstacles such as having a payroll of less than \$20,000 (21%), insufficient short-term cash flow (17%), and lack of assets (15%) have remained among the top barriers to accessing government programs throughout the pandemic.
- For businesses that report needing financial assistance but that did not apply for government support, many say they believe they would not qualify (33%). Nearly a quarter (23%) indicated that they did not know about the available supports. Almost two in ten (17%) said they had other sources of income and did not need funding.

FINANCING AND DEBT

- The survey found that 43% of respondents have no current lending relationships with banks, Aboriginal Financial Institutions (AFIs), governments, or credit unions. These businesses face a disadvantage when it comes to receiving different forms of emergency finance accessible during the pandemic. This proportion has increased since previous surveys, which may be due to the higher proportion of Indigenous women participating in this phase, who typically have fewer lending relationships based on previous research.
- One-third (34%) of Indigenous businesses say they cannot take on more debt, and two in ten (18%) are uncertain. By comparison, one in five (22%) do not need to take on more debt, and one in four (27%) could do so if required.

OUTLOOK AND FUTURE NEEDS

- Looking ahead, six in ten Indigenous businesses have an optimistic outlook for the next six months. This proportion has substantially increased since January 2021 (61%, up 24 points), with a decreasing minority that reported a negative (18%, down 24 points) or neutral outlook (18%, down 2 points).
- As was the case in January 2021, one-third of Indigenous businesses surveyed said they had taken initiatives to support people and/or other businesses in their community during the pandemic.
- Accelerating digital transformation and building online presence remain among the most common ways businesses have adapted to the pandemic, via the creation of an online platform (36%), increased online marketing (34%), improved online communication (28%), and hosting online events (21%).

DEMOGRAPHICS

The COVID-19 Indigenous Business Survey Phase 3 received 672 responses from Indigenous business owners across identity groups, with most respondents identifying as First Nation (72%), followed by Métis (23%) and Inuit (2%). Forty-two percent of respondents are located within their Indigenous communities, including communities inside Inuit Nunangat, Métis settlements, and First Nation reserves, compared to 51% operating outside their communities.

Compared to Phase 2, which had an equal number of men- and women-owned firms (40% each), this phase of the research includes a majority of women-owned businesses (56%). Men-owned businesses accounted for 24% of the sample, equally men and women-owned businesses accounted for 9%, and non-binary, two-spirit, and transgender business owners accounted for the remaining 3% (*Figure 1*).

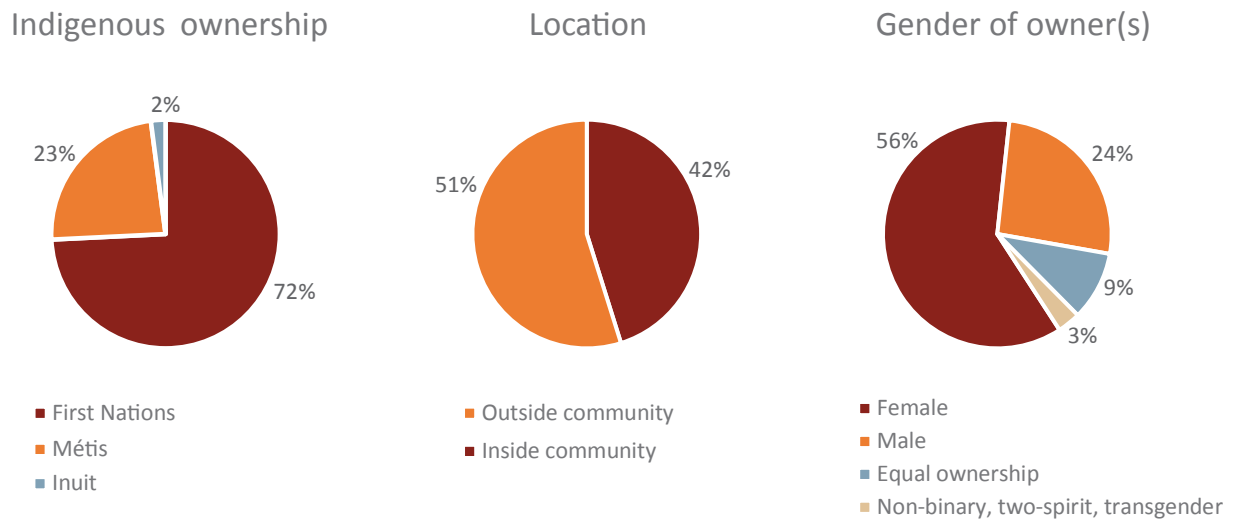


Figure 1

Indigenous business respondents may be found in all of Canada's provinces and territories. Alberta had the greatest percentage of respondents (26%), followed by Ontario (25%) and British Columbia (20%). The remaining provinces had a smaller representation of respondents: 3% came from the territories (Northwest Territories, Yukon, and Nunavut), 3% from Quebec, 17% from the Prairies (Saskatchewan and Manitoba), and 7% from the Atlantic region (New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador) (*Figure 2*).

Regional Distribution

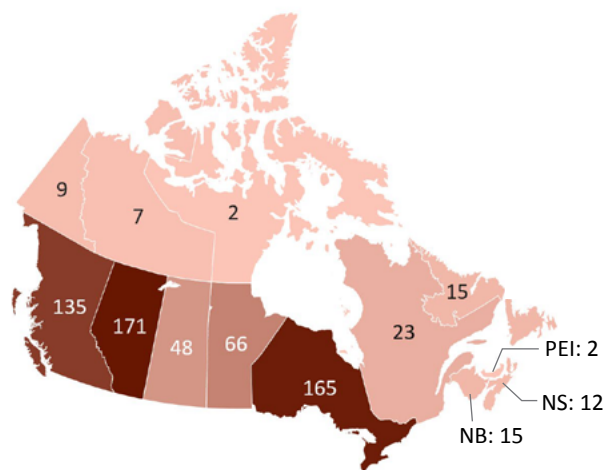


Figure 2

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BUSINESS CHARACTERISTICS

Most businesses surveyed are privately owned (85%) and for-profit (89%) (*Figure 3*). Previous CCAB research has shown that 53% of Indigenous businesses have no employees and are unincorporated and that Indigenous businesses are less likely to be incorporated than the Canadian average.¹ This survey showed that 43% of respondents are incorporated, compared to 56% in the previous survey. CCAB's recent study on Indigenous women's entrepreneurship found that a smaller proportion of Indigenous women entrepreneurs have incorporated businesses compared to men-owned businesses,² which may account for the smaller proportion of incorporated businesses in this survey.

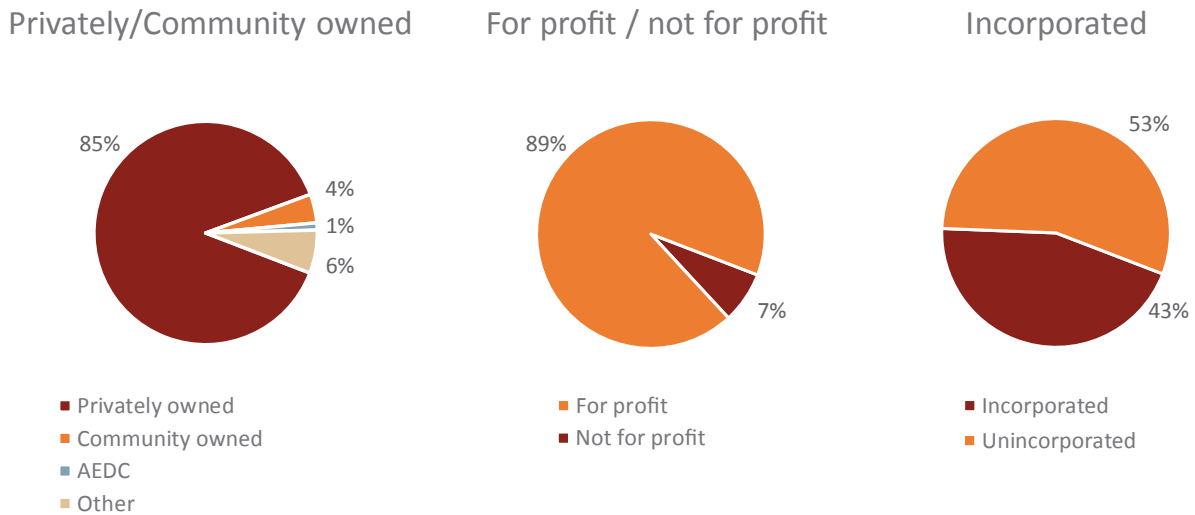


Figure 3

Among respondents, there is a near equal representation of sole proprietorships (46%) and organizations with 1-19 employees (47%); thus, most respondents represent smaller organizations (*Figure 4*). Furthermore, many of the organizations in this sample earned less than \$1 million annually (80%), with only 1% earning more than \$5 million (*Figure 5*).

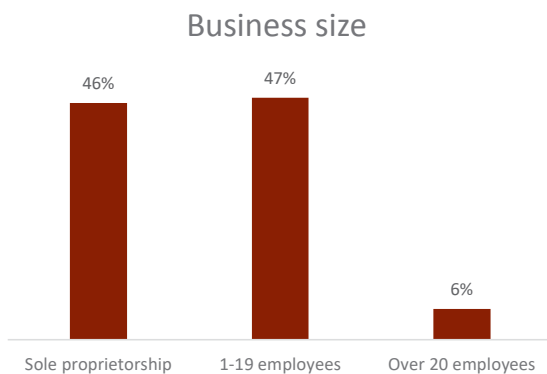


Figure 4

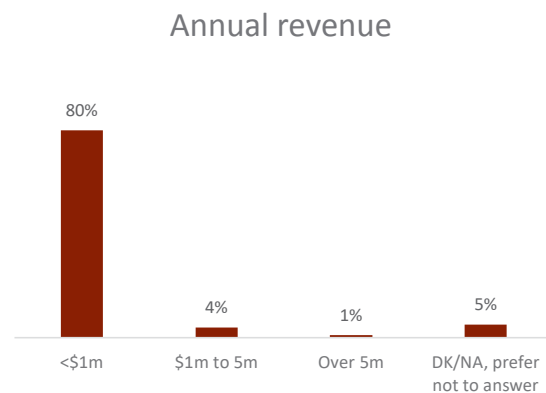


Figure 5

1 Canadian Council for Aboriginal Business, Promise and Prosperity: The 2016 Aboriginal Business Survey (Toronto: Canadian Council for Aboriginal Business, 2016), 16. <https://www.ccab.com/wp-content/uploads/2016/10/CCAB-PP-Report-V2-SQ-Pages.pdf>.

2 Canadian Council for Aboriginal Business, Breaking Barriers: A decade of Indigenous women's entrepreneurship in Canada (Toronto: Canadian Council for Aboriginal Business, 2020), 9. https://www.ccab.com/wp-content/uploads/2020/12/CCAB-Breaking-Barriers_English.pdf.

Most respondents (62%) operate within the service industry, followed by secondary (20%), natural resources (9%), and construction (7%) (Figure 6). Additionally, most businesses (76%) report having clients within their local communities. Many businesses (56%) have clients in other parts of their province/territory, and 34% have clients located in other provinces/territories in Canada. A substantial proportion had clients outside of Canada, with 15% exporting to the U.S. and 6% exporting to countries other than Canada and the United States (Figure 7).

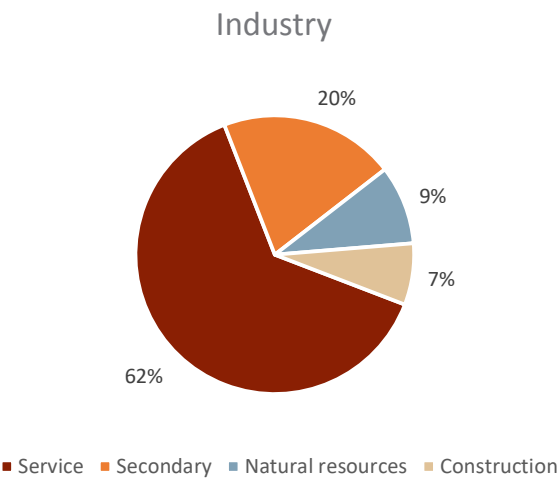


Figure 6

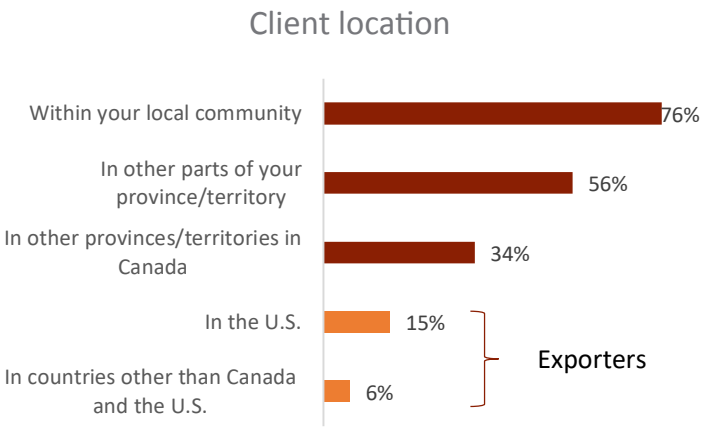


Figure 7



SORRY
WE ARE
CLOSED

COVID-19

BUSINESS IMPACTS

OVERALL IMPACT

Indigenous businesses continue to experience negative impacts due to the COVID-19 pandemic. A majority (66%) said the COVID-19 pandemic has negatively impacted their business operations (*Figure 8*). However, this proportion has steadily declined since May 2020.

According to Statistics Canada's Canadian Survey on Business Conditions (CSBC), a nationwide survey performed at comparable intervals as the COVID-19 Indigenous Business Survey, GDP fell in the months preceding the survey, and economic activity was two percent below pre-pandemic levels.³ Businesses also anticipated challenges such as revenue and profit declines.

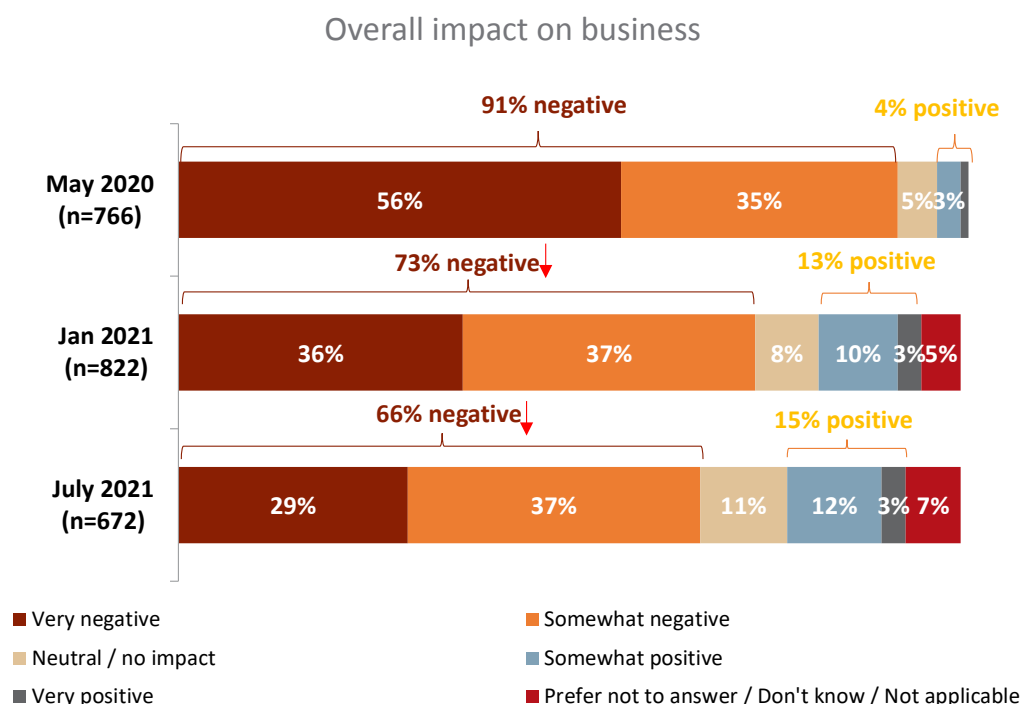


Figure 8

Q4. Which of the following best describes your business? **Base: Total responding to question (n=672).**

IMPACTS ON BUSINESS

Similar to January 2021, more than half (58%) of Indigenous businesses report that their business has remained open throughout the pandemic, while one-third (33%) closed temporarily, and 2% closed permanently (*Figure 9*). Like previous phases, these figures may be underestimated, as closed or struggling firms may have opted out of the survey.

3 Statistics Canada, Canadian Survey on Business Conditions, third quarter 2021 (Ottawa: Statistics Canada, 2021), <https://www150.statcan.gc.ca/n1/daily-quotidien/210827/dq210827b-eng.htm>

Impacts on business operations

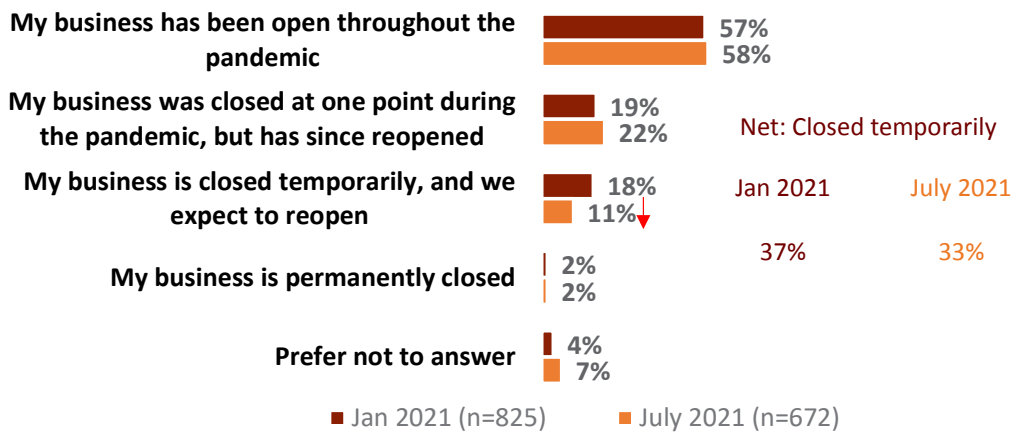


Figure 9

Q4. Which of the following best describes your business? Base: Total responding to question (n=672).

Revenue declines (52%), as well as cancellations of meetings, gatherings, or events (37%), continue to be the most significant COVID-19 impacts for Indigenous businesses (Table 1). However, since January 2021 they have improved by 9 points and 14 points respectively. The improved conditions for meetings and gatherings may be due to the increasing use of online events, vaccine distribution, and reduced restrictions in some provinces.

Indigenous businesses continue to see a decline in demand for their products or services (34%); however, this figure is substantially lower than the 66% recorded in May 2020. To put the business community in context, the Canadian Federation of Independent Businesses (CFIB) found that 28% of Canadian businesses saw sales fall by 50 percent or more.⁴

According to another CFIB study, the wholesale, construction, manufacturing, and retail industries are suffering the biggest delays in their operations, such as shipping, receiving, and inventories.⁵ CCAB's data confirms this, with construction firms being the most likely to face contract cancellations (47%), supply chain disruptions (55%), and staff absences (33%) when compared to the average respondent (28%, 27%, and 13%, respectively). Secondary industries were also likely to face disruptions in their supply chain (42%).

Critical Insight 1.0

- Meetings, gatherings, and events were more likely to be cancelled for Indigenous businesses in the service industry (such as arts, entertainment and recreation; professional services; accommodation and food services; health care and social services; and information and cultural industries) than in any other industry (42%, compared to 37% on average).
- About one-third (32%) of Indigenous businesses in the service industry had contracts cancelled.

4 Canadian Federation of Independent Businesses, One year of COVID-19: 7 ways the world has changed for small businesses (North York: Canadian Federation of Independent Businesses, March 2021), 7. <https://content.cfib-fcei.ca/sites/default/files/2021-03/One-Year-of-COVID19.pdf>

5 Canadian Federation of Independent Businesses, The logistics impact of COVID-19 on small businesses, (North York: Canadian Federation of Independent Businesses, June 2021), 4. <https://content.cfib-fcei.ca/sites/default/files/2021-06/Logistics-Impact-COVID19.pdf>

Table 1

COVID-19 IMPACTS ON BUSINESS	May 2020 n=766	Jan 2021 n=822	July 2021 (n=671)
Decrease in revenues	77%	61%	52%
Cancellation of meetings, gatherings, or events	60%	51%	37%
Additional personal debt (to support the business)	NA	37%	35%
Decrease in demand for products or services	66%	43%	34%
Pressure to find new ways of providing services or goods	NA	40%	32%
Closed or restricted travel in and out of the community	36%	36%	32%
Cancellation of contracts	37%	36%	28%
Disruptions in your supply chain	25%	29%	27%
Higher anxiety from staff	41%	41%	25%
Additional costs resulting from public health requirements to physically distance	NA	32%	22%
Increase in demand for products or services	11%	14%	17%
Unreliable internet causing disruptions for at-home workers or e-commerce	7%	12%	14%
Cancelling staff travel	32%	22%	13%
Staff absences due to self-quarantine or illness	20%	19%	13%
Staff absences due to family responsibilities, including homeschooling	18%	18%	12%
Increase in revenues	NA	8%	9%
Other	5%	6%	4%
Prefer not to answer / Don't know / Not applicable	1%	3%	4%
No current impacts	1%	2%	3%

Q16. Which of the following impacts has this business experienced as a direct result of the pandemic? Base: Total responding to question (n=671).

IMPACTS ON BUSINESS REVENUE

Many Indigenous businesses continue to experience significant financial losses. Close to half (46%) of Indigenous businesses report a drop in revenue in the first six months of 2021, compared to the 2019 fiscal year (i.e., pre-pandemic). However, this proportion has continued to decline, with a corresponding increase in the proportion of businesses that report increased revenues (24%, up 5 points) or no change (12%, up 3 points) compared to their revenues pre-pandemic (*Figure 10*).

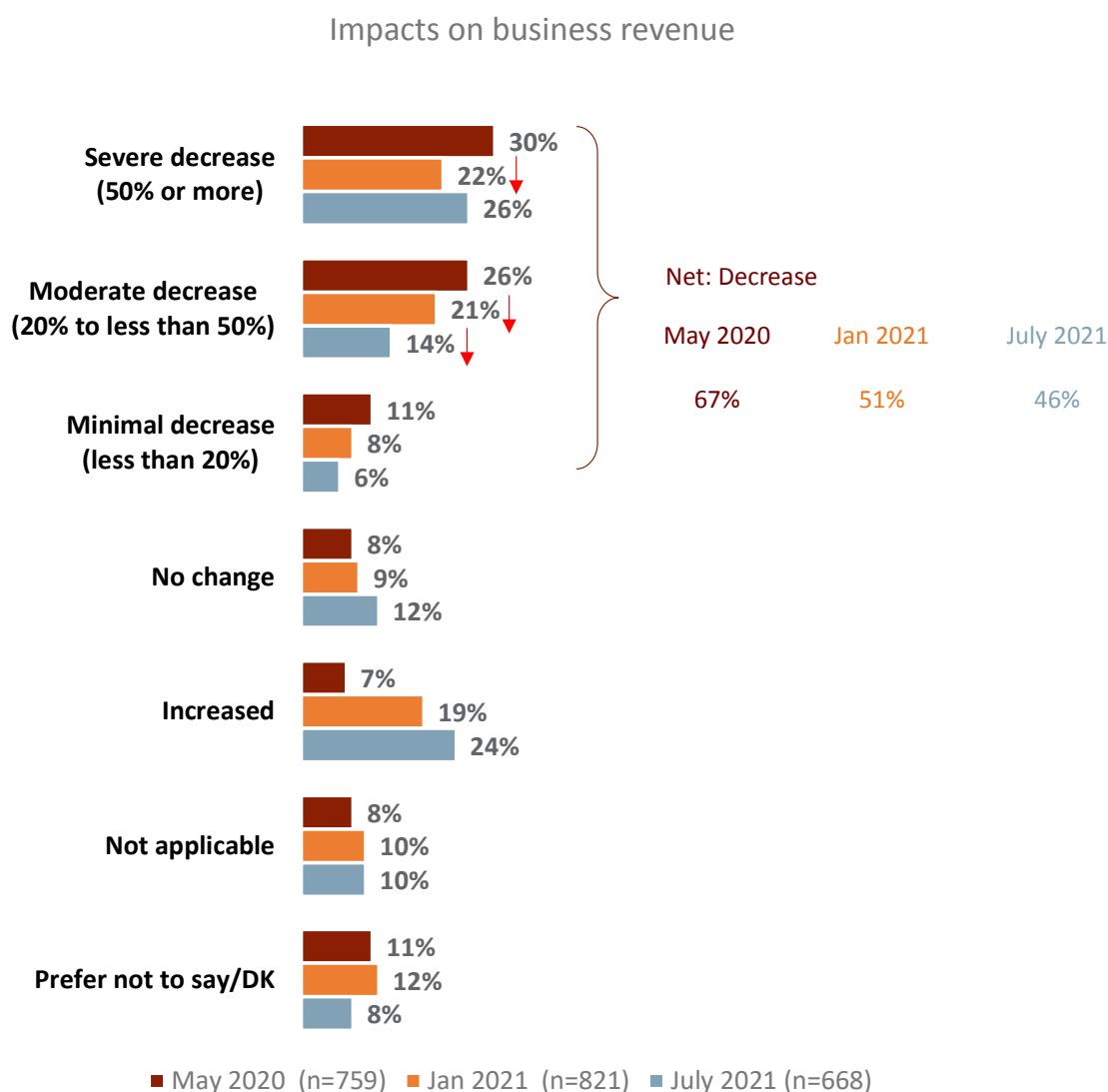


Figure 10

Q14. We'd like to understand how business revenues have changed compared to pre-pandemic levels. How much, if at all, has your gross annual income for the first six months of 2021 (January 1 to June 30) changed compared to the first six months of 2019? Please provide your best estimate. **Base: Total responding to question (n=668).**

EMPLOYMENT

Half (50%) of Indigenous businesses laid off staff either temporarily (35%) or permanently (15%) due to the pandemic, statistically unchanging from January 2021 (*Figure 11*). Additionally, a growing proportion hired new staff (20%, up 9 points).

The CFIB demonstrated that 22% of Canadian businesses had permanently let go staff but did not have statistics on temporary layoffs. The high percentage of sole proprietorships among Indigenous firms might be one reason for the disparity.

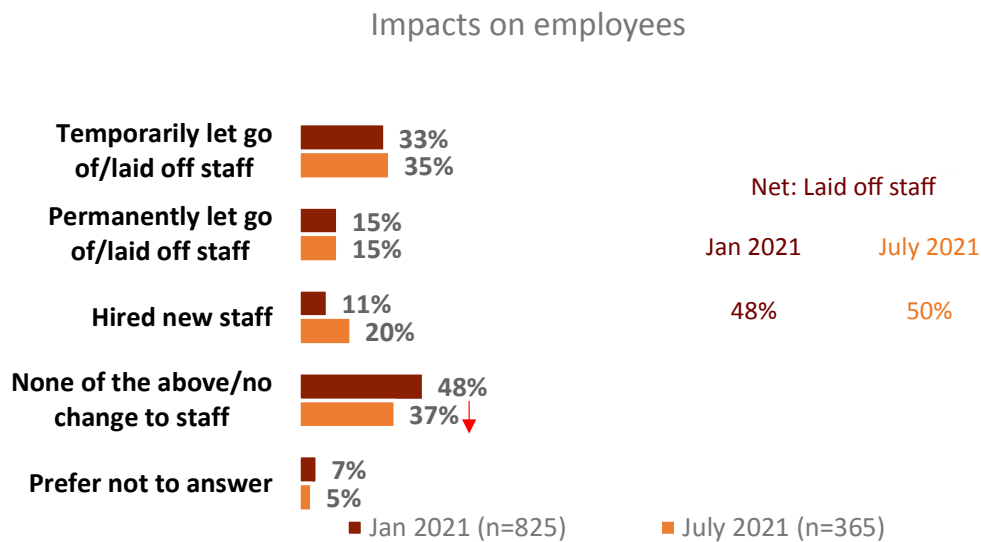


Figure 11

Q13. Did your business experience any of the following as a direct result of the pandemic? *Base: Those who have more than one or more employees (n=365).*



CURRENT NEEDS

Although the COVID-19 Indigenous Business Survey has shown improvements over time, CCAB continues to investigate Indigenous businesses' current and developing requirements. Overall, a large number of businesses still need support to continue operating in the near future, with 36% estimating that they will be unable to operate for longer than six months without support. As a result, finance remains a major concern for many. The underlying concern throughout the pandemic has been a return to normalcy so that businesses may resume regular operations. Many businesses have had to adjust to supply chain delays, lockdowns, and travel restrictions. Respondents have also indicated an interest in receiving training to better adapt to remote work and gain access to financing.

BUSINESS SURVIVAL RATE

More than one-third (36%) of Indigenous businesses say they will not last more than six months beyond the survey period without further support, although the number has gradually declined since May 2020 (54%). In turn, an increasing proportion of businesses report no need for additional supports (30%, up 7 points) since January 2021 (Figure 12).

When questioned in the CSBC, "How long can this business or organization continue to operate at its current level of revenue and expenditures before having to consider permanent closure?", only 6.8% of businesses reported that they could continue for less than 12 months. In CCAB's survey, respondents were asked how long they could operate under current conditions with no additional support, and 55% indicated that they could not last more than one year. Although the questions are worded differently, the stark contrast in the business predictions between Canadian and Indigenous businesses appears to show a greater degree of risk, instability, and apprehension for the coming months.

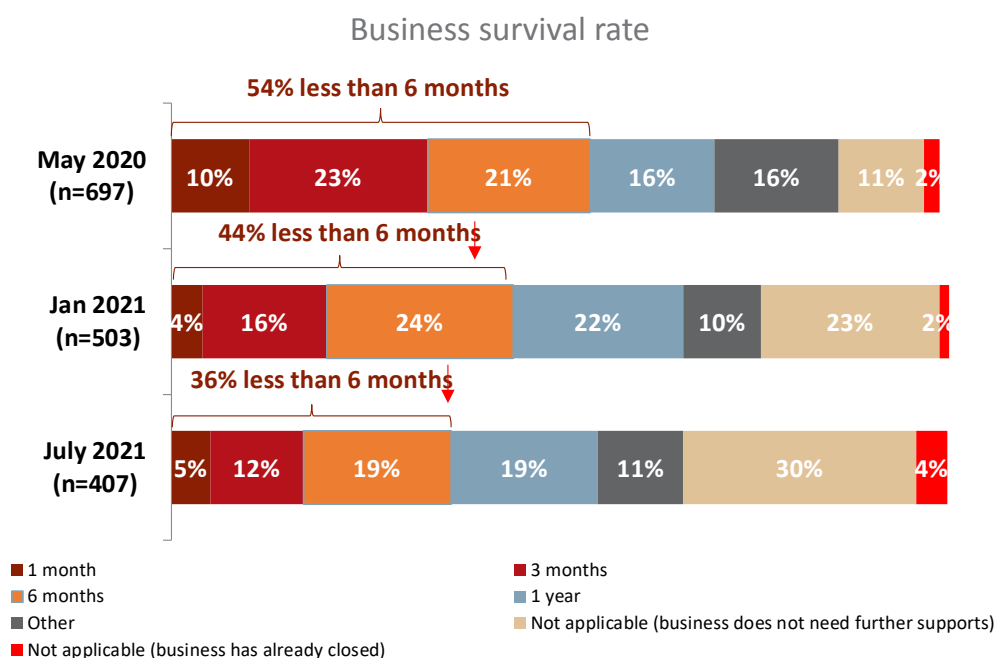


Figure 12

Q31. How long can this business continue to operate under current conditions if no further supports are available? **Base: Total responding to question (n=407).**

MOST PRESSING NEEDS

As was the case in previous phases, the most important business requirement for Indigenous-owned firms is a return to regular operations (42%). Financial support remains the second most often expressed concern, despite the fact that the proportion reporting a need for financial assistance continues to drop (25%, down 3 points) since January 2021. There appears to be a growing need for support with management and planning (23%, up 7 points) and consistent interest in resources and training (15%) (*Table 2*).

Table 2

MOST PRESSING BUSINESS NEEDS	May 2020 n=674	Jan 2021 n=750	July 2021 n=606
Economy / business / community 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, removal of COVID-19 restrictions on businesses, COVID-19 to be controlled, and expand services / products	53%	49%	42%
Financial support, including support for maintaining business operations, and access to grants, loans and capital	39%	28%	25%
Support with management / planning / staff, including advertising / building awareness of their business, hire new staff, planning for resuming business in the future after the pandemic is over, and support for employee health / mental health	12%	16%	23%
Additional resources and training, including access to FN communities to network / develop opportunities, building / construction projects, access to bigger office / manufacturing office, new equipment to grow / handle challenging times	11%	13%	15%
Adaptation and innovation, including adding new production lines, building their online presence or accelerating digital transformation	5%	6%	5%

Q15. What is your most pressing business need at this time? **Base: Total responding to question (n=606).**

SKILLS AND TRAINING

While 15% of respondents rate skills and training as their most pressing need, there is growing interest in skills training across a variety of topics and is growing in several categories, which may indicate that businesses are looking towards recovery and future needs. Interest in training related to grant, proposal, and application writing has increased since January 2021 (52%, up 9 points), as has interest in training related to web development (42%, up 6 points), e-commerce training, and online sales platforms (37%, up 8 points), and financial planning (35%, up 8 points) (Table 3). Most of these categories were of more interest to women entrepreneurs, suggesting the increased interest overall may reflect the larger proportion of women-owned businesses in the July 2021 sample.

Critical Insight 2.0

- Women-owned businesses are more likely to be interested in nearly all types of skills and training than men-owned businesses.
- Grant, proposal, and application writing is the only category in which men- and women-owned businesses express near equal interest (48% vs. 52% respectively).
- Training on COVID-19 safety regulations is the only category in which men-owned businesses expressed greater interest (12% vs. 10%).

Table 3

SKILLS AND TRAINING NEEDED	Jan 2021 (n=705)	July 2021 (n=594)
Grant, proposal, or application writing	43%	52%
Social media and digital marketing training	45%	49%
Web development	36%	42%
Long term business planning or continuity planning	36%	38%
E-commerce training and platforms for online sales	29%	37%
Financial planning	27%	35%
How to diversify our client base (e.g., exporting workshops, reaching new clients)	30%	32%
How to engage clients remotely during COVID-19 pandemic (e.g., workshops, virtual events, etc.)	30%	31%
Operating virtual platforms (e.g., Zoom, Facebook Live, Slack, Microsoft Teams, etc.)	28%	27%

SKILLS AND TRAINING NEEDED	Jan 2021 (n=705)	July 2021 (n=594)
Counselling services to improve health and wellness among staff	14%	17%
Training on COVID-19 safety regulations	14%	11%
Other	1%	2%
None	7%	8%
Prefer not to answer / Don't know / Not applicable	10%	10%

*Q36. 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 responding to question (n=594).***

The most often requested form of training is support for grants and application writing (52%). With the introduction of new emergency funding and firms seeking new and diverse sources of financing, many appear to require assistance in developing proposals and completing applications. Long-term company planning (38%), financial planning (35%), and broadening client bases (32%) were also major concerns.

The other primary area of focus for Indigenous businesses is digital adoption. Social media and digital marketing (49%), web development (42%), and e-commerce (32%) are among the most sought-after skills and training Indigenous businesses require. This is expected considering how the importance of digitalization has grown throughout the pandemic, with many businesses adjusting to remote work, e-commerce, and virtual events. Thus, it will be critical to guarantee that Indigenous businesses have access to the same digital infrastructure and training as the rest of Canada.

Digital Infrastructure

In 2017, 86% of Canadian households had access to adequate Internet speeds, compared to 24% of households in Indigenous communities.⁶ The Public Policy Forum recently noted that Indigenous communities might fall through the cracks during the post-COVID-19 recovery stage.⁷ They identified a vacuum in infrastructure services (including digital infrastructure) for Indigenous communities owing to lack of access to finance, capacity, project scale, legislative constraints, jurisdictional uncertainty, and project delays. While many Canadians have benefited from new online opportunities, now is a critical time to prevent Canada's digital divide from widening further. Programs like Canada's \$2.75 billion Universal Broadband Fund must make efforts to ensure that adequate funds are directed toward Indigenous businesses and communities.

⁶ Statistics Canada, High-speed access for all: Canada's connectivity strategy, (Ottawa: Statistics Canada, September 2019). https://www.ic.gc.ca/eic/site/139.nsf/eng/h_00002.html.

⁷ Kim Baird and Mark Podlasly, Opportunities around Indigenous Infrastructure (Public Policy Forum), (Ottawa: Rebuild Canada, September 3, 2020). <https://ppforum.ca/publications/the-opportunity-for-indigenous-infrastructure/>.



FUNDING AND SUPPORT

Given that more than a third (36%) of Indigenous businesses state that they will fail to survive more than six months without additional support, and that funding remains the primary concern for a quarter of businesses surveyed, CCAB has continued to assess the availability and accessibility of financial supports for Indigenous businesses. Previous research has demonstrated that Indigenous firms encounter hurdles to financial support owing to factors such as a high administrative burden (red tape), ineligibility or a lack of awareness, and this report demonstrates similar trends continue to occur during the pandemic.

APPLIED AND RECEIVED

Close to four in ten (38%) businesses that say they require financial assistance applied for at least one type of government financial assistance, and many of them (33%) received it. This left 5% of businesses who say they applied for support but did not receive it. The proportion that applied for aid has declined since January 2021 (down 20 points). Still, the ratio of successful applicants is consistent (just under nine in ten of those that applied received assistance). However, this leaves almost two-thirds (62%) that report needing financial support but did not apply for any financing under Canada's Economic Response Plan (Figure 13).

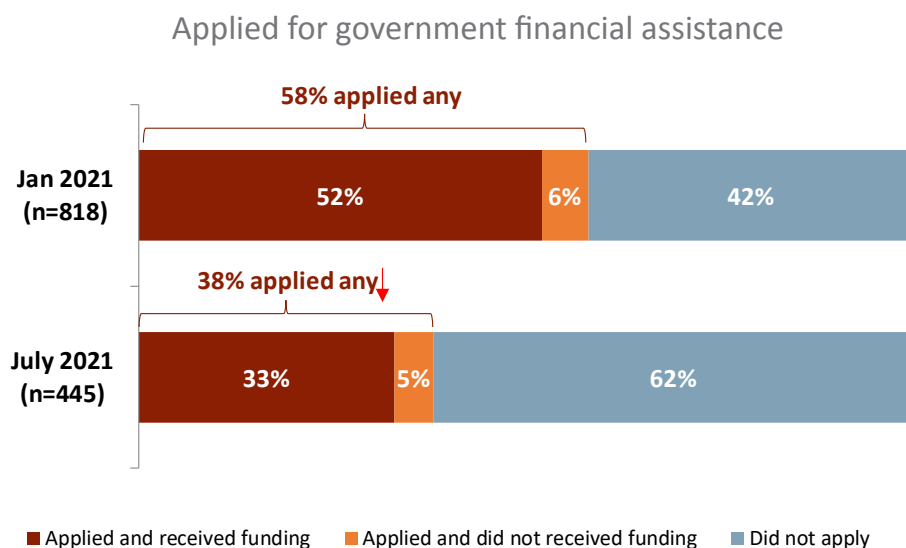


Figure 13

Q24. Please indicate whether you have applied for financial assistance from any of the following government sources: *Base: Those that indicated they need financial assistance (n=445).*

For respondents who indicated they needed funding, the top sources of government financial assistance received are the Canada Emergency Business Account (CEBA) (17%) and the Canada Emergency Wage Subsidy (CEWS) (12%), which is on par with January 2021 (Figure 14).

When Statistics Canada asked, “Due to COVID-19, was funding or credit for this business or organization approved or received from any of the following sources?”, considerably more Canadian firms reported accessing financing from these sources. According to the CSBC, 54% received emergency funding from CEBA, 36% from CEWS, and 13% from the Canada Emergency Rent Subsidy (CERS).⁸ According to the CSBC’s data,

8 Statistics Canada. [Table 33-10-0383-01. Sources of funding approved or received due to the COVID-19 pandemic, third quarter of 2021](#)

businesses with Indigenous ownership were on par with the average; however, CCAB data suggests fewer Indigenous businesses used these funding alternatives.

Applied for government financial assistance

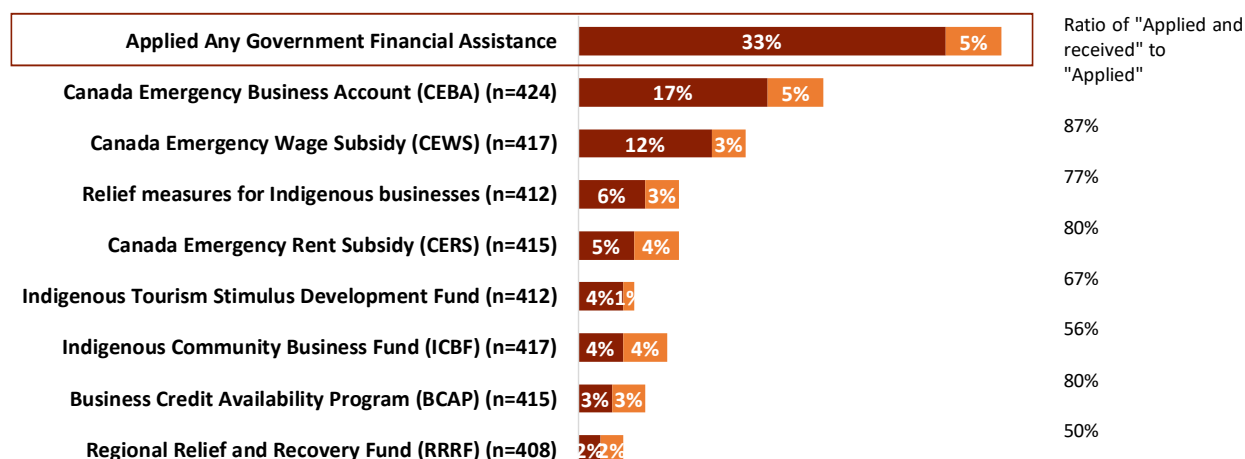


Figure 14

Q24. Please indicate whether you have applied for financial assistance from any of the following government sources: **Base: Those who indicated they need financial assistance (n=445).**

AMOUNT OF FINANCIAL ASSISTANCE NEEDED

Similar to January 2021, less than half of Indigenous businesses say they need up to \$50,000 to get through the next six months, while roughly one quarter (24%) seek larger amounts of \$50,000 or more (Figure 15).

Amount of financial assistance needed

Results should be compared with caution, since "Do not require financial assistance" was not offered as an answer category in May 2020 survey, but offered as an option in Jan 2021 and July 2021 surveys.

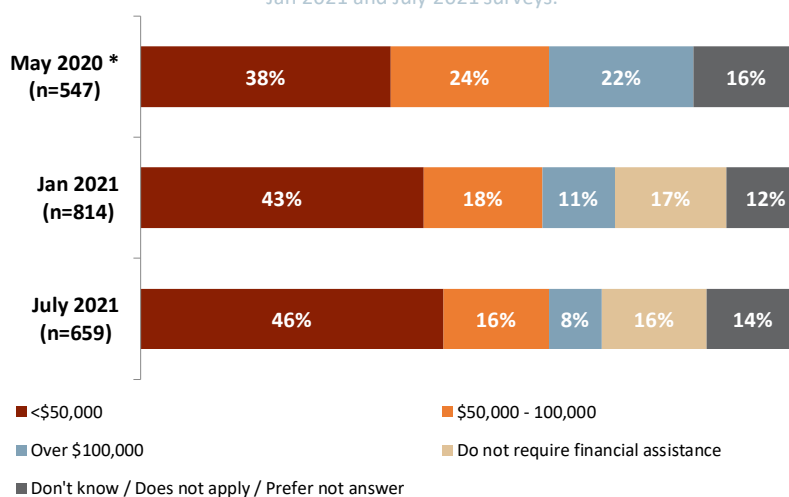


Figure 15

Q23. If you require financial assistance, how much is needed to maintain normal business operations over the next six months? **Base: Total responding to question (n=659).**

AMOUNT RECEIVED

Among businesses that applied for government assistance, more than half (58%) say they received less than \$50,000, while three in ten (29%) received higher amounts (*Figure 16*).

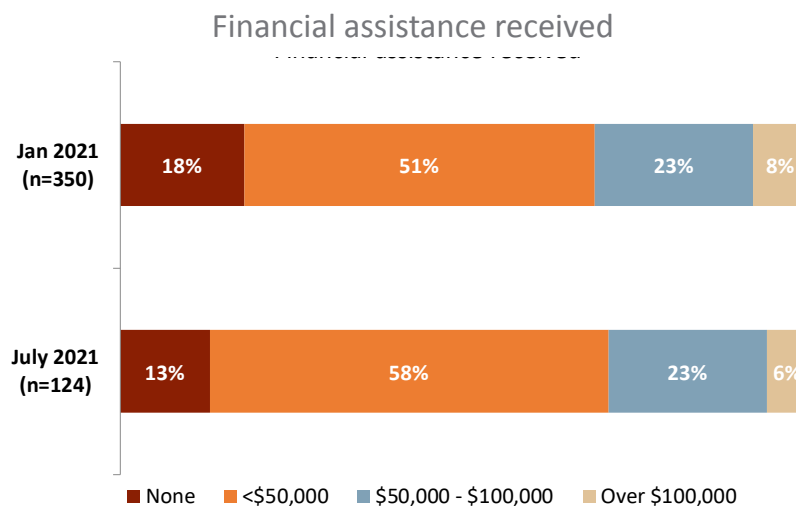


Figure 16

Q26. How much funding did you receive? **Base: those who applied financial assistance (n=124).**

MET FINANCIAL NEEDS

Among the businesses that received government financial assistance, a majority (59%) say the funding did not meet their financial needs. Over one-third (37%) feel the funding met their needs, and another 4% do not know or think it is not applicable (*Figure 17*). This indicates a need for long-term funding options during the recovery stage and considerations for extended repayment plans.

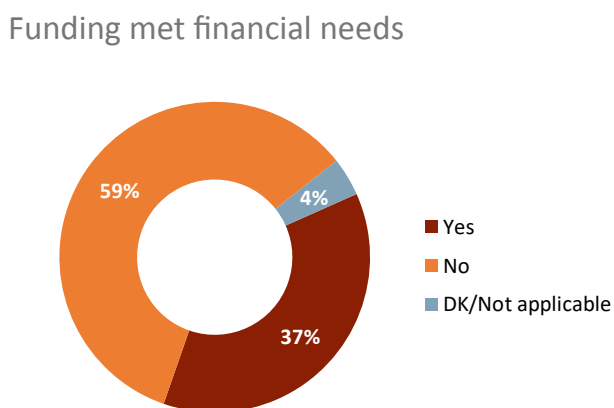


Figure 17

Q27. [New] Do you feel that this funding met your financial needs?: **Base: Those who received financial assistance(n=115).**

BARRIERS TO GOVERNMENT PROGRAMMING

Half of Indigenous businesses say the financial requirements were a barrier to accessing the COVID-19 Economic Response Plan, statistically similar to those that spoke about these requirements as a barrier in January 2021. An increasing proportion report low credit ratings or limited cash savings as a barrier – this may be due to the increased amounts of loans needed to maintain business during the pandemic. Obstacles such as having a payroll of less than \$20,000 (21%), insufficient short-term cash flow (17%), and lack of assets (15%) have remained among the top barriers throughout the pandemic (*Table 4*).

One-third (34%) say they had difficulty meeting some of the application requirements, and this proportion has increased since January 2021. A lack of relevant information and complicated application processes have become a substantial problem over the pandemic (rising from 7% to 16%) and is now the top barrier in the ‘application requirements’ category. Other application requirements posing an issue are a need for financial records (13%), facing a higher level of due diligence at financial institutions (11%), and the legal structure of their business (11%). The proportion of firms that did not experience any barriers has remained steady, at 14% in July 2021. To mitigate these concerns, any additional recovery programming should simplify application processes, improve outreach and communication regarding what is available, and consider how certain requirements (like business structures, CRA numbers and financial statements) may impede access to funding.

Table 4

BARRIER TO ACCESSING COVID-19 ECONOMIC RESPONSE PLAN	May 2020 n=689	Jan 2021 n=715	July 2021 n=615
FINANCIAL REQUIREMENTS	NA	46%	52%
Payroll is currently less than \$20,000	18%	19%	21%
Low credit ratings, limited equity/cash savings that serve as a barrier to Federal programs administered by mainstream financial institutions	13%	11%	18%
Insufficient short-term cash flow to repay tax deferrals or loans at a later date	23%	15%	17%
Lack of assets that can serve as security	13%	13%	15%
The business is not registered with the Canada Revenue Agency	NA	6%	13%
Inability to meet eligibility requirements of proving payroll due to employees being tax-exempt	12%	11%	11%
Current business debt is too high to service more debt, even if interest-free	14%	10%	8%
The business losses were less than the programs required	NA	9%	8%

BARRIER TO ACCESSING COVID-19 ECONOMIC RESPONSE PLAN	May 2020 n=689	Jan 2021 n=715	July 2021 n=615
APPLICATION REQUIREMENTS	NA	26%	34%
Lack of relevant information, complicated application process	7%	11%	16%
Requirements for financial statements and other financial records	11%	10%	13%
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)	NA	9%	11%
Legal structure of business (unincorporated, sole proprietor, or partnership not being supported)	12%	7%	11%
Interest rates are too high	6%	5%	8%
Language barriers	<1%	1%	1%
OTHER	10%	9%	8%
DID NOT FACE ANY BARRIERS	12%	15%	14%

Q29. 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 responding to question (n=615).**

REASONS FOR NOT APPLYING FOR FINANCIAL ASSISTANCE

Many reasons are given by those that chose not to apply for financial assistance, including the inability to meet the criteria, a lack of knowledge, issues with the application process, and a lack of trust in or desire to rely on these programs. The top reason for not applying for financial assistance is the belief that they would not qualify (33%). Nearly a quarter (23%) indicate that they did not know about the available supports. Almost two in ten (17%) say they did not need financial assistance due to having other income (*Figure 18*).

According to Statistics Canada, the main reasons for Canadian businesses not obtaining finance or credit due to the pandemic were that funding or credit was not needed (63.5%), eligibility requirements (23%), lack of awareness (10%), and application requirements or complexity (7%) (*Table 5*).⁹

⁹ [Statistics Canada. Table 33-10-0384-01 Reasons business or organization did not access any funding or credit due to the COVID-19 pandemic, third quarter of 2021](#)

Table 5

TOP REASONS FOR NOT APPLYING FOR FINANCIAL ASSISTANCE		
	CCAB	CSBC, Quarter 3 ¹⁰
Would not qualify/eligibility requirements	33%	23%
Did not know about it/lack of awareness	23%	10%
Did not need it	17%	64%
Application requirements/complexity	5%	7%

Problems such as a lack of understanding of the programs, a lack of trust that they would qualify, and the 5% of firms that said it would be too time-consuming suggest that outreach efforts and accessibility need to be improved.

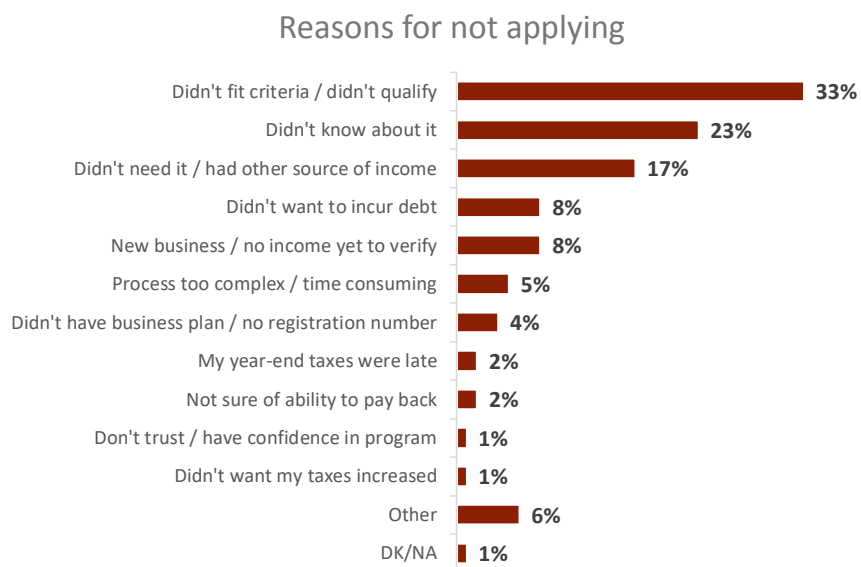


Figure 18

Q28. [NEW] What are the main reasons why you did not? **Base: Those who needed financial assistance and did not apply for any (n=295).**

10 [Statistics Canada. Table 33-10-0384-01 Reasons business or organization did not access any funding or credit due to the COVID-19 pandemic, third quarter of 2021](#)

Below are some of the survey responses regarding why businesses did not apply for government financial assistance.

Awareness

- “I was not aware if I qualified for any funding because some applications don’t specify my specific market.”
 - “I did not realize there was any financial assistance out there.”
-

Eligibility

- “Did not feel my business would be approved.”
 - “I am a small home-based business that does not meet the threshold for GST etc. I am not incorporated.”
 - “I didn’t want the tax burden, and I don’t think I would be eligible.”
-

Independence

- “My business is small cafe family-owned, and we could operate without it.”
- “I want to be independent from government.”
- “I was able to adapt and innovate.”



FINANCING AND DEBT

There has long been a gap in Indigenous businesses' access to funding and financial infrastructure. CCAB's Phase 3 survey reinforces previous findings. Two of the most prominent obstacles identified in this study are the absence of lending relationships and the inability to take on debt. The survey found that 43% of respondents have no current lending relationships with banks, Aboriginal Financial Institutions (AFIs), governments, or credit unions. This puts businesses at a disadvantage when it comes to obtaining critical help in the current environment, despite the numerous new sources of emergency finance available during the pandemic.

Additionally, a greater percentage of Indigenous-owned firms express their inability to take on further debt, at 34%, compared to just 19% of all Canadian-owned enterprises.¹¹ Thus, access to finance and capital to keep their businesses afloat becomes more difficult, strengthening the necessity for grants rather than loans wherever feasible.

CURRENT LENDING RELATIONSHIPS

More than four in ten (43%) businesses report no current lending relationships with any financial institutions, similar to January 2021. This implies that Indigenous firms continue to encounter difficulties in obtaining financial assistance. Fewer businesses than before report lending relationships with large Financial Institutions (19%, down 10 points) and Aboriginal Financial Institutions (15%, down 14 points) (*Figure 19*). This represents a systemic challenge that Indigenous businesses face when it comes to financial infrastructure.

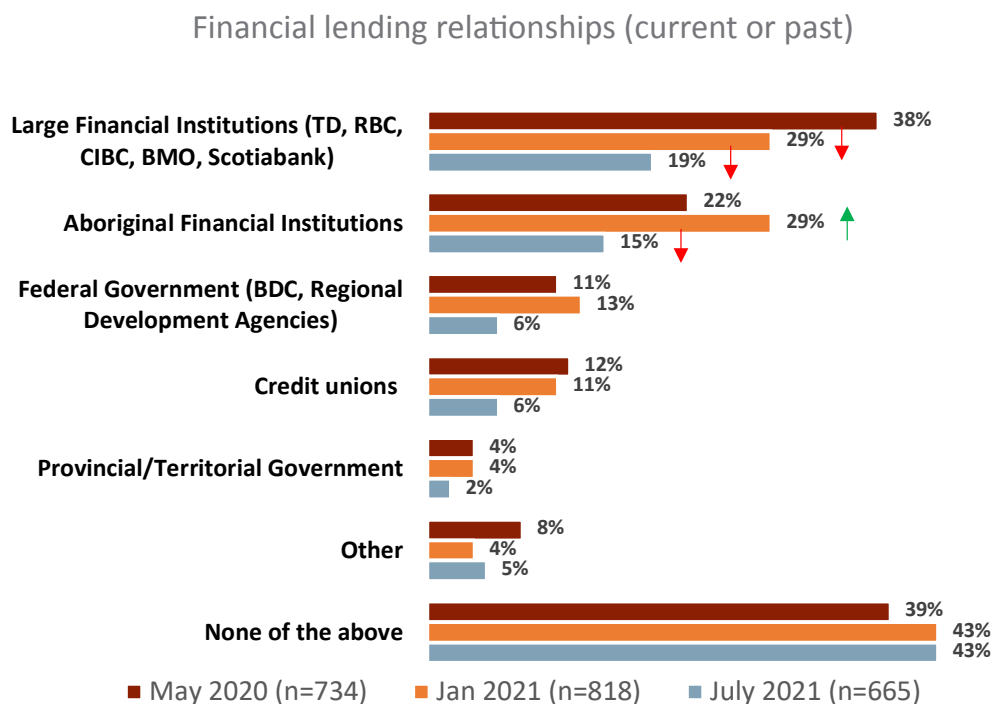


Figure 19

Q20. Does this business have a current or previous financial lending relationship with the following....? Base: Total responding to question (n=665).

11 Statistics Canada, Canadian Survey on Business Conditions, third quarter 2021 (Ottawa: Statistics Canada, 2021) <https://www150.statcan.gc.ca/n1/daily-quotidien/210827/dq210827b-eng.htm>

DEBT

One-third (34%) of Indigenous businesses express that they cannot take on more debt, and two in ten (18%) are uncertain about their ability to take on additional debt. By comparison, one in five (22%) do not need to take on more debt, and one in four (27%) could do so if required (*Figure 19*).

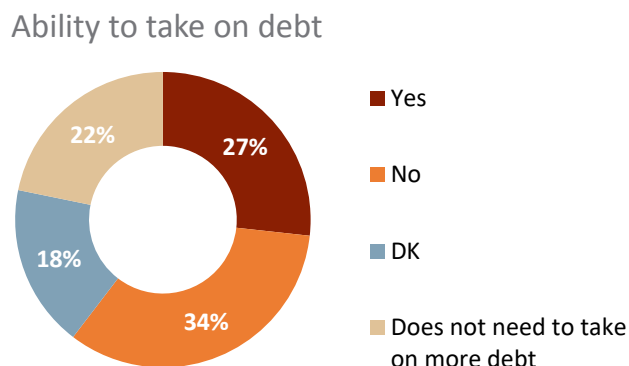


Figure 20

Q21. [NEW] Does this business or organization have the ability to take on more debt? **Base: Total responding to question (n=665).**

According to the CFIB, debt repayment is one of the most difficult issues for half of Canadian businesses as of June 2021.¹² They recommend that the government extend all subsidies and repayment terms for CEBA and other supports. Compared to Canadian businesses, Indigenous firms appear to struggle more with debt. According to the CSBC's third-quarter report, just 19% of Canadian businesses reported being unable to take on additional debt,¹³ compared to 34% of respondents to the CCAB survey. The following table (*Table 6*) summarizes the most often cited reasons for not taking on debt, indicating that a greater proportion of Indigenous firms are hesitant to borrow money due to cash flow concerns and the anticipation that their request will be denied.

Table 6

REASON FOR NOT TAKING ON DEBT	INDIGENOUS BUSINESS SURVEY	CSBC, QUARTER 3 ¹⁴
Cash flow	56%	41%
Lack of confidence/uncertainty in future sales	42%	40%
Request would be turned down	24%	16%

12 Canadian Federation of Independent Businesses, Small business debt; the COVID-19 Impact – August 2021 Update, (North York: Canadian Federation of Independent Businesses, August 2021), 11. <https://content.cfib-fcei.ca/sites/default/files/2021-08/Small-Business-Debt-The-COVID-19-Impact.pdf>

13 Statistics Canada, Canadian Survey on Business Conditions, third quarter 2021 (Ottawa: Statistics Canada, 2021) <https://www150.statcan.gc.ca/n1/daily-quotidien/210827/dq210827b-eng.htm>

14 Statistics Canada, Canadian Survey on Business Conditions, third quarter 2021 (Ottawa: Statistics Canada, 2021) <https://www150.statcan.gc.ca/n1/daily-quotidien/210827/dq210827b-eng.htm>

NON-GOVERNMENT SUPPORT

Similar to the previous wave, four in ten (41%) Indigenous businesses report receiving some type of non-government financial assistance, such as a line of credit, private investment, or financial support from an Indigenous government (*Table 7*).

Table 7

NON-GOVERNMENT FINANCIAL ASSISTANCE RECEIVED	Jan 2021 n=658	July 2021 n=607
Net: Any	36%	41%
Line of credit	12%	8%
Private investment	5%	5%
Financial support from a Tribal Council or Indigenous Government	4%	5%
Funding from a community organization or partnership (business improvement associations, etc.)	3%	5%
Business loan from a large financial institution	5%	4%
Funding from a non-profit or charity (not related to federal stimulus funds such as Indigenous Tourism Stimulus Development Fund)	2%	2%
Fundraising or crowdfunding	1%	1%
Grant from a private business	1%	1%
Financial support from a Chamber of Commerce	1%	1%
Refinancing	1%	1%
Other	2%	5%
Prefer not to answer / Don't know/ Not applicable	9%	12%

Q30. What non-government financial assistance has your business received, if any? *Base: Total responding to question (n=607).*



PROCUREMENT

Similar to Phase 2, a very small proportion of Indigenous business report bidding on or receiving a government (2%) or corporate (1%) contract for providing PPE (*Figure 21*). In CCAB's first COVID-19 Indigenous Business Survey (May 2020), 13% of businesses had registered with the federal government because they were able to support Canada's response to COVID-19. Further, 8% reported they could scale up production to provide PPE, and 12% already provided supplies or equipment that could help meet Canada's needs. These results indicate that Indigenous businesses have more capacity to support government PPE and procurement needs than are currently being bid on. The discrepancy between business capacity to support PPE contracts and the portion of Indigenous businesses currently bidding on (2%) and receiving (1%) government contracts may be due to a decrease in calls for PPE from the Government of Canada. Additionally, many procurement contracts have complex requirements such as previous contracts with the federal government, high bid bonds or insurance requirements, or complicated RFP processes that require too many company resources within short-term RFP dates.

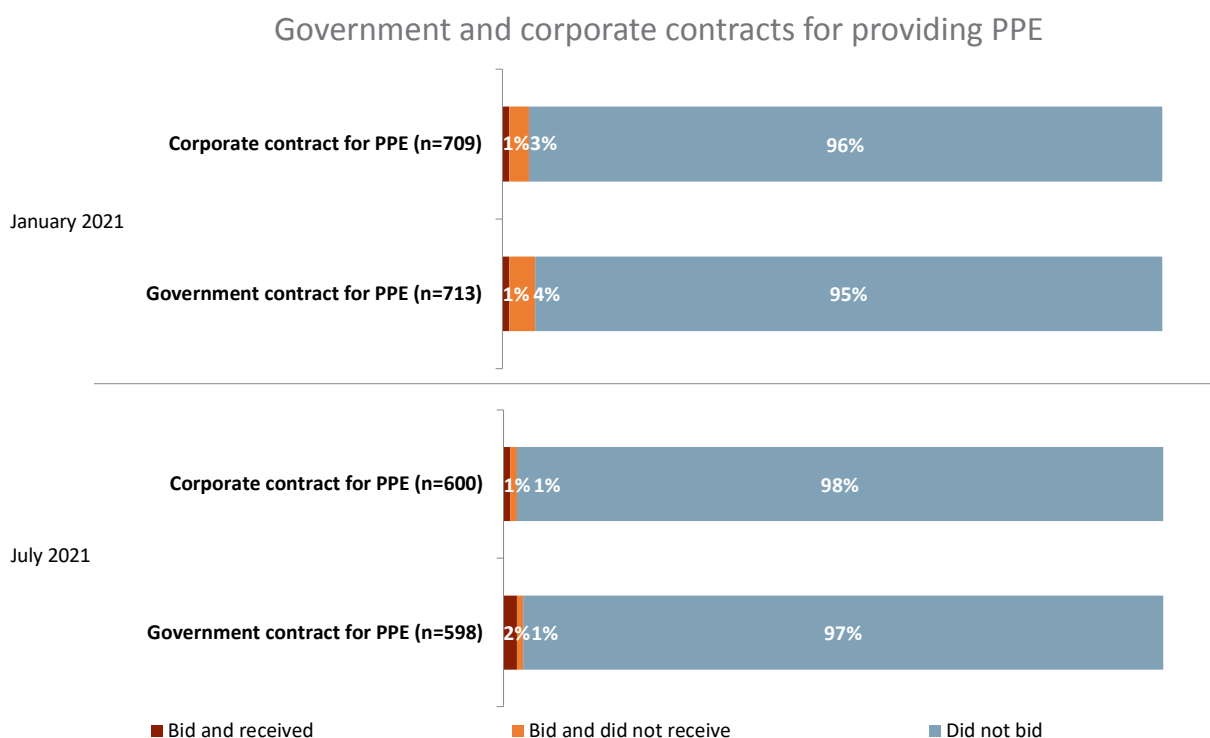


Figure 21

Q32. Has your business bid on a government or corporate contract for providing personal protective equipment during the COVID-19 pandemic? Base: Total responding to question (n=600).



**COMMUNITY SUPPORT
AND OTHER PROGRAMS**

OUTLOOK

Looking ahead, six in ten (61%) Indigenous businesses have an optimistic outlook for the next six months. This proportion has substantially increased since January 2021 (37%, up 24 points), with a decreasing minority reporting a negative (18%, down 24 points) or neutral outlook (18%, down 2 points) (*Figure 22*).

While this has improved for a variety of reasons, Indigenous firms continue to have a less hopeful view than Canadian businesses as a whole, with 76% very (24%) or moderately optimistic (52%) over the next 12 months according to Statistics Canada.¹⁵

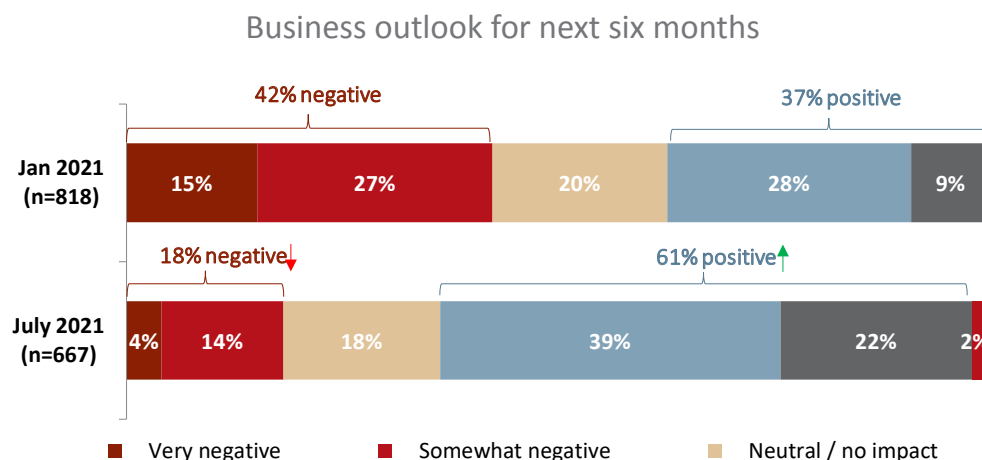


Figure 22

Q18. Looking ahead, what is your outlook for your business over the next six months? **Base: Total responding to question (n=667).**

The respondents' optimism about their business is fueled by the belief that things are returning to normal in terms of reopening, increasing demand for services and products, new markets, stable productivities, easier access to supplies, and lifted COVID-19 restrictions. Some also cited new plans or strategies for their business.

On the other hand, those with a more pessimistic outlook for their business are uncertain about the pandemic situation and see challenges in getting the economy and their business back to normal, including decreasing demand in products and services, business closure, recession in the economy, and staff shortage. Some mentioned that further support will be required in the future. According to the CSBC, "a larger proportion of businesses majority-owned by First Nations, Métis or Inuit persons expect to face obstacles such as recruiting skilled employees (49.4%), rising cost of inputs (47.3%), retaining skilled employees (44.3%), and shortage of labour force (42.2%), compared to all private sector businesses (34.6%, 39.9%, 24.5%, and 30.8% respectively)."¹⁶

15 Statistics Canada. [Table 33-10-0393-01 Future outlook over the next 12 months, third quarter of 2021](#)

16 Statistics Canada, *Impact of COVID-19 on businesses majority-owned by various sub-population groups and visible minorities, third quarter of 2021*, (Ottawa: Statistics Canada, September 16, 2021). <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2021001/article/00036-eng.htm>

Positive responses:

- We are hoping the restrictions being lifted will help get us back out in the field.
- I am hoping that the Indigenous procurement policies will be implemented to a larger degree to give Indigenous businesses without political connections a fair chance to do business with the government.
- We have reimagined how we do business and are looking hopefully forward.
- During the pandemic, we worked hard to make connections and also hit the online markets. Now with the Indigenous uprising, my business has hit a new level.
- The limitations of the pandemic have opened new doors for alternative funding & services delivery. We are more versatile than two years ago.
- Our original business plan catered to weddings and events. As gatherings are allowed, the demand for our products and services will increase.
- We are expanding our manufacturing capacity to include export to the U.S. and Germany, and Australia.

Negative responses

- Even though the pandemic restrictions are lifted, I still find clients are hesitating to host in-person events due to event restrictions being not worth it or not [having] enough cash flow on their end. I've been doing virtual events, but I highly dislike this aspect of event planning, and they are nowhere near close to the revenue capabilities as in-person events. It will take about a year at a minimum, I believe, for events to be back to where they were on the corporate side.
- I am not certain if I can continue with the heavy workload due to staff shortage, and people just don't have the money for services.
- Most people in my community suffered financial hardships during the pandemic, which means they can no longer afford extra programs for their children or out-of-pocket costs for health services.
- There will be a fourth wave, and my provincial government has provided little support to businesses; I am not in the position to take a loan to keep operating and may end up having to close for lack of revenues.
- Work must "build up," contracts have to be signed, but no one is gambling on projects being completed at the moment.
- My business has gone into debt, and personally, I have gone into debt to keep the company going during the pandemic as well as myself and my family.

COMMUNITY NETWORKS

As was the case in January 2021, one-third of Indigenous businesses surveyed say they have taken initiatives to support people and/or other businesses in their community during the pandemic (Figure 23). Many Indigenous businesses surveyed participated in shop local and shop Indigenous campaigns, shared promotional material and content of other Indigenous businesses, or provided discounts on their products and services to Indigenous peoples.

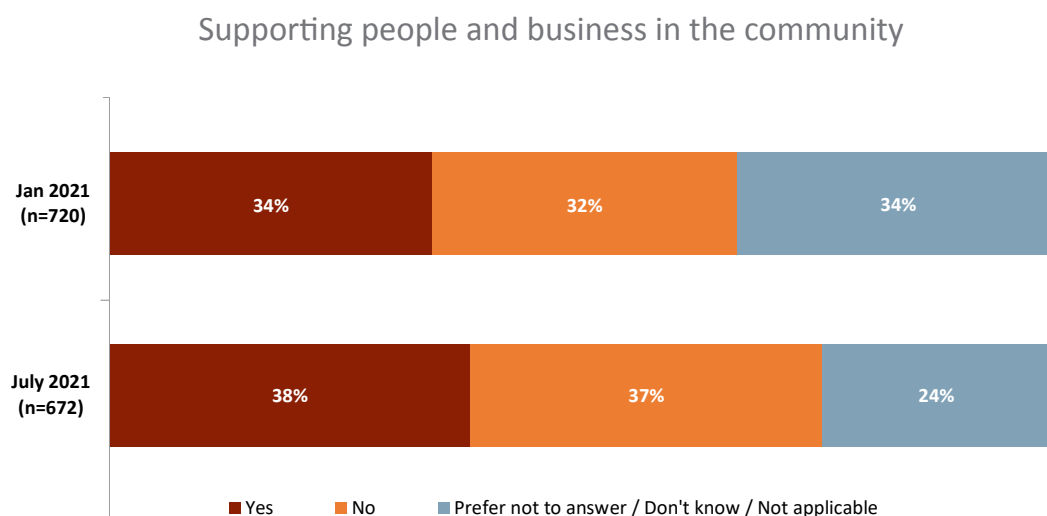


Figure 23

Initiatives

- Participated in shop local campaigns, helped other small local businesses instead of ordering outside of the area, still donated to non-profits as possible
- I didn't have any cash flow to be able to put into efforts, so the best I did was sharing content from other businesses for their exposure.
- We provide a location for local artisans to sell their products as the storefront is difficult to acquire. We also do social media to promote their products and their small businesses.
- Homes requiring a 14-day isolation period provided with food, water, medicine, traditional medicine packages, no contact thermometer, change furnace filters beginning and end of the Isolation period... We handed out PPE, masks, hand sanitizer, sanitation kits, and community information packages to every household in the community.
- I offered my services at a 50% (to in-kind) discount to Indigenous non-profit groups to help them in still trying to raise funds, awareness, etc., for their group.
- Shop local giveaway. Monthly random draws for prizes purchased in the community

- Reduced hourly rate for indigenous sovereignty development projects. Donated time and knowledge to help others working in projects for Indigenous sovereignty, governance policy, and collaboration. Worked 75% below regular development project rates to contribute to community development and indigenous governance.
- Collaborations with other organizations to bring our resources together. Helped promote other organizations' events on social media. Volunteered help to other orgs to help them promote themselves (i.e., training and borrowing equipment).
- Provided discounts to many businesses that were struggling financially

BUSINESS ADAPTIONS

Accelerating digital transformation and building online presence remain the most common ways Indigenous businesses adapted to the pandemic, via the creation of an online platform (36%), increased online marketing (34%), and online communication (28%), and hosting online events (21%) (Table 6). These are also the changes businesses said they are planning to keep post-pandemic, suggesting this digital transformation is permanent rather than temporary.

A lower percentage of Indigenous businesses have staff working remotely (13%) than Canadian businesses (25%).¹⁷

Table 8

BUSINESS CHANGE	Jan 2021 (n=710)	July 2021 (n=600)	July 2021 (n=458)
	Changes made as result of pandemic	Changes made as result of pandemic	Changes plan to maintain after the pandemic
Created an online platform (website, social media page)	28%	36%	38%
Increased online marketing (advertisements, social media posts)	33%	34%	40%
Increased online or remote communication between staff and clients	38%	28%	28%

17 Canadian Federation of Independent Businesses, One year of COVID-19: 7 ways the world has changed for small businesses (North York: Canadian Federation of Independent Businesses, March 2021), 7. <https://content.cfib-fcei.ca/sites/default/files/2021-03/One-Year-of-COVID19.pdf>

BUSINESS CHANGE	Jan 2021 (n=710)	July 2021 (n=600)	July 2021 (n=458)
	Changes made as result of pandemic	Changes made as result of pandemic	Changes plan to maintain after the pandemic
Events are online	22%	21%	16%
Sales are delivery or pickup-based	17%	18%	15%
Changed services or products to meet current demands	20%	18%	16%
Some or all staff are working remotely	26%	15%	13%
Changed the physical space of the business to protect staff and clients	20%	14%	10%
Marketed to different clientele	17%	14%	13%
Trained staff for new roles or new business practices	12%	10%	10%
Used different suppliers or modified supply chain	9%	10%	8%
Begun using e-commerce platforms for our retail products (Amazon, Shopify, etc.)	11%	10%	10%
Changed to cashless transactions	11%	10%	9%
Modified roles and responsibilities to retain staff	13%	9%	9%
Events are outdoors and socially distanced	8%	8%	7%
Other	3%	5%	4%
None/I haven't changed my business practices	13%	13%	11%
Prefer not to answer / Don't know / Not applicable	11%	11%	NA

Q34. In which of the following ways, if any, have you changed your business as a direct result of the pandemic? Base: Total responding to question (n=600).

Q35. [New] Which of the following changes do you plan to maintain after the pandemic? Base: Total responding to question (n=458).



**CALLS TO ACTION /
RECOMMENDATIONS**

Based on the findings of the COVID-19 Indigenous Business Survey: Phase 3, CCAB makes the following recommendations to ensure Indigenous businesses are included in Canada's equitable economic recovery:

Extend and develop new COVID-19 benefits and business supports, particularly in forms other than loans.

With current uncertainty around the extension and lifecycle of current COVID supports such as CEWS and CERS, and other programs closing in the coming months, the long-term impacts of the pandemic must be considered. Financing must be maintained for the foreseeable future to ensure that Indigenous businesses are not left behind while others bounce back. While many businesses are optimistic for the coming months, financial support is still a primary concern for a quarter of respondents (25%). One in ten of those who need assistance are deterred because they cannot take on any more debt (8%), while 17% of all respondents reported insufficient funds to repay loans as a barrier to accessing government supports. Of those who received funds from emergency response plan, 59% say their funding did not meet their needs. This indicates a need for other forms of funding and for extended repayment plans for existing loans. Although many regions may be entering a recovery period, the impacts of the pandemic and business restrictions have created a long road to recovery. Taking a long-term approach to business recovery, including additional grants and flexible repayment plans, will allow more Indigenous businesses to recover and grow in the post-pandemic period.

Develop resources for digital adoption and business administration to improve long term recovery and growth.

A growing proportion of Indigenous businesses require training on social media and digital marketing (49%, up from 45% in January 2021), web development (42%, up from 36%), and e-commerce training (37%, up from 29%). Although restrictions are being lifted in many regions, there has been a shift in consumer demand towards e-commerce during the pandemic. There is clearly great demand for improving digital capabilities, however, there remains an infrastructure gap in Canada with Indigenous communities lagging in digital access, particularly to affordable high-speed internet. Training and education programs should be developed hand in hand with investments into infrastructure, online business platforms, and communications initiatives so that Indigenous businesses can continue to adapt and innovate.

Ensure all government initiatives with a business focus are accessible to Indigenous entrepreneurs.

Indigenous businesses require equitable access to all programming and supports available across federal departments. Departments should create targeted strategies to increase engagement with and accessibility for Indigenous businesses that could benefit from programming, whether that be innovation and adaptation funding, digital adoption strategies, skills training, export development, or other initiatives. Departments should consider carve outs or set asides for Indigenous businesses within each initiative and publicly report on Indigenous business participation within them. This should not be the sole responsibility of Indigenous-focused departments, rather, it should be an all of government approach to business and economic development supports and services.

Continue and expand efforts to meet the Government of Canada's 5% Indigenous Procurement Target.

Over the pandemic, we have seen a decline in businesses applying for and receiving government contracts for PPE, down from 5% applying and 1% receiving in May 2020, to 3% applying and 1% receiving in July 2021. Recovery from the COVID-19 Pandemic will require more than grants, loans and skills-development programs for Indigenous businesses. Government and corporate Canada can encourage business growth and prosperity

within the Indigenous economy through increased access to procurement contracts for Indigenous businesses. On August 6th, 2021, CCAB joined Public Services and Procurement (PSPC) and ISC to announce new measures to increase federal procurement opportunities for Indigenous business across Canada, including a mandatory requirement for all federal departments and agencies to direct a minimum of 5% of the total value of contracts to Indigenous businesses and a mandatory requirement of public reporting of progress against the target. This is a welcome first step, but clarification on how these measures will be implemented, tracked, and reported on across departments will be necessary to ensure meaningful progress. Increased procurement from Indigenous businesses from both government and corporate actors, based on meaningful outreach and relationship building, will have a greater social and economic impact than simply increasing revenue for the business, considering how deeply rooted many businesses are within their local communities.

Increase support and capacity to improve access to funding.

Government departments should make accessibility and outreach a priority. Nearly a quarter (23%) of Indigenous businesses that did not apply for emergency funds during the pandemic said they did not know about it. Of all respondents, 16% considered the application process a barrier to accessing funds, in that it was too complex or that there was a lack of information available. In this phase of the survey, 43% did not have lending relationships with AFIs or large financial institutions, creating an additional barrier to accessing funding. Furthermore, many feel that as Indigenous businesses, they are required to meet higher levels of due diligence when working with financial institutions (11%). CCAB's previous research has identified each of these as a common barrier for Indigenous businesses when trying to access government supports and procurement contracts. A comprehensive navigator service that provides access to all available government supports (across departments and funding initiatives) will simplify access to funding for Indigenous businesses. This could be bolstered by a dedicated help line for Indigenous entrepreneurs looking for assistance in applying to supports. Developing streamlined application processes and improving trust and outreach through Indigenous networks will go a long way towards increasing Indigenous access to funding, programming, and procurement contracts.

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.

Phase 3 of the COVID-19 Indigenous Business Survey shows that impacts to Indigenous businesses throughout the pandemic have changed over time and new indicators have emerged since 2020. While this series of reports shows an upward trend in several indicators, it is possible that businesses that have been suffering or have closed may be underrepresented in the data. Further research is necessary to understand the broader impacts of the pandemic, particularly with businesses that have already closed and to monitor the changing impacts to businesses over time. Additionally, research into the unique experiences for Indigenous business owners across identities, regions, genders, and industries is needed to create targeted, data driven policies and programming during the recovery period. Finally, the Government of Canada must consider tracking the impact of business support initiatives and procurement targets for Indigenous businesses in the recovery period to ensure program success and to allow for improvements where necessary.

APPENDIX: BUSINESS PROFILE

BUSINESS CHARACTERISTICS		May 2020 (n=833)	Jan 2021 (n=825)	July 2021 (n=672)
Privately/community-owned	Privately-owned	77%	87%	85%
	Community-owned	10%	6%	4%
	AEDC	7%	2%	1%
Not-for-profit organization	Yes	10%	6%	7%
	No	87%	91%	89%
Business incorporated	Yes	60%	56%	43%
	No	36%	41%	53%
Business size*	No Employees	24%	28%	46%
	1-19 Employees	60%	65%	47%
	Over 20 Employees	14%	7%	5%
Annual revenue	<\$1M	71%	75%	80%
	\$1M to \$5M	15%	9%	4%
	Over \$5M	7%	4%	1%
Industry	Nat. Res	12%	13%	9%
	Construction	11%	11%	7%
	Secondary	17%	17%	20%
	Service	61%	58%	62%
Indigenous ownership	First Nations	72%	64%	72%
	Métis	18%	30%	23%
	Inuit	4%	3%	2%

BUSINESS CHARACTERISTICS		May 2020 (n=833)	Jan 2021 (n=825)	July 2021 (n=672)
Gender of owner/majority ownership	Female	37%	40%	56%
	Non-Female	58%	50%	36%
Regions	BC	16%	21%	20%
	AB	8%	18%	25%
	SK/MB	9%	21%	17%
	ON	18%	25%	25%
	QC	10%	4%	3%
	ATL	5%	6%	7%
	Territories	4%	4%	3%
	NA/DK	31%	NA	NA
Business age	Less than five years	NA	45%	57%
	6-15 years	NA	30%	26%
	More than 15 years	NA	25%	17%
Inside/outside community	Inside community	46%	40%	42%
	Outside community	44%	53%	51%

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