Overview & Findings
Chapter 1

June 2024

Portrait of female entrepreneurship

WOMEN–OWNED BUSINESSES (Canada Data)

18 % businesses of all sizes are majority owned by women

83 % Women-owned businesses are typically micro-enterprises, employing fewer than 20 employees.

37 % self-employed workers are women

The first 3 motivations:

- financial independence
- flexibility
- better work/life balance

Higher percentage of women entrepreneurs in Indigenous communities (**33%**) and among Asian communities (**46%**)

State of Female Entrepreneurship in Canada
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PROFILE OF WOMEN ENTREPRENEURS

Common points

70% have a master's degree or higher

43% have parent managers or directors

25% have entrepreneurial parents

Differences

Women start entrepreneurship **2X later** than men

Want **to prove themselves** professionally

Prioritize **motherhood**

Getting started with **less income** and **less capital**

Why they don't start sooner :

Procrastination
Doubt
Fear
Family
Wage employment
Lack of education
Immaturity
Money,
Schedule
Incompetence
Unawareness
Comfort
Judgment,
Failure
Inexperience

MOTIVATIONS & SUCCESS

Motives

For women: the impact
Primary focus: Sustainable development (22%)
Societal sectors: well-being, health, education, food

For men: the money (25%)
Primary focus: : financial services

Main criteria for success at 5 years

For women :

- profitability (77%),
- sector leadership (56%)
- recruitment of employees (47%)
- obtaining a positive impact label (30%)
- internationalization (27%).

For men :

- sector leadership (65%)
- profitability (63%),
- internationalization (35%).
- recruitment of employees (28%)
- obtaining a positive impact label (20%)

INCOME OF WOMEN ENTREPRENEURS
(Canada Data)

37 % earn $50,000–/year
(31% of male entrepreneurs)

11 % earn $150,000/year
(15% of male entrepreneurs)

Women entrepreneurs:

- Start with lower salaries
- Invest less at the start-up phase
- Have less access to fundraising (4%)
- Are less inclined to resort to fundraising
- Fear losing control of the company and compromising their values.

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FINANCING WOMEN ENTREPRENEURS
(Canada Data)

53 % less capital than men when starting their business

84 % finance their business start-ups from their personal savings , their personal credit and their loved ones

24 % use credit

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Female-owned companies outperform

- Achieve better returns on invested capital: doing more with less
- Better loan repayment rate

Male-majority businesses get 1.5x more funding

WOMEN ENTREPRENEURS IN THE ECONOMY
(Canada Data)

Women-owned businesses represent **1.5 M JOBS**

and inject into the Canadian economy each year **$ 150 billion**

- 26% of SMEs majority owned by women **innovate in marketing** (10% for those owned by men)
- Women-owned SMEs are **more inclusive** and offer **more opportunities to groups seeking equity** (women, Indigenous people, black people or people of color from the LGBTQ2S+ community).

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CHALLENGES AND EXPLANATIONS FROM THE SIDE OF FINANCERS

SUBJECTIVE ELEMENTS

- we know that there are unconscious biases against female entrepreneurs
- the qualities attributed to a successful entrepreneur are more masculine: assertiveness, ambition, aggressiveness, decision-maker
- qualities perceived as feminine are not associated with the entrepreneur's profile: capacity for consensus, listening and empathy, modesty, etc.
- women are questioned more about the risks, while men are questioned more about the potential

OBJECTIVE ELEMENTS

- Sector effect, especially for venture capital financing
- Women entrepreneurs request less funding

Ted talk by Dana Kanze: The real reason female entrepreneurs get less funding

CHALLENGES AND EXPLANATIONS FROM THE SIDE OF ENTREPRENEURS

SUBJECTIVE ELEMENTS

Women entrepreneurs show:

- Greater need for control, less propensity to take risks
- A certain form of self-censorship, imposter syndrome, linked to values internalized very early

OBJECTIVE ELEMENTS

- A precarious financial situation leaves no room for failure
- There are no real financing products adapted to the specificities of women entrepreneurs AND small structures
- Lack of knowledge among financiers of the realities of the sectors in which women entrepreneurs operate => prejudices
- Women entrepreneurs have less financial literacy, less network and less social capital