

# What Women Entrepreneurs Need From Canada's 2021 Budget



CANADIAN WOMEN'S  
CHAMBER OF COMMERCE



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With input from the  
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## ACKNOWLEDGMENTS

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this report speaks to the experiences of over 50,000 women entrepreneurs across Canada. The fresh insights, perspectives and knowledge of the task force contributors strengthen this report to be reflective of the needs of the women entrepreneurs.

We weren't  
offered a seat at  
the table, so we  
created our own.



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# The 2021 federal budget is critical in determining if women-led businesses survive the economic recovery period.

The Speech from the Throne provided a glimpse into the possibility of a fair and feminist economic recovery. Despite the announcement, the women's entrepreneurship sector has been grossly underrepresented within these conversations.<sup>1</sup>

The COVID-19 pandemic exacerbated pre-existing systemic barriers facing women entrepreneurs, making economic security and prosperity through entrepreneurship even more challenging. Canada's Women's Entrepreneurship Strategy (WES), announced in 2018, has attracted global attention and praise. In the face of Canada's global recognition as a leader in gender equality, women-identified entrepreneurs are in crisis.

It is imperative that the government re-invest in WES and consider the unique needs of women entrepreneurs as economic recovery policy is developed and implemented. Canada has a strong ecosystem of leaders and organizations with experience and expertise in women's entrepreneurship. The government must support these organizations and leverage existing expertise and relationships in order to create sustainable, effective strategies for growth.

The Canadian Women's Chamber of Commerce (CanWCC) and our colleagues across the country have witnessed the impact of the pandemic on women-identified entrepreneurs and our organizations over the past year. CanWCC organized an Independent Women's Entrepreneurship Task Force to participate in a series of consultations. This report is the result of those consultations.

<sup>1</sup> Mutch, P. (2021). "Shut out and shut up: Canada's feminist recovery plan excludes voices of women entrepreneurs" Liisbeth Media. <https://liisbeth.com/shut-out-and-shut-up-canadas-feminist-recovery-plan-excludes-voices-of-women-entrepreneurs/>

## Apply an intersectional lens to the economic recovery plan.

Due to systemic and racial inequality, Black, Indigenous and racialized women will be some of the last communities of people who will re-enter the labour market.<sup>6</sup> A report conducted by RBC economics found that 55 percent of women were pushed out of the labour market due to care responsibilities.<sup>7</sup> In a survey conducted by the Canadian Women's Chamber of Commerce in 2020, 83 percent of women-identified entrepreneurs stated that they conducted at least 50 percent of the care responsibilities and 66 percent of this group report doing 75 percent or more.<sup>8</sup> To remain consistent with the 2020 Economic Statement, pandemic recovery policies must be designed using an intersectional gender lens.

**We recommend that the Government of Canada further the intersectional analysis of the economic recovery plan by making child care costs a tax-deductible business expense.**

<sup>2</sup> Women Entrepreneurship Knowledge Hub (2020). "The Impact of COVID-19 on Women Entrepreneurs". [https://wekh.ca/wp-content/uploads/2020/05/WEKH\\_The\\_Impact\\_of\\_COVID-19\\_on\\_Women\\_Entrepreneurs-6.pdf](https://wekh.ca/wp-content/uploads/2020/05/WEKH_The_Impact_of_COVID-19_on_Women_Entrepreneurs-6.pdf)

<sup>3</sup> Women's Entrepreneurship Knowledge Hub (2021). "The State of Women's Entrepreneurship: A Focus on Black Women Entrepreneurs". [https://wekh.ca/wp-content/uploads/2021/02/The\\_State\\_of\\_Womens\\_Entrepreneurship\\_Black\\_Entrepreneurs.pdf](https://wekh.ca/wp-content/uploads/2021/02/The_State_of_Womens_Entrepreneurship_Black_Entrepreneurs.pdf)

<sup>4</sup> United Nations: Department for Economic and Social Affairs (N.D). "COVID-19 and Indigenous Peoples". <https://www.un.org/development/desa/indigenouspeoples/covid-19.html>

<sup>5</sup> Fresh Books. (2019). "Canadian Women-Owned small businesses taking twice as long to recover from COVID-19 compared to businesses owned by men". <https://www.freshbooks.com/press/data-research/canadian-women-businesses>

## Fund a feminist stimulus package.

The COVID-19 pandemic has disproportionately impacted women, including women-identified entrepreneurs. Government financial support programs and other interventions did not adequately address the needs of women.<sup>2</sup>

A 2021 study found that Black women-led businesses - a group that makes up 30 percent of the total number of women entrepreneurs - were the hardest hit during the pandemic, and were unable to access support.<sup>3</sup> Moreover, the pre-existing barriers for Indigenous communities have been exacerbated as a result of the pandemic.<sup>4</sup> As a result, business recovery is a longer, more difficult process. A 2020 FreshBooks study found that it took women-owned businesses ten weeks longer to recover from the impacts of the pandemic than businesses owned by men.<sup>5</sup>

**We recommend that the Government of Canada create a \$500 million recovery fund, which will be used to provide capital to Black, Indigenous, racialized and mature women to start or scale their businesses. The fund should be community-managed with grants and loans administered by women-led community organizations, using existing expertise and infrastructure within the sector.**

<sup>6</sup> Patel, R. (2021). "Women struggling due to pandemic need meaningful support to help get back on their feet". CBC. <https://www.cbc.ca/news/opinion/opinion-covid-women-employment-support-1.5939419>

<sup>7</sup> RBC Economics. (2020). "Pandemic threatens decades of women's labour force gains". [https://thoughtleadership.rbc.com/pandemic-threatens-decades-of-womens-labour-force-gains/?utm\\_medium=referral&utm\\_source=economics&utm\\_campaign=special+report](https://thoughtleadership.rbc.com/pandemic-threatens-decades-of-womens-labour-force-gains/?utm_medium=referral&utm_source=economics&utm_campaign=special+report)

<sup>8</sup> Canadian Women's Chamber of Commerce. (2020). "Falling through the Cracks: Immediate Needs of Canada's Underrepresented Founders". [https://canwcc.ca/wp-content/uploads/2020/05/Falling-through-the-Cracks\\_CanWCC\\_May2020v19.pdf](https://canwcc.ca/wp-content/uploads/2020/05/Falling-through-the-Cracks_CanWCC_May2020v19.pdf)

## Expand the Canada Recovery Benefit.

The Canada Emergency Recovery Benefit (CERB) provided 8.9 million Canadians with financial support during 2020. For self-employed Canadians who were unable to serve their clients, CERB was their sole means of support. In September 2020, CERB was discontinued and the Canada Recovery Benefit (CRB) was introduced. The CRB serves many self-employed Canadians who remain unable to run their businesses or experience a significant reduction in revenue. With rolling lockdowns across several provinces in 2021, many self-employed individuals have no alternative form of income. The CRB is a lifeline for these individuals.

The CRB will end on September 25, 2021. An individual can receive up to 38 weeks of support. This leaves approximately 14 weeks (3.5 months) with no financial support. The CRB should be viewed as a wage subsidy to keep self-employed Canadians employed in their business until the business is able to recover.

**We recommend that the Government of Canada extend the Canada Recovery Benefit program beyond September 25, 2021 and expand the number of periods that an individual can apply to receive the benefit.**



## Reinvest \$5 billion into the Women's Entrepreneurship Strategy.

Structural policies and common practice often makes it so that organizations within the women's entrepreneurship sector that are women-led are often unable to access funding to support their mission and values. Often, organizations are under-resourced and lack capacity for full organizational realization.<sup>9</sup> The OECD has estimated that 0.5 percent of funding targeting women's equality is given to women's rights organizations and movements.<sup>10</sup> Organizations in the women's entrepreneurship sector need capacity building funding to sufficiently address the needs of women. Organizations in the women's entrepreneurship sector are essential to supporting women-led businesses. Community organizations cannot continue to operate without adequate funding, they require long-term sustainable capital to ensure longevity in programming.

Investments into the sector should include funding to work collaboratively and remove organizational or regional silos. Across other sectors, intersectoral investments into collaborative work have demonstrated a more efficient use of public money.<sup>11</sup>



# Reinvest \$5 billion into the Women's Entrepreneurship Strategy.

## *continued*

We recommend that the Government of Canada reinvest at least \$5 billion into the Women's Entrepreneurship Strategy (WES) with four funding priorities:

1. Funding for organizations that support women entrepreneurs to strengthen sector partnerships, collaborations and reduce the duplication of services.
2. Funding for organizations within the women's entrepreneurship sector for capacity building and training to administer and manage financial supports (i.e. grants and loans).
3. Funding for community-based research with guidance and support from research-based institutions across the country.
4. Funding for women-identified entrepreneurs to start and/or rebuild a business.

<sup>9</sup> AWID. (2019). "Towards a Feminist Funding Ecosystem". [https://www.awid.org/sites/default/files/atoms/files/awid\\_funding\\_ecosystem\\_2019\\_final\\_eng.pdf](https://www.awid.org/sites/default/files/atoms/files/awid_funding_ecosystem_2019_final_eng.pdf)

<sup>10</sup> Global Affairs Canada. (2019). "Backgrounder: The Equality Fund: transforming the way we support women's organizations and movements working to advance women's rights and gender equality <https://www.canada.ca/en/global-affairs/news/2019/06/global-affairs-canada---the-equality-fund-transforming-the-way-we-support-womens-organizations-and-movements-working-to-advance-womens-rights-and-g.html>

<sup>11</sup> World Health Organization. (2018). "Multisectoral and intersectoral action for improved health and well-being for all: mapping of the WHO European Region". [https://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0005/371435/multisectoral-report-h1720-eng.pdf](https://www.euro.who.int/__data/assets/pdf_file/0005/371435/multisectoral-report-h1720-eng.pdf)

## **Create an inter-ministerial committee to address women's economic security and entrepreneurship.**

Systemic barriers limit women entrepreneurs' ability to fully participate in the labour market.

A single department or minister cannot independently solve the pervasive issues impacting women identified entrepreneurs. We need to implement a multi-sectoral approach to address the systemic challenges across all areas of government.

**We recommend that the Government of Canada create a multi-sectoral committee to examine the correlation between women's economic security and entrepreneurship to coordinate policy and strategic priorities across the ministries of finance, women and gender equality, small business and export promotion portfolios**

- 1. The committee's mandate should be to create a sustainable long-term strategy for women's entrepreneurship in Canada.**
- 2. The committee should include representatives from government ministries, leaders from the women's entrepreneurship ecosystem, and individual women-identified entrepreneurs.**

IN REVIEW, WOMEN ENTREPRENEURS NEED  
THE FOLLOWING FROM CANADA'S 2021 BUDGET:

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## REFERENCES

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# Supporting a Feminist Recovery

Women have been adversely impacted by the COVID-19 pandemic. To ensure women entrepreneurs are not left behind and are prioritized in the recovery efforts, the Independent Women's Entrepreneurship Task Force calls on the Government of Canada to prioritize the recommendations made within this report.



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