



INDIGENOUS WOMEN ENTREPRENEURS

Valuable Investments in Their
Businesses, Families and Communities

Report on Indigenous Women Entrepreneurship in Canada

July 2020

Prepared by Helen Bobiwash, FCPA, FCMA, CAFM



A Message from our CEO

Indigenous women are, and always have been at the very heart of our communities.

Since time immemorial, Indigenous women tended the hearth and home, collaborated on community building, and participated in decision-making and trade agreements.

We, at the National Aboriginal Capital Corporations Association, are honoured to share some of our research on today's Indigenous women - mothers, daughters, leaders, innovators and entrepreneurs. In the steps of our ancestors, Indigenous women show strength and resilience in achieving their dreams - building success for themselves, their families and their communities.

All people have the right to basic dignity, recognition and respect that can be achieved through economic and business development, while still respecting their spiritual and cultural roots. Indigenous women, in particular, face unique challenges in the path to these successes, as you will see in the following report.

NACCA and the AFI network recognize the role they play in supporting Indigenous women in starting, expanding and growing their businesses.

We encourage you to review what we have prepared. The path forward will continue to include many strong and successful Indigenous women entrepreneurs - with so much more opportunity to grow women entrepreneurship!

Indigenous women are valuable investments.

“Businesses that allow them to thrive, and flexibility to achieve their business and personal goals without unreasonable sacrifice.”

– Alana Quock, Skookumchuck Bakery & Café

Background

The National Aboriginal Capital Corporations (NACCA) is a network of 59 Aboriginal Financial Institutions (AFI) across Canada that is dedicated to stimulating economic growth for all Indigenous people in Canada.

Indigenous women are not pursuing entrepreneurship at the same rate that Indigenous men are, and they overcome greater challenges in pursuing their entrepreneurship dreams.

The Truth and Reconciliation Commission (TRC) and the National Inquiry into Missing and Murdered Indigenous Women and Girls (MMIWG) issued calls to action pertaining to equitable access to economic opportunities by Indigenous women. It is important for NACCA and the AFI network to invest in Indigenous women entrepreneurship to address inequities for the following reasons:

1. Indigenous women entrepreneurs are a key segment of the AFI market.
2. Indigenous women entrepreneurs generate wealth, create job, training and education opportunities and become role models within the local communities.
3. It demonstrates their commitment to respond to the calls to action by the TRC and National Inquiry into MMIWG.

In 2019, NACCA launched its Indigenous women entrepreneurship initiative to increase the number of Indigenous women engaging in entrepreneurship and business development in Canada. NACCA undertook a literature review and an online national survey of Indigenous women entrepreneurs. This report summarizes of key research findings and validates support for Indigenous women entrepreneurs in Canada.

Vision for Indigenous Women Entrepreneurs¹

We are secure, resilient Indigenous women entrepreneurs who are:

- thriving in businesses that reflect our culture and values,
- meeting our family needs, and
- leading communities.

NACCA's Goal for Indigenous Women Entrepreneurs²

By 2025, the number of Indigenous women entrepreneurs accessing financing through the AFI network will increase by 50 percent.

To achieve this, NACCA and the AFI network will provide tools, resources and services to Indigenous women entrepreneurs to support their businesses.

¹ This vision has been developed with the input of 115 Indigenous women entrepreneurs who completed a national online survey on Indigenous women entrepreneurship. Our thanks go to the respondents for sharing their thoughts and experiences.

² This goal has been developed by NACCA with the input of the Indigenous Women Entrepreneurship Working Group which is made up of members from the AFI network.

“We are able to integrate other family members, youth and elders to participate in the operations of the business.”

Valuable Investments

Indigenous women entrepreneurs are valuable investments. In addition to the personal benefits experienced for their family, they provide value to the community and lender.

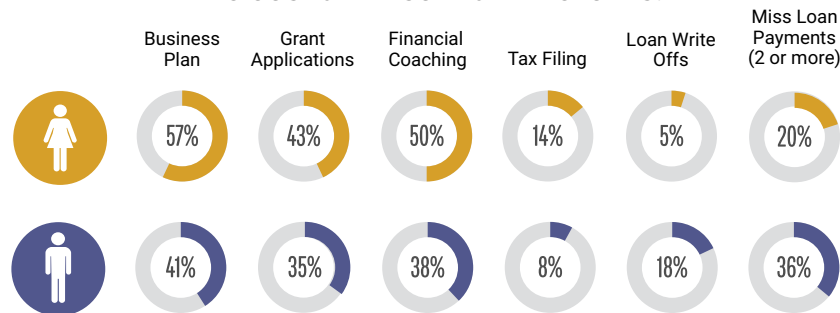
Investing in Indigenous women entrepreneurs is good for lenders because:

- Women have less loan write-offs than men³
- Women seek out services and support to help them in their business
- Women envision their business for the long-term and they build long lasting relationships to help the business grow
- Women make calculated, rational decisions to build their business

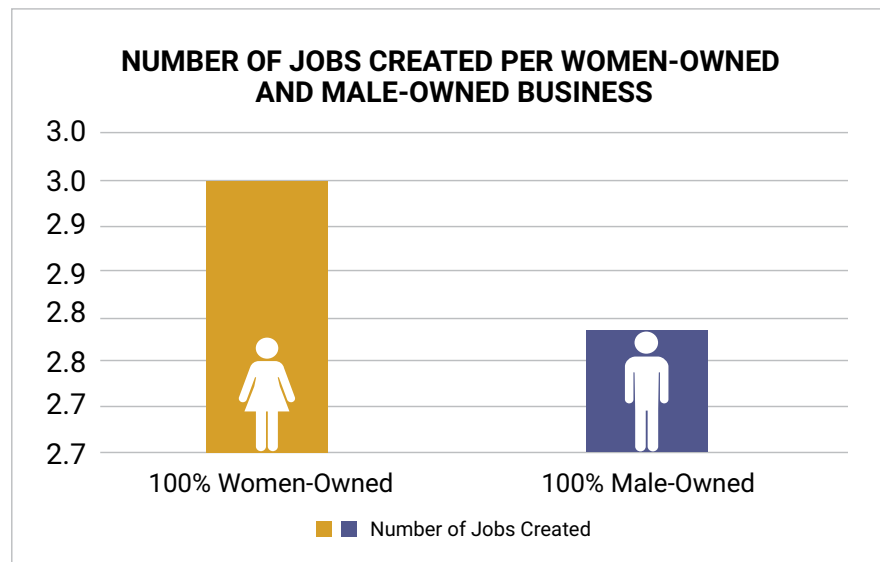
The community benefits from Indigenous women entrepreneurship through:

- job creation of community members,
- sharing their skills and information with other community members,
- acting as role models and inspiring others to strive for entrepreneurship goals, and
- becoming leaders within the community.

IBC CUSTOMER SUPPORT INCLUDES:



Source: Indian Business Corporation, Indigenous Business Women, 2020



Source: NACCA, Businesses Supported by Aboriginal Economic Programs in 2019-2020

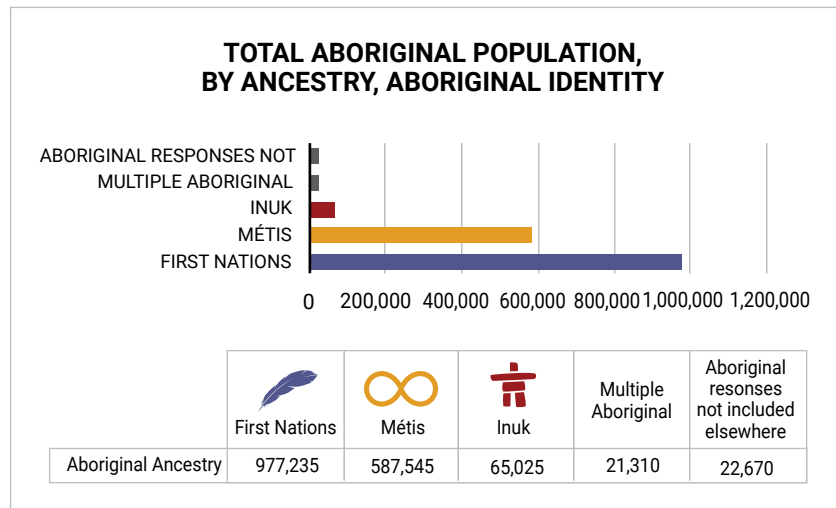
³ Indian Business Corporation, Indigenous Business Women (Calgary, Indian Business Corporation, 2020)

“Freedom to control my own destiny.”



Indigenous People and Entrepreneurship in Canada

The 2016 Census reported that there are 1,673,785 Aboriginal people living in Canada. Of this, 977,235 are First Nation, 587,545 are Métis and 65,025 are Inuit⁴.



Source: Statistics Canada, Aboriginal Population Profile, 2016 Census

Women make up

51% of the Aboriginal population⁵

⁴ Statistics Canada, Aboriginal Population Profile. 2016 Census. (Ottawa, Statistics Canada, 2018)

⁵ Ibid

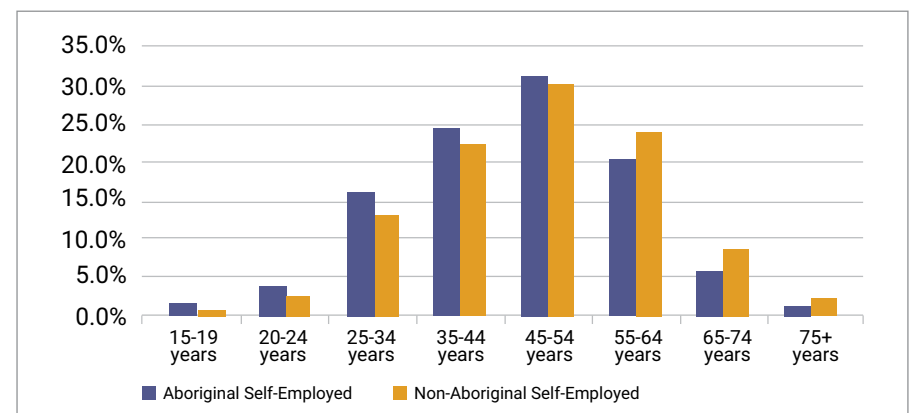
⁶ Ibid

The average total income in 2015 for Indigenous people aged 15 years and over was

\$36,043⁶

There were 54,255 Indigenous people who reported being self-employed in the 2016 Census. Most Indigenous-owned businesses are operated as a sole proprietorship and are small in scale.

Many Indigenous people pursue self-employment later in life, between the ages of 35-64⁷. This is somewhat consistent with the non-Indigenous self-employed in Canada. Indigenous women entrepreneurs also follow this trend. The majority of respondents to the NACCA's survey were between the ages of 40 and 60. The rate of young, self-employed Indigenous people, however, is higher than young non-Indigenous self-employed.



Source: Statistics Canada, 2011 National Aboriginal Household Survey Aboriginal Population Profile


⁷ Statistics Canada, National Aboriginal Household Survey Aboriginal Population Profile, 2011 National Household Survey (Ottawa, Statistics Canada, 2014)

“I work 60-80 hours per week (6-7 days a week) in my business.”

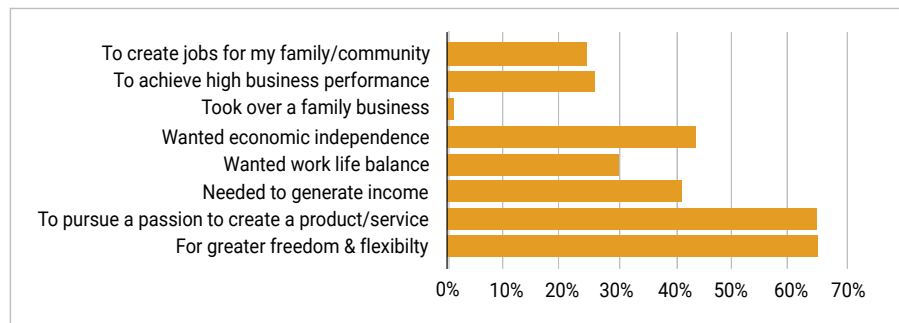
– Christine Whiteduck-Ringuette, Activaide Medical Equipment

Indigenous Women Entrepreneurs

In 2016, 22,245 Indigenous women were self-employed comprising

 **41%** of the self-employed Aboriginal population⁸

NACCA’s survey provides insight into enabling factors for their success. Respondents to NACCA’s survey expressed that they started their business for personal autonomy. The primary reasons why Indigenous women entrepreneurs got into business were for greater freedom, to pursue a passion to create a product or service, for economic independence and to generate income for their family.



Source: National Indigenous Women Entrepreneurship Survey, NACCA, 2020

Most women-owned businesses are small. In the survey, 71% of respondents reported that their business is a sole proprietorship. Many operate micro-businesses that are part-time and/or home-based. A majority of survey respondents, 61%, reported operating their business full-time while 30% reported part-time business operations.

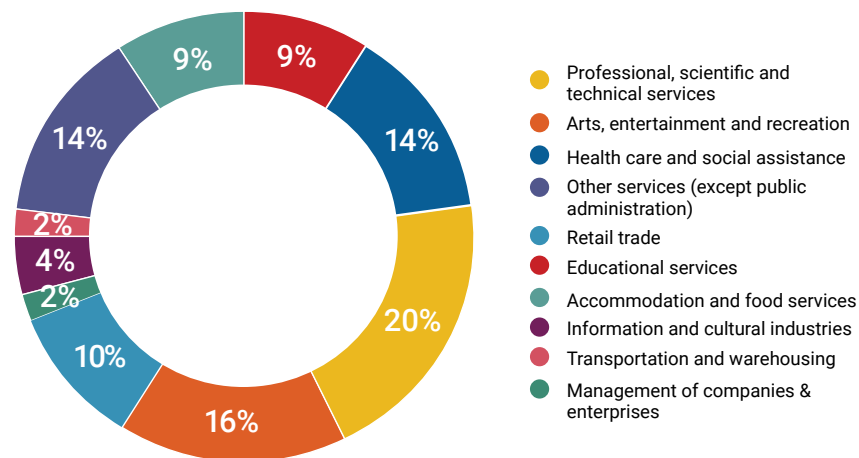
In the survey, 78% of the Indigenous women surveyed indicated using personal savings to start their business. Just over 30% indicated that they used an AFI, credit card or grant funding to finance their business. Loan from an AFI was second highest source of start-up funds for Indigenous women in the Coastal region (British Columbia) at 59%. Grant funding was second highest source of financing for Indigenous women in the Plains region (Alberta & Saskatchewan). Credit card debt was second highest source of financing for Indigenous women in the People of the Dawn region (Newfoundland, Nova Scotia and New Brunswick). Some women self-fund their business due to a lack of knowledge of financing opportunities, lack of confidence to approach a financial institution or an aversion to debt.

⁸ Statistics Canada, Aboriginal Population Profile, 2016 Census

Entrepreneurship Challenges Experienced by Indigenous People

Predominant industries occupied by Indigenous women entrepreneurs are consistent with predominant sectors in Indigenous communities. The top five sectors occupied by Indigenous women that were reported by survey respondents are:

1. Professional, scientific and technical services
2. Arts, recreation and entertainment
3. Health care and social assistance
4. Retail trade
5. Other services



Source: National Indigenous Women Entrepreneurship Survey, NACCA, 2020

Indigenous entrepreneurs in Canada face the challenges described below:

- Many Indigenous businesses operate as sole proprietorships which are considered high risk by lenders and hinder their access to financing.
- Indigenous people, generally, have lower income and education levels which limits their ability to build equity to invest in a business.
- Many Indigenous people reside in First Nation, rural and remote communities that are geographically distant from financial services, large customer bases and suppliers.
- Many Indigenous communities lack business infrastructure such as business space and reliable Internet.

The *Indian Act* hinders entrepreneurship in a variety of ways, including:

- Section 89 restrictions on seizing property on a reserve prevents the use of collateral required to access capital.
- Land title and property transfer limitations impedes access to property on which to operate a business.
- Section 87 exempts the taxation of the personal property on a reserve which complicates the structuring of businesses located on-reserve.

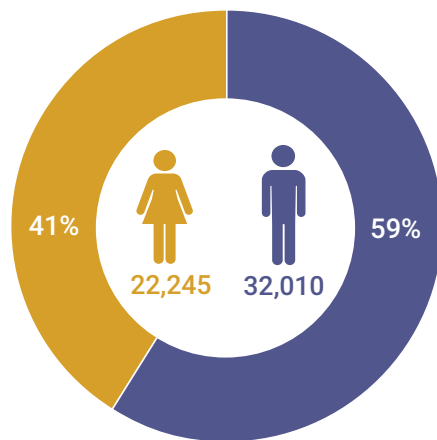
Gender Gap

There are inequities between Indigenous women and men entrepreneurs.

Indigenous women make up 51% of the Aboriginal population,

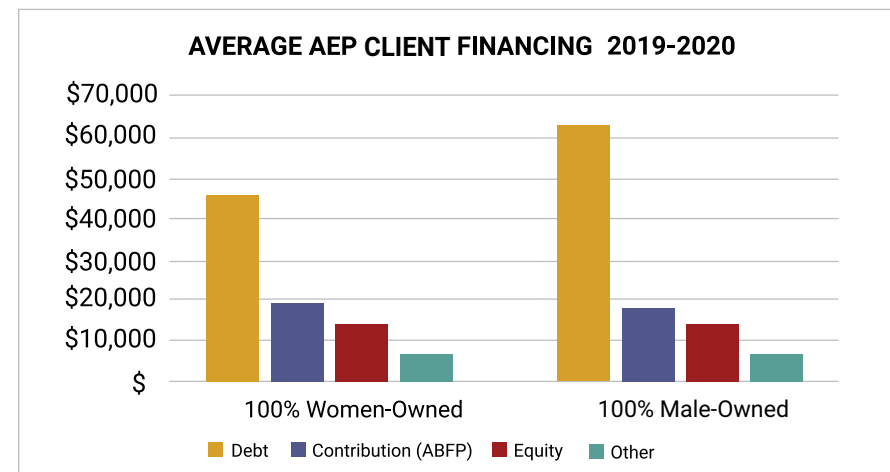


41% of the self-employed Aboriginal population

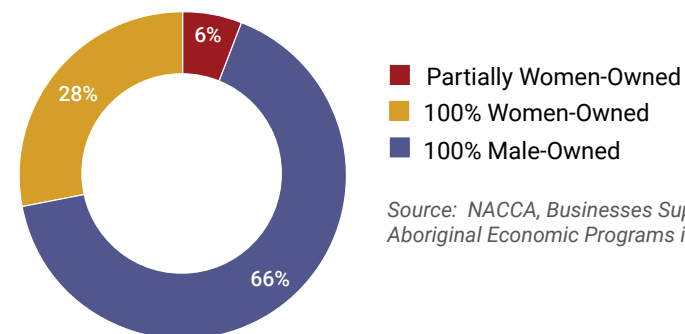


Source: Statistics Canada, Aboriginal Population Profile, 2016 Census

Among businesses supported by NACCA's Aboriginal Entrepreneurship Program (AEP) in 2019-20, 28% are 100% women-owned compared to 66% that are 100% male-owned.



Source: NACCA, Businesses Supported by Aboriginal Economic Programs in 2019-2020



Source: NACCA, Businesses Supported by Aboriginal Economic Programs in 2019-2020

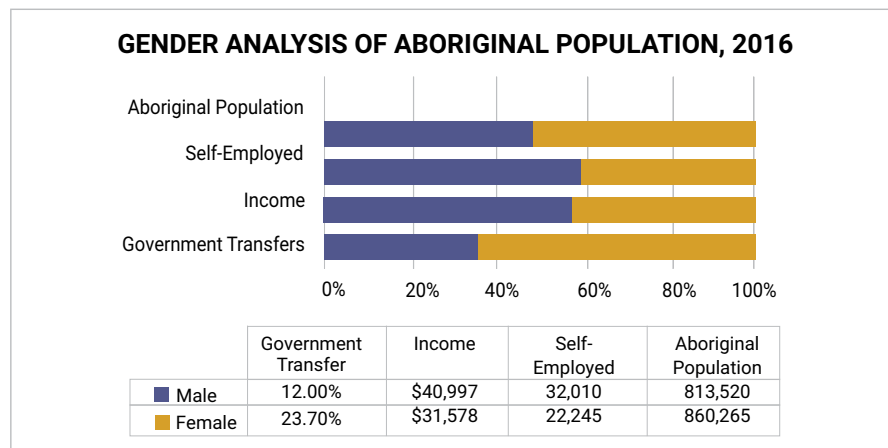
"I am the first woman to launch an airline in Canada, so I am pretty alone in my industry. Maybe a workshop on women in non-traditional fields that are blazing a trail."

Of the businesses that are 100% women-owned, they started their business with less financing than 100% male-owned businesses. This is consistent with research that indicates that women start smaller businesses. Women accessed less debt financing for their business, but they accessed a greater ratio of contribution financing. Average equity, however, was slightly higher among women clients than male clients.

	100% WOMEN-OWNED	100% MALE-OWNED
Average total financing	\$87,573	\$101,438
% of debt financing	22%	61%
% of contribution (ABFP) financing	22%	17%
% of equity financing	17%	14%

Source: NACCA, *Businesses Supported by Aboriginal Economic Programs in 2019-2020*

Indigenous women earn a lower average income than Indigenous men. More Indigenous women rely on government transfers. These factors directly contribute to the difficulties faced by Indigenous women when starting a business.



Source: Statistics Canada, *Aboriginal Population Profile, 2016 Census*

Indigenous Women Entrepreneurs Overcome Additional Challenges

Indigenous women face additional challenges in entrepreneurship stemming largely from their gender and their caregiving role within their family and community. Additional challenges experienced by Indigenous women entrepreneurs are described below:

- Access to financing is the top challenge identified by Indigenous women entrepreneurs. It is hindered by eligibility criteria for equity investment, collateral, proven credit history, full-time involvement in the business and lack of micro-loans available.
- Balancing their responsibilities between family and business was ranked the second top challenge identified by respondents NACCA's survey. Their responsibilities for children, grandchildren, parents and their extended family can impact their business growth.
- Indigenous women have fewer financial resources to invest in their business due to their lower average income and increased reliance on government transfers.
- Sexism results in women not taken as seriously as men, particularly in male-dominated industries.
- There is a lack of support within their communities and from their Chiefs and Councils. Indigenous men are often favoured within their communities and receive preferential treatment.
- Indigenous women entrepreneurs expressed a lack of knowledge and business training in the areas of financial literacy and business planning, regulations and management. Participation in workshops and training is hindered by their family responsibilities and lack of transportation.

“Clarence Campeau Development Fund made a huge difference in kick-starting our start-up, not just financially, but in their genuine support and belief in our dream. They became like family that we could call upon when we needed some advice. They always made us feel like we were family to them. This is so important as an Indigenous woman.”

Enabling Factors for Indigenous Women Entrepreneurship Success

Targeted support is necessary to close the gap between Indigenous men and women entrepreneurs and help them achieve their entrepreneurship dreams.

1. Acknowledge that gender bias exists.

- Assess programs and services to determine how unintentional gender bias exists.
- Eliminate gender bias in the provision of programs and services.

2. Eliminate barriers to accessing financing.

- Change criteria to allow financing to Indigenous women entrepreneurs who are operating a part-time or micro-business.
- Reduce minimum equity and collateral requirements for financing.
- Invest the time to build a relationship with Indigenous women entrepreneurs to understand their commitment to the business and credit worthiness rather than solely relying on a proven credit history.

3. Eliminate barriers to accessing services that support Indigenous women entrepreneurship by:

- Providing tools and resources specifically for Indigenous women entrepreneurs:
 - Include background information, statistics demonstrating the need for support and examples how to overcome barriers within tools and resources.

- Ensuring that content reflects Indigenous women. Provide stories of Indigenous women entrepreneurs and situations relevant to the circumstances and cultures of Indigenous women.
 - Using activities, templates and examples that provide guidance to complete applications, business plans or financial projections.
- Providing workshops and training to increase their knowledge and skills.
 - Workshops that Indigenous women entrepreneurs identified as helpful are listed in the table below:

Financial Workshops

1. Ways to finance your business
2. Protecting and insuring your business
3. Saving for your business needs
4. Managing a personal budget
5. Using banking services for your business

Business Workshops

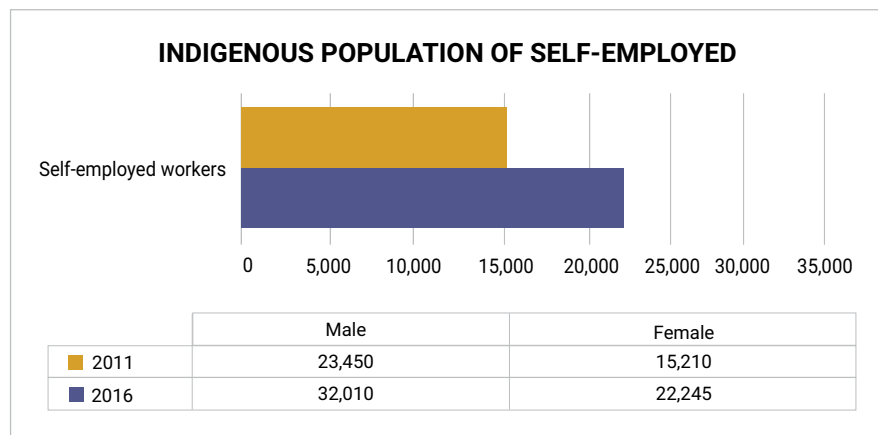
1. Recordkeeping
2. Managing your business cashflow and budget
3. Marketing your business
4. Using accounting software
5. Working with technology

- Provide workshops and training solely geared for women to provide a safe environment for learning and provide content specific to women’s circumstances.
- Make provisions for women’s caregiving responsibilities. Provide childcare or limit workshop times in accordance with school schedules.

Empowering Indigenous Women and Communities Through Entrepreneurship

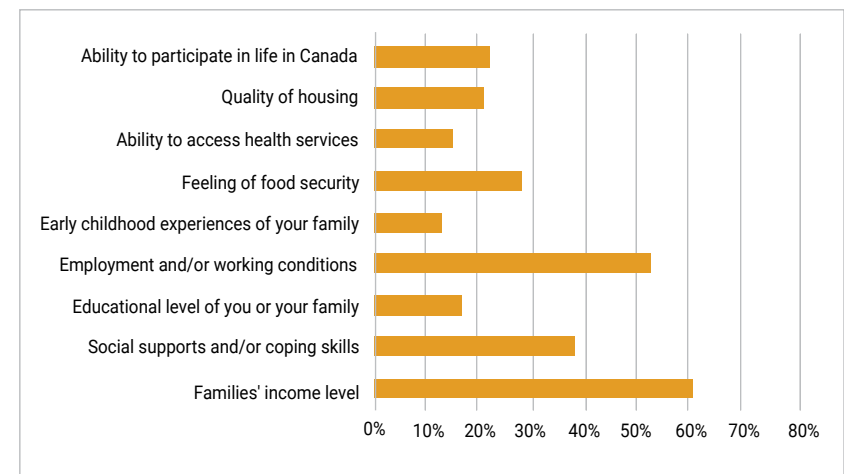
Through the challenges and barriers, Indigenous women are thriving in business.

Although less Indigenous women are self-employed than men, their growth rate between 2011 and 2016 was 46%. This is higher than that of Indigenous self-employed men which was only 37%.



Source: Statistics Canada, Aboriginal Population Profile, 2016 Census

Entrepreneurship changes the lives of Indigenous women and their families. The top social impacts reported by respondents to NACCA's survey are their families' income level, their employment and working conditions and their social supports and coping skills.



Source: National Indigenous Women Entrepreneurship Survey, NACCA, 2020

Indigenous women are fundamental to their community health. When their families experience these changes, the health of whole community improves.

