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# **BUILDING BLACK BUSINESSES IN CANADA**

PERSONAS, PERCEPTIONS & EXPERIENCES

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**FEBRUARY 2021**

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This report was produced by the Canadian Black Chamber of Commerce with the support of Pitch Better and the Business Development Bank of Canada (BDC).



This report is submitted  
to the BDC

Black business owners make significant contributions to the cultural, social, and economic fabric of this country, with the potential to achieve even more. Our firms are enthusiastic to provide an in depth report that addresses Black entrepreneurs in Canada, their experiences, and attitudes towards accessing capital.

## About the Canadian Black Chamber of Commerce

The Canadian Black Chamber of Commerce is a non-profit of the cultural Chamber of Commerce. It was created to serve the purpose of Commerce, Black-owned Businesses, Entrepreneurship and Economic Development within our proud Black Communities across Canada.

We are a unique platform that promotes Black Business excellence through cultural and social dimension. We create effective business support and partnerships for our members that contribute to the Black diaspora and Canada's economic prosperity.

## About BDC

BDC is the bank for Canadian entrepreneurs. It provides access to financing, as well as advisory services to help Canadian businesses grow and succeed. Its investment arm, BDC Capital, offers a wide range of risk capital solutions. For more than 75 years, BDC's only purpose has been to support entrepreneurs in all industries and at all stages of growth. For more information and to consult more than 1,000 free tools, articles and entrepreneurs' stories, visit [bdc.ca](https://www.bdc.ca).

# Letter of Support from Greg Fergus, MP

Almost seventy per cent of private labour force in Canada is employed by small businesses, a segment that has suffered record blows to its cash flow systems in the wake of the COVID-19 pandemic. The pandemic has highlighted many of the historical inequities that have limited equity-seeking groups' abilities to fully engage in the economy. Today, Black-owned businesses are struggling in the pandemic's wake, and helping them grow is a critical part of the Canadian Government's plans to address racial justice and keep our economy strong. Historically, Black communities had limited access to the entrepreneurship supports that other communities have received. The notion that private economic institutions reward hard work and good ideas impartially is a myth. Black businesses haven't had this privilege.



During the past five years, the federal government has connected with thousands of advocates and business leaders from Canada's Black communities. We asked them what the federal government could do to help strengthen Black businesses. We've listened and have worked to implement programs at the federal levels and we have encouraged provincial and municipal governments to follow suit. These consultations helped us understand the importance of data collection, measurable insights, direct investment and developing people-centred policies and programs.

In February 2020, the Government of Canada announced the launch of a \$25 million fund aimed at Black organizations. To date, more than 250 Black-led and Black-serving organizations have received funding to scale and develop non-profit organizations. We have strengthened this resolve with a groundbreaking \$221 million investment in the Black business community, which sets out to provide loans, grants and business education to the growing network of Black founders.

In these unprecedented times it's become clear that taking action requires an understanding of the needs of and realities faced by Black business owners in Canada.

For these reasons, I am proud to support Dr. Dozie Okoye, Faculty Member and Associate Professor of Economics, at Dalhousie University, The Canadian Black Chamber of Commerce and Pitch Better with their report "Building Black Businesses in Canada: Personas, Perceptions and Experiences". This report gives us an opportunity to understand how we can create more equity in the Canadian business ecosystem and is a starting point for how we can instill economic fairness and justice to our Black business communities.

Yours sincerely,

A handwritten signature in black ink that reads "Greg Fergus".

MP Greg Fergus



*Greg Fergus*

Député / Member of Parliament  
Hull - Aylmer

# Letter of Support from the President and CEO of BDC

As Canada's bank for entrepreneurs, BDC is committed to ensuring all entrepreneurs have access to the resources, financing, advice, networks and tools they need to succeed.

Black entrepreneurs are making an incredible contribution to our communities and our country; they innovate, they create wealth and jobs. They also face unique barriers and have been suffering historical inequalities and injustices that prevented them from achieving their true potential.

We need to change that. If we want to build a strong, inclusive Canadian economy, we need to end anti-Black systemic racism and discrimination.

This is the first Canadian report focusing on Black entrepreneurs: a much-needed research looking into understanding the realities and challenges of Black business owners in Canada.

We hope that this report will encourage more Black entrepreneurs share their success stories to inspire others to go further. We also hope that these findings will be a catalyst for all of us to come together to tackle racism and level the field for Black entrepreneurs.

At BDC, we've been doing a lot of listening with partners, employees and entrepreneurs. We come into this conversation with humility and a willingness to help.

An early step in our action plan was the signing of the BlackNorth Initiative CEO pledge, an initiative of the Council of Business Leaders Against Anti-Black Systemic Racism. We tapped into our employees' perspective in building awareness and skills around unconscious bias (including anti-racism learning opportunities) and we are developing an action plan to adapt our talent sourcing strategy so that we attract and retain visible minority talent and increase their representation at BDC. Finally, we are constantly and actively reviewing our offering to ensure that Black entrepreneurs have access to the financial and non-financial resources they need.

We are at a turning point. We need to continue to move forward to speak out against anti-Black racism. We also need to take action so that Black business owners have the support and the opportunities to reach their full potential and look towards the future with confidence. This is how we will move our economy and our prosperity forward.

Michael Denham,  
President and CEO, BDC



# Letter of Support from the BlackNorth Initiative

During these unparalleled times, it is more than evident that in order to be effective as leaders, we must take action to understand the needs of and grim realities faced by Black business owners in Canada.

Supporting Black entrepreneurs has always been important to me. Walk around our city, and you cannot miss the extraordinary impact Black-owned businesses have on our neighborhoods. You see it throughout small business storefronts that embrace our African Caribbean heritage, and you see it within boutique restaurants that offer our multicultural communities a taste of Continental African cuisine. You see it in clothing and retail stores that give our city richness and vibrancy. Furthermore, you see it in the young, tech-driven start-ups that will power Toronto into the next decade and beyond.



However, the road Black entrepreneurs have walked has always been a long, difficult one. Without access to funding or mentors who can guide the way — they continue to face long standing racial inequities that plague our country.

Black entrepreneurs deserve a level playing field. They deserve access to capital, networks, affordable workspaces, and mentors to show the way forward. In this transformative moment, the BlackNorth Initiative's mission to support them has taken a renewed urgency.

From the work hubs of Vancouver to Bay street's offices, Black Canadians in business need customers, investors, allies, and a country that supports their dreams. We cannot shy away from being creative and effective in our support of the Black entrepreneurship community. To this end, we must ensure they are not left out of today's fast-growing innovation economy.

It is why the findings laid out in the report "Building Black Businesses in Canada: Personas, Perceptions, and Experiences" are central to rewriting the narrative and creating a more globally competitive Canada. Dr. Dozie Okoye, Faculty Member and Associate Professor of Economics at Dalhousie University, The Canadian Black Chamber of Commerce, and Pitch Better, have the BlackNorth Initiative's full support on this undertaking.

Yours sincerely,



Wes Hall

Founder and Chairman of The Canadian Council of Business Leaders Against Anti-Black Systemic Racism and the BlackNorth Initiative.



# Letter of Support from Dalhousie University

For a long time, Black Canadians have been subject to discriminatory practices and a culture of Anti-Black racism that has prevented entrepreneurs in this community from growing and scaling their companies. Here in Halifax, Nova Scotia there are over 21,000 Canadians who identify as being of African descent yet, the multi-generational effect of slavery has continued to have lasting, negative impacts on their livelihoods.

The future of the Canadian economy is largely dependent on the efforts and actions of businesses and entrepreneurs. They are responsible for envisioning and implementing new ideas and processes as well as finding solutions to our nation's current economic challenges. Unfortunately, research shows that Black communities remain disadvantaged when it comes to starting businesses and working for businesses within the Canadian ecosystem, despite fantastic programs such as the Black Business Initiative located right here in downtown Halifax. Further research needs to be conducted to better understand some of the gaps preventing Black-owned businesses from maximizing their potential.



The Canadian Black Chamber of Commerce is committed to connecting Black businesses in Canada to the Global Black diaspora and mainstream global markets by promoting local and bilateral trade, resources, information, and cultural exchange. Pitch Better uses market research and strategic insights to enable growth in diverse founders. These two organizations have collaborated to conduct nationwide research to better understand the nuanced challenges and barriers faced by Black entrepreneurs in Canada.

Building Black Businesses in Canada: Personas, Perceptions and Experiences presents both quantitative and qualitative findings based on conversations with Black entrepreneurs from across the country. With interviews from nearly 60 entrepreneurs from across Canada, these findings are compelling and will affect the landscape of Canadian business to ultimately create positive change.

Dalhousie University is proud to support the work of the Canadian Black Chamber of Commerce, Pitch Better, and Dr. Okoye on this report, Building Black Businesses in Canada: Personas, Perceptions and Experiences.

Sincerely,

A handwritten signature in black ink, appearing to read 'Deep Saini', with a stylized flourish at the end.

Deep Saini  
President and Vice-Chancellor,  
Dalhousie University



# Letter of Support from the Black Business Association of BC

We are standing on the precipice of change and positive progression for Black and African Descent people. Systemic racism at the institutional, governmental, and educational levels has been acknowledged, and meaningful discussions for action and change is beginning to take place. These are important first steps; however, in creating a strategy for addressing these issues, we must first understand the root cause and actual impact.

This study undertaken by the Canadian Black Chamber of Commerce and Pitch Better aligns with the pillar of access to funding and the Government of Canada's Black Entrepreneurship Knowledge Hub. It is crucial information needed to understand the barriers for Black entrepreneurs and small business owners. Data and statistical information are key for laying the groundwork in effectively addressing funding challenges for Black businesses. This study will help regional and national organizations and government departments assess the key funding areas of concern with specificity, enabling them to strategize with accuracy.



As leaders in championing support for Black entrepreneurs and small business owners, the Black Business Association of BC supports this work, and will continue to support initiatives that build an entrepreneurial spirit.

Kind Regards,

A handwritten signature in black ink that reads "Nerissa Allen".

Nerissa Allen  
Founder and President  
Black Business Association of BC

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**BBABC**  
**BLACK BUSINESS ASSOCIATION OF BC**  
Unity - Excellence - Legacy

# President's Foreword



The Canadian Black Chamber of Commerce is a nonprofit, national organization and the voice of Black Business in Canada. With Members and Chapters across the country, we advocate for our members and believe success in the Black business community, results in a stronger and more successful Canadian economy. We believe in economically empowering and sustaining Black communities through entrepreneurship activity within Canada and while interacting with the Black Diaspora.

There are businesses in our community that are under-banked or unbanked. We are pleased to present this report on research of the Canadian Black businesses. CBCC has identified data gaps relating to the Canadian Black-owned businesses and until now, there is no existing credible data on this subject.

As proclaimed by the General Assembly, the theme for the International Decade is "People of African descent: recognition, justice and development."

At the Canadian Black Chamber of Commerce, our goal is to recognize Black-owned businesses and assist them in closing the data gap, to identify their businesses' needs and to help them develop and support in finding the appropriate programs to ensure they perform effectively and successfully within the Canadian economy.

A handwritten signature in black ink, reading "Christelle Francois".

Christelle Francois  
President,  
Canadian Black Chamber of Commerce

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# Executive Summary

The aim of this report is to explore the financial needs of those who cultivate and run Black businesses across this country; an integral endeavour as a study of this kind has yet to be conducted by the Government of Canada.

These findings therefore have important implications for addressing the needs of Black business owners in Canada, and for future research of this kind. Through this research we found that advertising and promotion, personal development and mentorship, and finding capital were viewed as the most important needs for Black entrepreneurs across the country. Identifying and understanding the differences and similarities across these needs is only the first step to ensuring that Black businesses are able to thrive in Canada.

To give you a better understanding of Canada's Black community, we will give you a history of chronicled, major milestones that speak to the Black Canadian's economic contribution to Canada.



# Canadian Black Entrepreneurs through History

## NOVA SCOTIA



The first recorded Black person to arrive in Canada was an African man named Mathieu de Coste who arrived in 1608 to serve as an interpreter of the Mi'kmaq language to the governor of Acadia. Essentially, he can be considered the first Black entrepreneur in Canada.

Between 1750 and 1820, it is estimated that over two thousand people of African descent migrated to Atlantic Canada from various parts of the world, but namely through the Transatlantic Slave Trade. The vast majority of Nova Scotians of African descent arrived in the Maritime Provinces as free men and women, the result of three major migrations of Black people to the area.

## ALBERTA



Black people have been documented in Alberta since the 1870s and Calgary in particular was home to one of Alberta's earliest entrepreneurs. John Ware was a cowboy born in South Carolina before migrating with his wife and children to Calgary in 1882. Upon arrival to the Canadian province, he became the owner of his very own ranch near Red Deer River. John Ware is widely regarded as "one of the best Cowboys in the West", having many landmarks named after him including Mount Ware, Ware Creek, and John Ware Ridge.

The migration of Black people continued in 1911 when one thousand Black settlers arrived in Alberta from Oklahoma following campaigns conducted by the Canadian Immigration Department. During this time, many Black people moved to Edmonton or other highly populated urban cities; but there were not many viable job opportunities available.

## ONTARIO



In the early 1800's Black families settled along McGregor's Creek in the tiny town of Chatham, then known as "the Forks". The Forks village soon became a haven for runaway enslaved Africans and by 1850, its population was 1/3 Black. Once here, Black people in Chatham thrived in business, education, medicine, sport, and literary and cultural arts. News of their success attracted Black people to the area from across North America.

In Toronto, many Black people settled in St. John's Ward, a district which was located in the city's core. Others preferred to live in York Township, on the outskirts of the city. In the mid 1830s, Thornton and Lucie Blackburn, a couple who escaped slavery in the United States, created Toronto's first taxicab which they named "The City". The Blackburns also contributed to building the Little Trinity Church, which is Toronto's oldest standing Anglican church located on King Street East.

By 1850, there were more than a dozen Black businesses along King Street – the modern-day equivalent is Little Jamaica along Eglinton Avenue, which contains one of the largest concentrations of Black businesses in Canada.

## MANITOBA, SASKATCHEWAN AND NUNAVUT



In the early twentieth century, so many immigrants were pouring into Western Canada, that the federal government stepped outside the normal census cycle and sponsored a special census of Manitoba, Saskatchewan, and Alberta in 1906.

The arrival of over a thousand African Americans to this region between 1908 and 1911 marked the Dominion of Canada's first experience with Black immigration en masse. It sparked a backlash in parts of the press and business community that led the federal government to adopt an unofficial policy of exclusion by race, limiting Black people entering Canada until the 1960s. Nonetheless, these courageous settlers established their own institutions, created a rich social life, and forged vibrant farming communities in isolation from other groups and keeping with what they had known in regions like Oklahoma and California.

## BRITISH COLUMBIA



In the late 19th century, the Black migration to British Columbia continued to trickle in from the United States, Britain, the Caribbean and Africa, as well as other parts of Canada. For the first half of the 20th century, Black people formed a vibrant community called Hogan's Alley in the east end of Vancouver, where Jimi Hendrix's grandmother once lived.

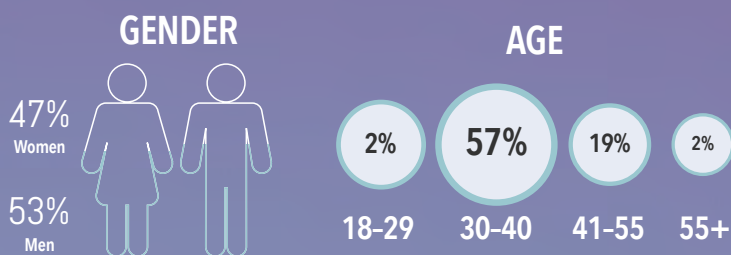
# What We Know About Black Businesses

As we look at the literature on the Canadian business landscape, we see that SMEs across the country employ approximately 12 million private sector workers, which accounts for 89.5% of all private-sector jobs. Of this number, small businesses account for over 69% of these jobs (Statistics Canada, Labour Force Survey, 2018). In this study, our sample of Black Canadian entrepreneurs are mostly concentrated in the following industries: Construction/Manufacturing, Medical/Dental, Retail, Science & Technology, Aesthetics, Beauty & Grooming, Arts and Culture, Professional Services, Consulting, Food and Beverage/Hospitality, Agriculture and Clean Energy.

This novel study interviewed 53 Black Canadian entrepreneurs to gain an understanding of their business operations, motivations, and financial viability. When a business does not have access to enough capital, it often has to look to external sources of funding to meet various financial needs. Some of these needs might include hiring staff, accessing inventory, market research, advertising and promotion, mentorship and personal development. When discussing the various methods of business financing with Black Canadian entrepreneurs, we found that 24% did not access any external sources of funding to meet their business needs over the last 18 months.

Although a study that focuses on Black entrepreneurs across Canada has never been conducted, a number of studies in the neighbouring U.S. and among other visible minority communities in Canada have been conducted and helped to inform our approach to data collection. From the studies conducted in the United States, we have been able to understand how institutional racism has played a significant role in the creation and maintenance of barriers to financial, economic and growth capital (Howard, 2019).

## PROFILE OF RESPONDENTS



## Length of Business



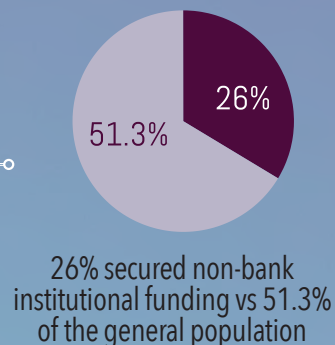
## Motivations for starting a business

To Fill A Market Void 34%

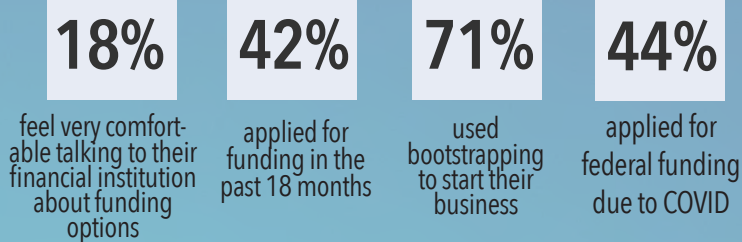
Ready to be own boss 24%

Pursuing Passion 13.2%

To Help Others 13.2%



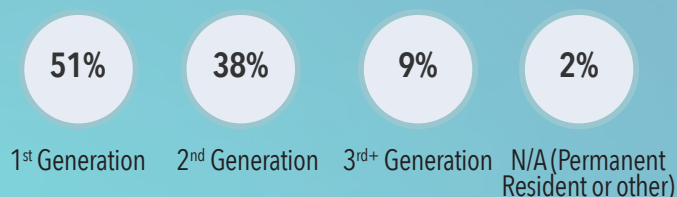
## Funding Access



## Revenue



## Generational Status

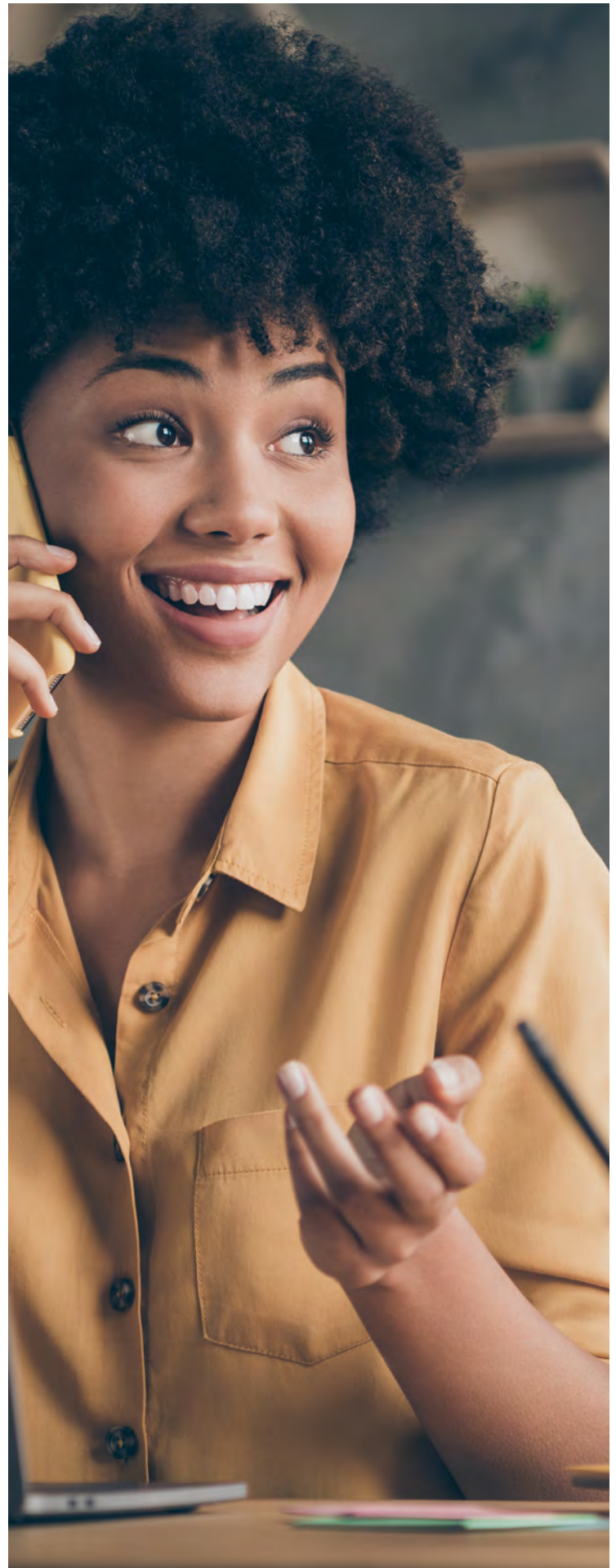


In 2020, graduate student Sein Kipusi conducted research on the impact of financial literacy on Black entrepreneurship in Canada. Their findings look at the reasons behind the fact that financial literacy is the lowest among the Black Community in Canada's Greater Toronto Area. Through interviews with 22 Black business owners in the GTA, they identified factors such as community preservation and neoliberalism as colliding among Black owned business enterprises (p.160).

In Canadian studies, there tends to be an attempt to compare the experiences of newcomer entrepreneurs with the experience of Black entrepreneurs. In Cukier et al's 2017 study of 234 entrepreneurs, 137 of which were not born in Canada, they found that immigrants found entrepreneurship to be a more desirable career choice than non-immigrants, even though newcomers were more likely to experience barriers to access financing (p.5). The Canadian labour market makes this understandable, as the competitive nature of the immigration system results in a highly-skilled talent pool that often is excluded from the labour market (Cukier et al., 2017; Langford, Josty & Holbrook, 2013; Statistics Canada, 2018). In fact, the proportion of those who were self-employed because of this exclusion was double the rate of Canadian-born (20%) with 33% among immigrants and 40% among recent immigrants (Statistics Canada, 2018).

51% of participants in our study identified as first generation Canadians. Understanding the experiences of immigrant groups in our analysis of Black entrepreneurs is therefore important, as they may face unique barriers and hostilities (Feagin & Imani 1994).

Upon completion of our literature review and the focus group interviews of Black entrepreneurs across Canada, we identified common themes that stand out amongst them. From their documented experiences, we have designed and cultivated seven specific Personas within the Black entrepreneurship community. While they tell us the story of some Black entrepreneurs, they are not representative of all.



# RESEARCH METHODOLOGY

Nine Virtual Town Hall (VTH) sessions were held with Black Entrepreneurs from provinces and territories across Canada. Participant numbers were determined based upon the overall share of Black people in each province relative to the province's total population. Numbers were then divided based upon an original sample size of 60 participants. A breakdown of participants by province and territory can be found in Figure A.

Inclusion criteria expressed that all participants (18 and over) must own a business operating in their name in Canada and have paid taxes in the last three years. Pre-registration questions were asked of participants to verify this information. Also included in the preregistration data was a demographic questionnaire, where business owners self-reported details about their businesses, including their annual revenue, and how they registered their businesses etc.

Quota sampling was used to identify study participants. Outreach was conducted using both social media platforms and e-mail correspondence. Respondents were provided a \$40.00 honorarium for their participation in the study. Each participant signed and submitted a Non-Disclosure Agreement (NDA) and Consent Form for their participation in the study outlining the objectives, aims, and outcomes of project participation. In the consent form and at the beginning of each VTH, participants were given the option to utilize a pseudonym.

In terms of the regional groupings we selected, our rationale was to align the North and Central provinces and territory of Saskatchewan, Manitoba, and the territory of Nunavut based on the lower populations of African descent people. As for our alignment of the Atlantic Canadian provinces of New Brunswick, Newfoundland, and Prince Edward Island, we chose to exclude Nova Scotia from this group as Nova Scotia has a very distinct socio-economic experience for Black Canadians.

While a country-wide call out was made for participants for the French session, all French respondents were from the province of Québec. One VTH was held in French to accommodate French-speaking entrepreneurs.

## Participant Breakdown

Province/ Territory	Percentage of Participants
British Columbia	11.3%
Alberta	13.2%
Saskatchewan	3.8%
Manitoba	3.8%
Ontario	26.4%
Québec (English)	9.4%
Québec (French)	7.5%
PEI	5.7%
New Brunswick	3.8%
Nova Scotia	7.5%
Newfoundland	3.8%
Territories (Nunavut)	3.8%

Note: There were 53 respondents, a small sampling size of the Black Canadian business landscape. A much more in-depth study is needed with attention to the various international needs of the Black community identified through this study.

Figure A

# THE BLACK EXPERIENCE IN CANADA: Population Grid

Over 1.2M people of African Caribbean and Black descent call Canada home.



## Question Selection and Presentation

Each VTH took between 60 and 120 minutes to conduct. During the VTH sessions, participants were presented with a series of 15 open ended and 17 multiple choice questions using the Zoom functionality.

Participants received and submitted registration forms before each VTH, which asked general questions on their businesses and operations in poll-response format. Questions were designed based on the prompts provided by the CBCC.

## Data Analysis Process

Data were analyzed using a mixed-methods approach. No more than 8 participants attended each VTH. A notetaker transcribed study findings during each session, which were subsequently coded using codes that were developed based on the findings of interest to the client. Qualitative data were analyzed through the use of the results-section coding method. Each theme was assigned a color that was subsequently used to identify its prominence in the collected VTH notes. Quantitative data was analyzed for in-sample trends. Poll and registration data were categorized and compared to determine statistical differences and similarities among respondents. The data were then summarized to identify the prominence of the themes identified in this report.

# STUDY OBSERVATIONS & FINDINGS

## A Profile of Our Respondents

The Black business Community in Canada is a diverse group of Canadians. Our sample included a fairly young population, with 57% of the respondents between 30 and 40. These entrepreneurs are new to the field, with 75% running businesses less than 4 years old.

In terms of their relationship to funding and finances, 71% of the business owners surveyed used bootstrapping to start their business, while only 30% feel 'quite' to 'very' comfortable talking to their financial institution about their funding options.

As of their recent circumstances, almost 60% of Black entrepreneurs have not applied for any type of funding at least once in the last 18 months citing reasons such as having less than 10 employees, lacking awareness, and not meeting the funding eligibility requirements.



# BLACK BUSINESS PERSONAS

The below Personas are based on an amalgamation of different characteristics and experiences of Black Canadian entrepreneurs who participated in the study. They represent some, not all, Black business owners and we will continue to work with the community to uncover more insights.

## The Enterpriser

The Enterpriser

Name: Reggie Carver

Age: 28

Location: Vancouver, British Columbia

Occupation: Fintech co-founder

Annual Revenue: \$2 million

Status: Single, no children



Reggie is an app developer turned entrepreneur who is a sophisticated fundraiser with business savvy. He left his job as an app developer at a large tech company a year ago to start FinPay. He recently raised \$250,000 in seed funding for his tech start-up and is thinking big. He's making strategic decisions now that he hopes will have a big pay off in the future. He's currently got three staff on payroll and is looking to scale. Reggie is always on the lookout for funding opportunities, whether traditional or a little out of the box, given the amount of capital needed to get his business off the ground. Now that he's got an initial injection of funding, he's looking to build a better prototype that he can use to get more funding. One of his major frustrations is getting access to the large amount of funding he needs.

## The Essentialist

Name: Jamal Ward

Age: 42

Location: St. John's,

Newfoundland and Labrador

Occupation: Barbershop owner

Annual Revenue: \$60,000

Status: Married, three children



Jamal is the proud owner of Cut and Dry Barbershop, a business he's run by himself for the last five years. He has four chairs in the shop, three of which he rents out to other barbers. Jamal started the barbershop with his personal savings and rents chairs to cover his rent. He is focused on running the business and does his bookkeeping by hand. He's the only person on staff and runs a cash-based business. His business has grown through word of mouth, and he has a devoted, diverse client base. Many of the city's Black men go to Cut and Dry since Jamal is one of the only Black barbers in town.



## The Social Capitalist

The Social Capitalist

Name: Chantel Smith

Age: 32

Location: Halifax, Nova Scotia

Occupation: Cosmetics retailer

Annual Revenue: \$150,000

Status: Single, one child



Chantel is a trained aesthetician who opened her first storefront six months ago. Her aesthetics and cosmetics retail business started online as a side hustle three years ago. She's highly entrepreneurial and a serial networker, connecting with people both online and in person. She's done a lot of research into funding alternatives to bank loans. She's scared to take on debt and had a negative experience the first and only time she applied for a bank loan.

She bootstrapped and applied for grants when she was first starting. Now that she's more established, she directs her cash flow toward buying inventory, marketing, rent, and paying two staff members. She also pays an accountant to help with her taxes but does her own bookkeeping.

## The Industry Specialist

The Industry Specialist

Name: Dr. Toyin Ashiru

Age: 39

Location: Toronto, ON

Occupation: Chiropractor

Annual Revenue: \$250,000

Status: Married, two children



Toyin is a chiropractor who has run her own clinic for the last 18 months. She has two staff members, a receptionist and a registered massage therapist. She received a \$10,000 small business loan to get started because she did not have many personal savings after she finished her chiropractic training. She has paid off the debt and is now focused on growing her business. She would like to invest in some updated equipment but isn't keen on taking another loan. She is looking for alternatives to bank loans but has no idea where to start. Her receptionist manages appointments and bookkeeping. Toyin invested part of her small business loan into a digital system, which streamlined bookings, billings and bookkeeping.



## The Pragmatist

Name: Clovis Duchamps

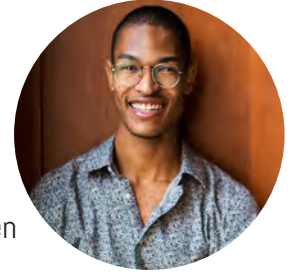
Age: 30

Location: Montreal, Quebec

Occupation: Strategy consultant

Annual Revenue: \$75,000

Status: Common law, no children



Clovis works as a consultant. He established his company as a sole proprietorship eight months ago and is planning to launch a second business. He's data-driven and is trying to understand how best to fund his second business idea, a meal prep service, which needs about \$15,000 in startup funding. He's a member of the Quebec LGBT Chamber of Commerce and has found it a useful source of general business information.

## The Community Builder

Name: Jeffrey Darkwah

Age: 51

Location: Saskatoon,  
Saskatchewan

Occupation: Community organizer

Annual Revenue: \$65,000

Status: Divorced, two children



Jeffrey has run an event management and entertainment company for the last nine years. He's the only employee on staff and hires contractors for larger projects. He wants to see more support within the Black community so he also set up a Black business association. The association brings Black business people together and he hopes to scale and establish it as the go-to organisation for Black entrepreneurs in the province. He doesn't believe in depending on outside funding and has been reluctant to look for either bank or non-bank funding.





## The Underserved

The Underserved

Name: Jewel Agbaje

Age: 41

Location: Edmonton, Alberta

Occupation: Cafe Owner

Annual Revenue: \$85,000

Status: Single, no children



Jewel works as a small boutique cafe owner. She registered her company as a sole proprietorship two years ago. While she is working to keep her business up and running, she finds it difficult to find the financial and social resources necessary to continue to grow. She is aware that grants may provide her with the necessary funding, but she has not been able to find any in her region or field that apply to her business size or needs. She continues to search for more opportunities and networks that she can join to cultivate her business further.

## What forms of business ownership do our respondents operate?

The responding business owners from our survey operate a variety of types of businesses.

Within the sample, a majority of businesses, 96% are registered. Of these registered businesses, 51% are corporations 32% are sole proprietorships, 7% identified as other, 6% as partnerships, and 4% are co-ops.

### COMPANY REGISTRATION TYPE

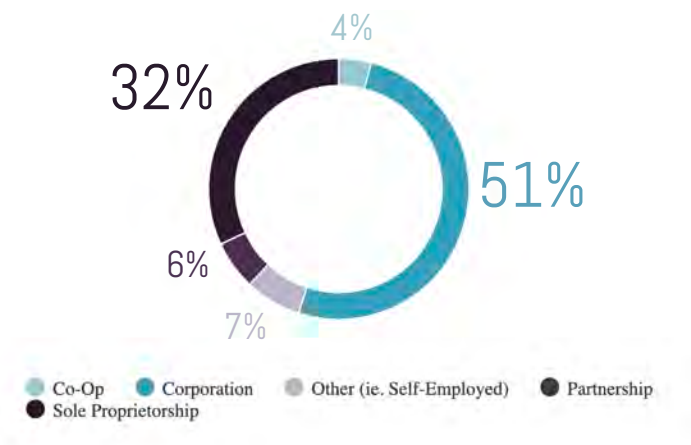


Figure B

# How many of our respondents are employers and how many people do they employ?

Small businesses in Canada are drivers of the Canadian economy, employing over 69% of private-sector employees (Statistics Canada, 2018).

The findings of the respondent group within our sample population was that over 8% of businesses employed between 10 and 50 employees, while 31% employed less than 10 but at least one other individual.

From the sample size it was found that 71% of Black entrepreneurs completely owned 100% of their companies. Conversely the next largest group of ownership was 19% made up of those corporations who owned 50% of the organization.

- 8% More than 10 but less than 50
- 31% More than 1 but less than 10
- 61% Only one employee (Self)

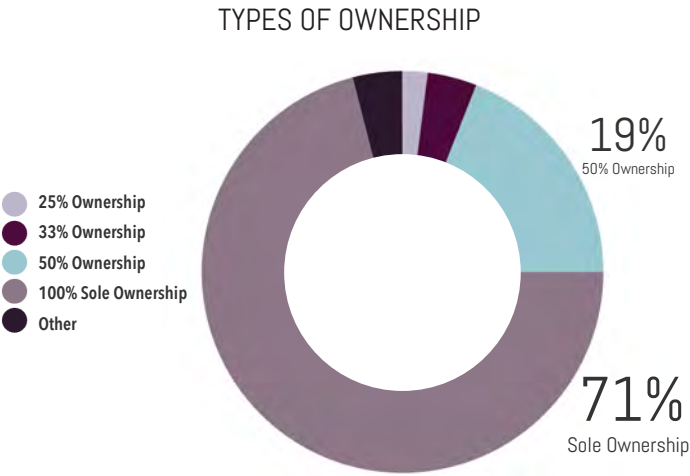


Figure C

# In what sectors do our respondents operate businesses?

From our respondents we found that the results were contrary to traditional beliefs about Black entrepreneurs and business owners operating in retail, aesthetics, beauty, and grooming who were fewer than those operating in consulting, accommodations, hospitality, and tourism.

Black entrepreneurs are increasingly operating in various sectors, including construction, manufacturing, science and technology, and agriculture.

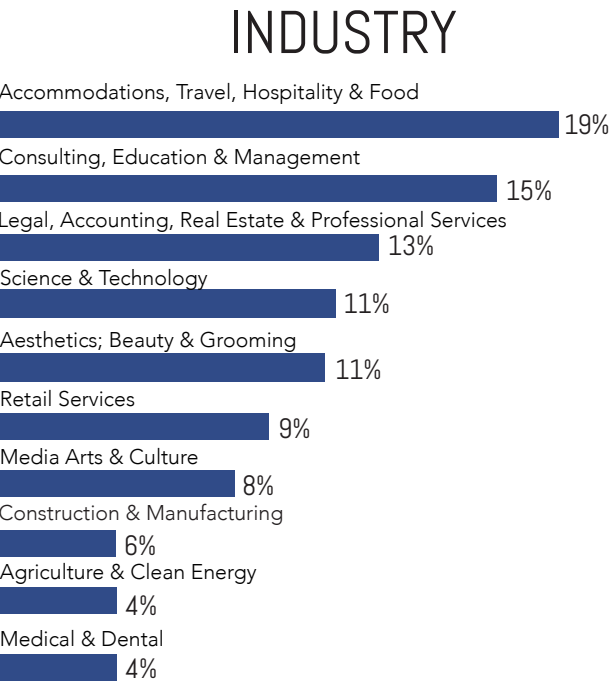


Figure D

# What are the financial and non-financial needs of our respondents?

Our sample population of entrepreneurs cited a number of reasons for starting their businesses including; pursuing their passions, filling a market gap and providing a service that is needed to help others among additional reasons. A majority of Black business owners are starting their businesses by bootstrapping. Through discussions with the participants we observed that the ability for family and friends to provide start-up capital was perceived to be much lower within the Black community due to a widely understood wealth gap between Black communities and other communities. Debt financing, although an option, was not a popular option in any of the VTHs, and the familiarity with angel investing, venture capitalism and private equity was limited.

The financial needs of the Black Business Community surveyed included a wide variety of services. Generally, our findings showed that businesses needed finances for: equipment, inventory, branding & marketing, staffing & support, systems & infrastructure, space, reinvestment and growth.

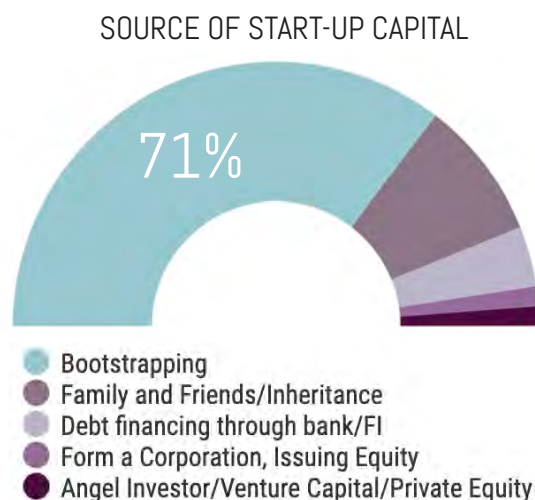


Figure E

## WHAT IS MOST IMPORTANT TO OUR RESPONDENTS (ON A SCALE OF 1-10)

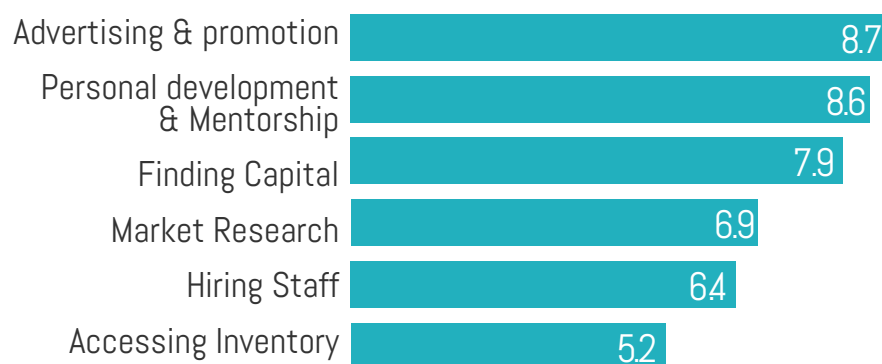


Figure F

Participants shared a number of reasons why they needed financial support for their business. Although the responses were typically similar across the country, the reasons did vary by industry and slightly by region.

In Atlantic Canada, the needs raised in the VTH largely included equipment.

In Nova Scotia, finances were needed as part of start-up capital; two people mentioned a need to invest in the business; and another person mentioned needing finances for branding and positioning.

In British Columbia, needs included: desiring money for space as well as getting through government processes and needing finances for branding and marketing.

In Alberta, the needs were for growth capital, specifically for increased staffing and technological solutions.

In North & Central Canada, the needs were a mix of all the above including: inventory, marketing; equipment; staff members, and; systems.

In Quebec, there was a participant who shared that he did not need money at the time, and if he had money, he would need to conduct research to know what to do with it.

Other Quebec-resident participants included that their needs were around space and personnel, to fully get their business started, money for resources to secure more funding such as a grant writer and again funding for dealing with government processes.

In Quebec, the discussion was centered around how money helps with everything. One participant said, "95% of the problems I come across are things you can use money to fix".

In Ontario, the financial needs included marketing; inventory; staffing, and equipment. A new contribution in Ontario was the mention of contractor services which was not stated explicitly during other sessions.

In many cases, money was seen as an enabler. Many participants felt that that money could be used to help access more money, could help them reach their customer base, or could be used to fully get their business started.

# Non-financial needs

A variety of responses were provided pertaining to the non-financial needs of the participants in this study. Although more challenging to capture, the responses included: time, subject matter expertise, personal development, strategy and a sense of community (either with the Black community at large, or with professionals more generally).

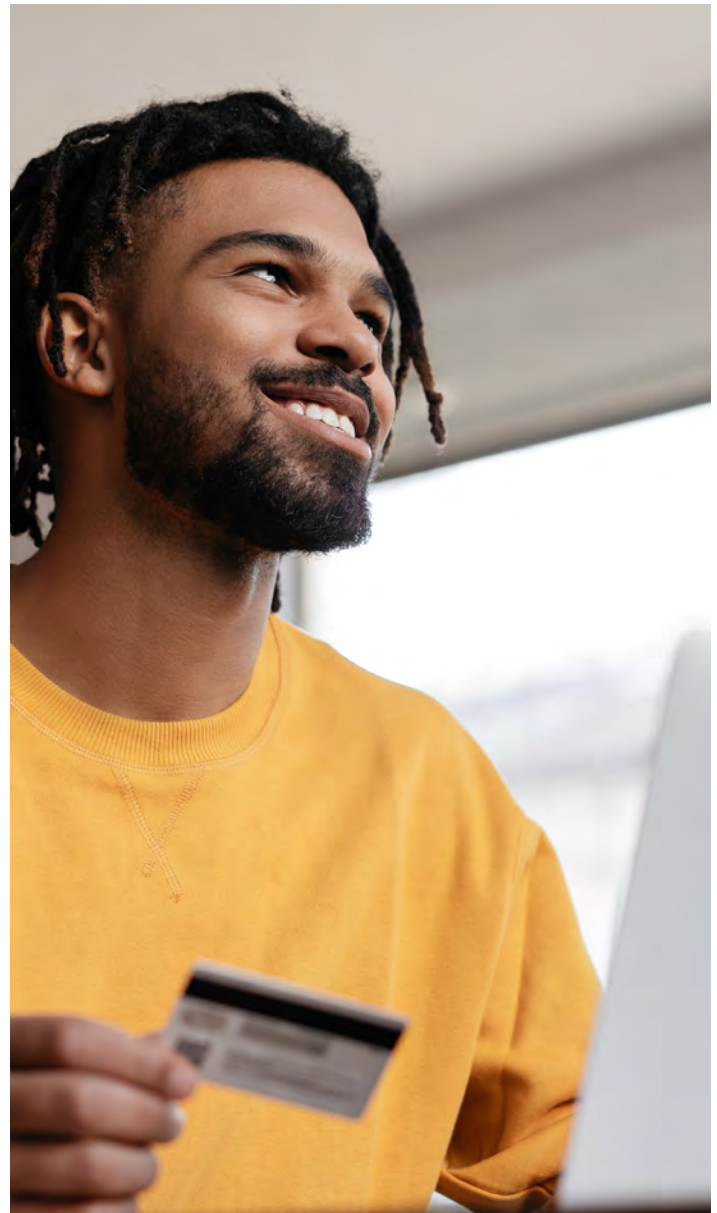
In Atlantic Canada, one of the participants shared that their needs were around subject matter expertise.

In Nova Scotia, the non-financial needs included time, one participant stated that "I need more time and opportunity to dive into the financial numbers... I would like to have more time to focus on that". In Nova Scotia there was a prevalent concept in response to the 'Non-Financial needs' question. One participant shared that, "a place to vent would be amazing. You can't take your problems to your friends and family". The trend first observed in Nova Scotia, continued in Alberta, North & Central Canada and Quebec.

In Alberta, the support was needed from within the community because a participant shared that the province has a 'stand by and watch' approach with new businesses; in North & Central Canada, the need for networking was raised by multiple participants, with one specifically needing a community for women in business to come together, and; in Quebec, one participant shared that "we need to be connected. We can help people since we have been through it and we can support each other."

In British Columbia, both participants who responded said that their needs included having access to more platforms for recognition to expand their audience base. Other primary non-financial needs included media and marketing opportunities. In Alberta, outside of the need for community, a need to cultivate a culture of business was raised as well, one participant mentioning, "so I think trying to start having businesses now, it's hard because we've never really been taught that that's the way we see everybody doing it or just trying to do it. That's not part of our culture." In North & Central Canada, personal development was also raised as a non-financial need.

Many entrepreneurs expressed the concept that "you have to try to build yourself up". These findings speak to the multi-layered needs that entrepreneurs have. The province of Quebec had the most discussion on the



topic of non-financial needs. Two participants spoke about needing strategy, one saying "I would actually pay a business coach to help me structure and stay focused"; while another group of participants were more interested in tapping into a network of professionals who know how to find and access funding; other participants shared that their needs included 'skills' and 'systems'.

In Canada's most populous province, Ontario, the trend of community and personal development was carried through. When asked 'what are the Non-financial needs of Black entrepreneurs in Ontario?', one of the respondents said "believing we can do it. A lot of my experience raising capital is not about the idea or projections", instead it's about "have I seen someone do it who looks like me?"

# What types of funding and funding programs are our respondents using?

FAMILIARITY WITH BDC OR EDC

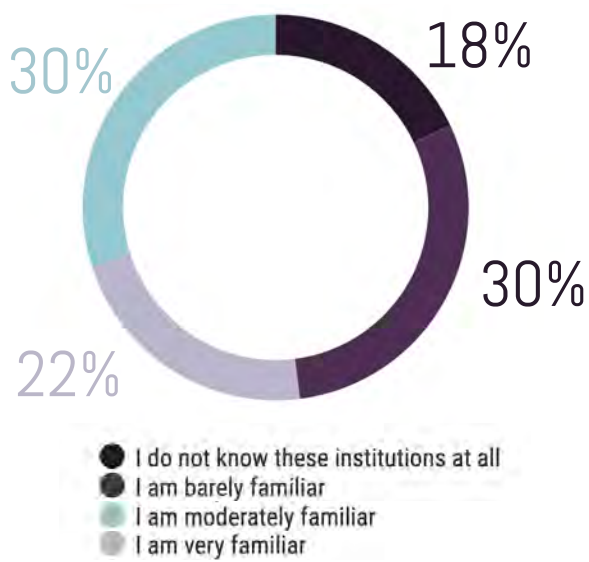


Figure G

In our study, only 22% of Black entrepreneur respondents indicated that they were very familiar with Business Development Bank of Canada (BDC) or Export Development Canada (EDC) and their programs. Yet, the BDC and EDC are the largest federally funded programs to support and help scale Canadian businesses.

Entrepreneurs who did acknowledge that they were successful in accessing BDC funding were very few and far between. One entrepreneur, particularly an attorney from Ontario, expressed that “It is only through my accountant that I know and would be able even to consider applying and securing BDC funding. I would try on my own for years and not be successful.”

In general, the Black business community is not distinctly and presently aware of any funding programs or vehicles available to them within their regions by the BDC or the EDC.

# Are our respondents securing outside capital/ funding for their businesses?

The amount of start-up capital required has a significant influence on whether an entrepreneur will need to secure outside funding to start their business. A majority (68%) of the respondents in this sample required less than \$25,000 to start their business.

The respondents indicated that Non-bank institutional capital was known to them at various levels which included:

- 25% of respondents had secured this funding prior,
- 29% were aware but had not tried,
- 35% were unable to secure funding,
- 10% did not know that this form of funding existed.

The respondents' sample size findings indicate that financial education is needed to inform the business owners that Non-bank institutional capital is available for Black business entrepreneurs, ultimately limiting these businesses' growth opportunities.

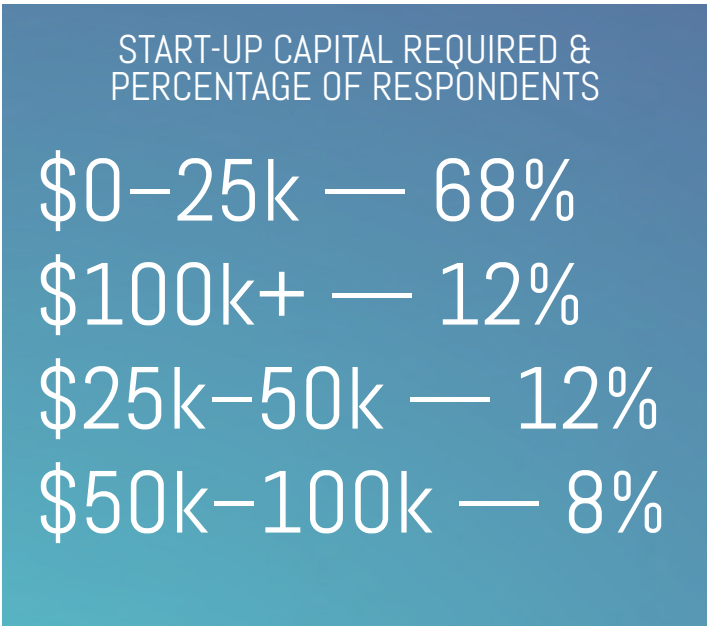
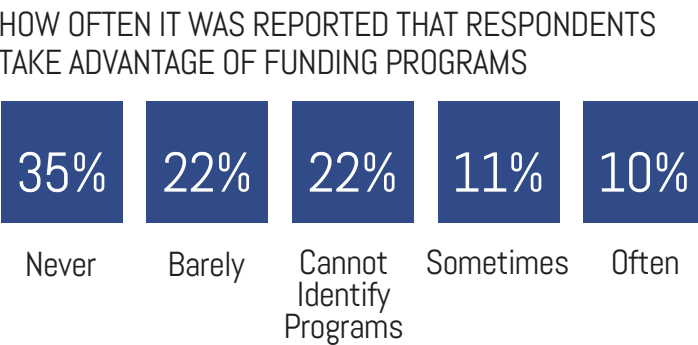


Figure H

# Do our respondents utilize available funding?

Overwhelmingly, Black business owners were not utilizing funding opportunities available specific to the business community, nor were they aware of funding available more specifically to the industry in which they were operating. They described the funding as “not easy to find” and industry-specific. Importantly, the perception that funding was not available to immigrant entrepreneurs could be a great impediment considering the proportion of Black entrepreneurs who are first-generation Canadians.



# Are our respondents comfortable accessing funding?

For those who are aware of funding, the degree of comfortability is evenly distributed. The 10-point Likert scale was used to determine relative comfortability with speaking to their primary financial institution.

Results show (see Figure I) that almost 30% of respondents are not comfortable, while 30% are generally comfortable. These are interesting results that likely trend differently within certain industries and regions.

For example, we heard in North & Central Canada that several Black business owners encountered racial or gendered discrimination in their dealings with banks. Still, it would be difficult to make any conclusions around Blackness and comfortability in this case of a 30, 40, 30 split.

Level of comfort on a scale of 1-10 (1 being not comfortable speaking to primary financial institution about funding and available capital?)	Percentage of Respondents
1	10%
2	12%
3	8%
4	8%
5	12%
6	10%
7	10%
8	10%
9	2%
10	18%

Figure I

## WHY OUR RESPONDENTS DO NOT ACCESS FUNDING

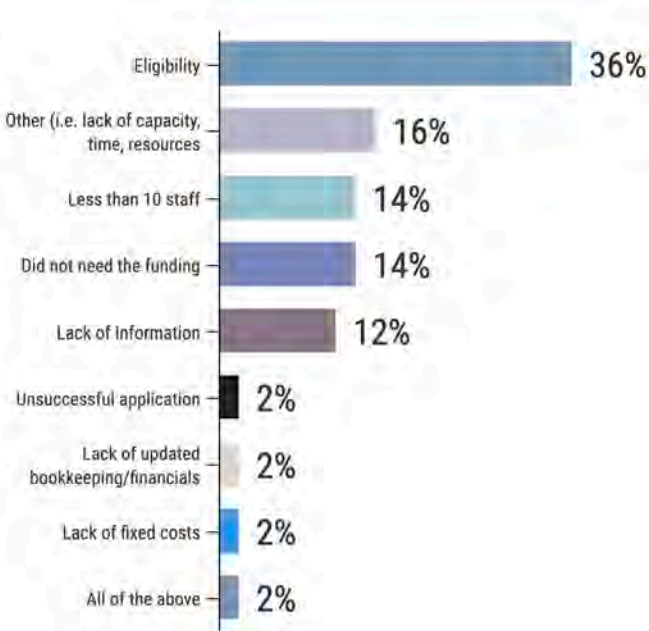


Figure J

# What types of services do our respondents require to be successful?

The services our respondents require to help them be successful include: spaces where they can learn from other entrepreneurs (Black or otherwise), training and professional development (including financial literacy, tips on writing funding proposals and applications), finding ways to eliminate bias from the decision-making processes that support business owners, and more research done on the Black consumer market and entrepreneurs to substantiate business proposals and growth opportunities.

Although some of the challenges are difficult to overcome, like bias and racial discrimination, other challenges have easier solutions, like lack of information and financial literacy.

In Atlantic Canada, creating groups (community) was a way to address many of the problems they identified including issues with institutions and lack of mentorship. Another contentious solution was more of a tactic, to hire white business personnel to skirt around the issues of discrimination and bias.

This was very different from the suite of solutions provided by Nova Scotia, where the focus was more on: investing in training to help entrepreneurs with their pitches and interactions with funders; using artificial intelligence to eliminate bias from decision-making and; ensuring there are VCs with Black founders and/or partners.

In British Columbia, participants were looking for more to be done with the Black Entrepreneurship Fund. In Alberta, the participants suggested VTHs or spaces where they could interact with other entrepreneurs in a way that was intellectually stimulating and air their grievances.

Sentiments shared in Ontario mirrored those included above. Suggestions for ways to address the challenges included building community among Black entrepreneurs, training on how to run a business, increased access to trusted advisors, and support specifically for the funding application process.

It was in North & Central Canada that we received the most suggestions for ways to address these challenges, some of them were shared by other provinces including their recommendation that Black entrepreneurs hire a diverse

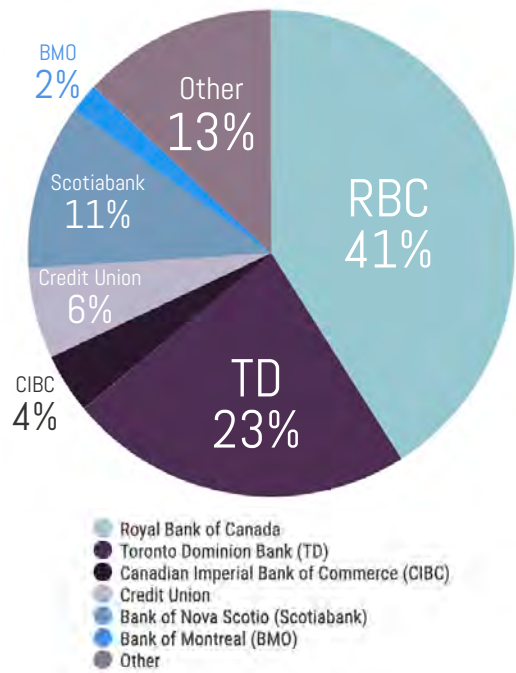


Figure K

team (white people) to help navigate perceived bias. Other suggestions were a bit more nuanced, including their assertion that there is a need for Black entrepreneurs to educate the banks about their needs, or take it upon themselves as a community to learn from the successes of other communities.

The conversations with those in Quebec were again both similar and distinct from those that came before. They were similar to Alberta and North & Central Canada in their desire to have more spaces for Black entrepreneurs to gather as like-minded individuals, but distinct in their two other suggestions. The first unique contribution was a suggestion that there be more Black representation in politics, and the second suggestion was concerned with data. One participant asserted that solutions have to be evidence-based, and that this data be widely-accessible "I think that the solution would be to put in place scholarships so that researchers can do work on those particular questions. And eventually, why not propose that we put in place a database that can feed those questions and ensure that we systematically have access to all those pieces of information and challenges."

Respondents in Quebec and Nova Scotia spoke of two Black-led and Black-serving centers, Groupe 3737 and the Black Business Initiative which both work to provide financial literacy, business education and resources to Black entrepreneurs.

# How were Black businesses doing pre-COVID-19, and will their businesses recover in a post-COVID-19 world?

Resiliency is well understood as an attribute of Black communities, and Black business communities are no exception. Several businesses across the country shared with us their experiences of watching everything they knew about their business come to a crashing halt, of pivoting from one business idea to another or, of starting brand-new businesses in response to what has been an unpredictable global pandemic.

Rather than take a provincial approach to this section, we will share the observations of those who: (1) struggled through COVID-19; (2) pivoted through COVID-19; and (3) sailed through COVID-19.

Those who struggled through COVID-19 were overwhelmingly those who relied on foot traffic for their business. One entrepreneur shared that “the challenge is not knowing the next couple of months. We used to be in a business where we planned 3-6 months ahead. Now it’s a few weeks. Even ads, you need to place two months before and pay before it comes out. Now I don’t want to advertise for Christmas because it might be canceled.

We can’t plan for the future, which is just as devastating as not having the business.” An entrepreneur from Nunavut felt that although the move to e-commerce was inevitable, her location and internet bandwidth has made that challenging. “I don’t have the internet to support me. I feel defeated. I am not down, the universe is generous, but in terms of events, I am feeling hard done by COVID-19.” A third entrepreneur working in Ontario’s beauty industry shared her experience of immediately losing customers and not doing anything about it. “From my side, sales had slowed down. The necessity/need/want to do your hair every day wasn’t there anymore because people weren’t going out anymore. So I felt it.”

Alongside those who struggled through COVID-19, we also spoke to those who were creative in responding to the global pandemic. Many of these entrepreneurs were contracted service people who could pivot into an online space quickly to take advantage of the changing times. An entrepreneur couple shared that, “this year gave us the realization that we could do it remotely and scale up and do it. It was born because of the pandemic.” Some entrepreneurs ran their business while maintaining a full-time job and claimed that COVID-19 allowed them to try their side hustle full-time. One of those entrepreneurs explains her experience like this, “so I just want to start by saying thank you, COVID-19. We started our business.

## 2019 RESPONDENT REVENUES

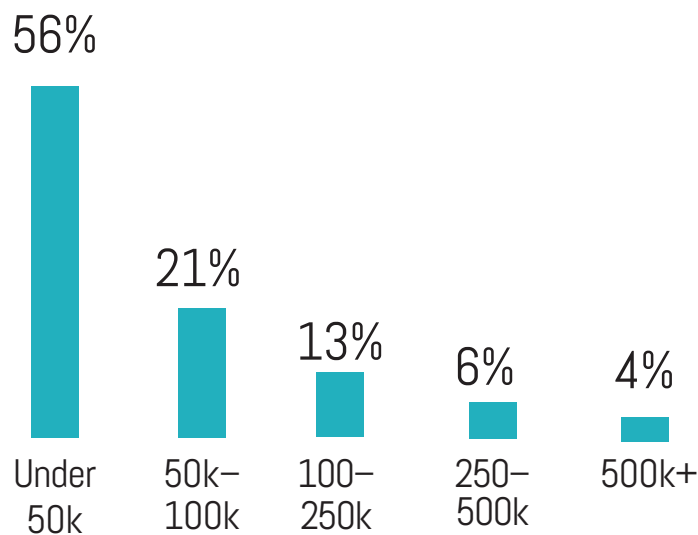


Figure L



Okay, my husband, he actually got laid off, so it was great because we talked about having this consultancy 10 years ago." Another entrepreneur from Quebec who runs an alcohol company sees both the good and the bad, she says that, "with COVID, it's sure that the sales weren't good, but now we're in a period of restoration. Yes, I was in restoration, but with restrictions, it was a bit hard. We had to change a bit of our business plan. However, I don't mind. I think that with COVID, people have been consuming more alcohol, so..."

For the Black entrepreneurs who were already online, COVID-19 was a huge opportunity to continue to do what they were already doing and have their business take off. Some examples include an entrepreneur from Alberta who said, "it's been good for us, like, I mean, we've grown during COVID because, I mean, there are many our clients that need to get online.

And so it has been good. But I've hired three people in the last six months that I have never met in person. And that's weird."

An entrepreneur from British Columbia shared that, "this year gave us the realization that we could do it remotely and scale up and do it. It was born because of the pandemic." An educational technology business in Nova Scotia has had an amazing experience sharing that "COVID-19 has affected post-secondary. No one cared about ed-tech before. Now they are interested. Our platform wasn't tailored to universities, but they are very interested. COVID has made ed tech a focus."

During COVID-19 did our respondents for any of the federal funding programs? i.e. CEBA, Wage Subsidy, BDC, EDC

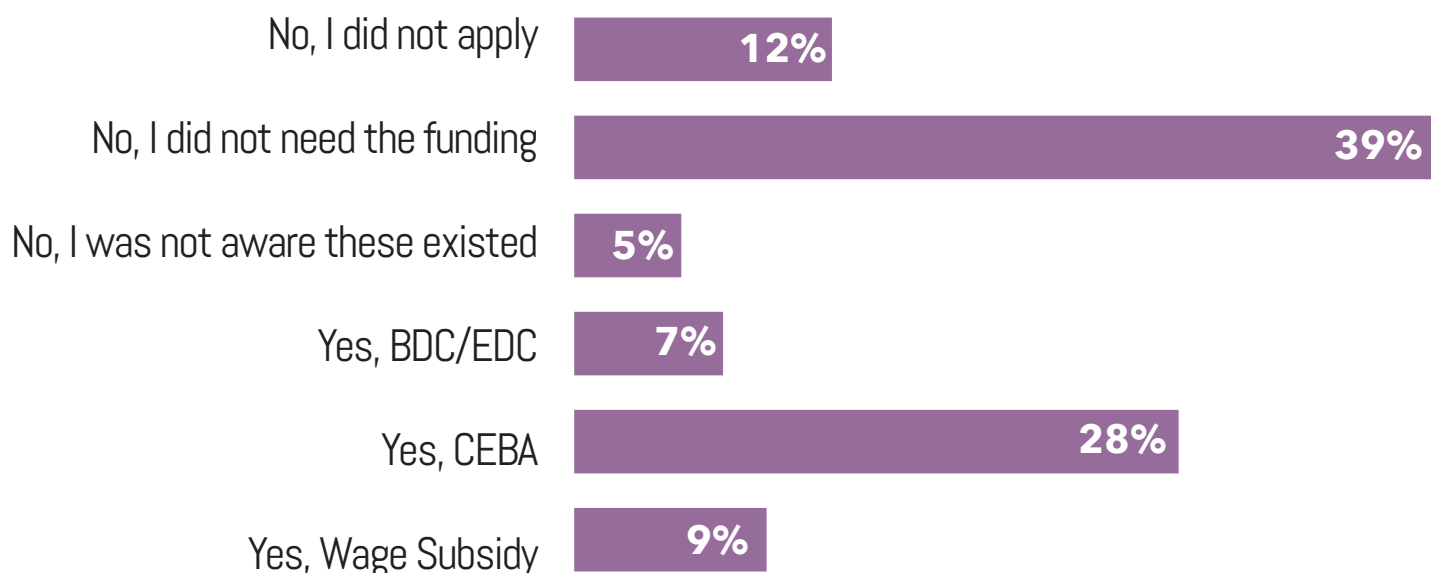


Figure M

# RECOMMENDATIONS

## FOR POLICY, GOVERNMENT AND INSTITUTIONS



Throughout this study, we have had an opportunity to participate in deeply engaging conversations with entrepreneurs across a variety of industries. Each session was incredibly unique and based on the specific region; the takeaways were vastly different and nuanced. From our analysis, we can state the varying outcomes and the lasting perceptions have enabled us to identify seventeen specific recommendations.

This report has five recommendations to better support Black entrepreneurs immediately and twelve recommendations for further market research. We hope that the following recommendations would be taken into careful consideration for financial institutions, Government, and Black-led, Black serving community groups to build on towards actionable strategies that create a positive trajectory for Black businesses.

# SOLUTIONS



Equitable Access to  
Bank Financing



Professional  
Mentorship Support



Financial Literacy &  
Ecosystem Programs



Relationships with  
Black Entrepreneurs



Support for Black-owned  
Businesses During  
COVID-19



## 1. Equitable Access to Bank Funding

**"I don't want to accumulate debt. I definitely focus on looking for grants. I feel like the banks ask for a lot. But again, I repeat, even if it's just going to get a grant, you need some sort of support system. Someone that can help you fill out the endless forms - and do it properly, while at the same time guiding you. You can try to get equity from the bank; however, the bank equals debt, which opens you up to a host of other issues."**

Financial Institutions must work to effectively incorporate a culturally competent lens when handling Black business owners. The criteria with which everyday applicants apply for funding cannot be used when addressing Black business owners as they face a totally different and unique set of financial challenges.

The study sample shows that 68% of respondents required less than \$25,000 to start their business. This does not mean that more funding was not required; instead, 71% of respondents chose to bootstrap their business with what they can accumulate without any financial institutions' help. One of the reasons behind this lack of comfortability with speaking to financial institutions about funding is; many respondents felt that they will be denied. This sentiment was especially shared among Immigrant entrepreneurs.

One respondent mentioned, "Using Artificial Intelligence for decision making" as a way to eliminate the systemic bias Black entrepreneurs face when approaching their financial institution for business financing. However, that approach could also be problematic as systemic bias could be built into the algorithms. Financial institutions must partner with community organizations to ensure that equitable funding decisions for Black entrepreneurs have an Afrocentric lens and consider the community's specific needs.





## 2. A humanized approach to mentorship for Black Entrepreneurs

**“Sometimes being a successful Black entrepreneur in Canada means that you have been through, and overcome, numerous experiences that can help to shorten the learning curve for others in the community.”**

A common theme shared among many of the Black entrepreneurs that participated in the study was the lack of mentorship networks and circles available within their communities and regions.

A founder of a food and beverage company in New Brunswick shared that they could not find diverse mentors and subject matter experts in their particular region to whom they could relate. This resulted in them often feeling clueless about how to price their products, complete taxation, and feel confident to expand their business into neighboring regions. Several entrepreneurs advised that they used “Google” as their primary subject matter expert, and individuals in general also acknowledged that the resources and support networks available were typically industry-specific.

Exempting Nova Scotia, Atlantic provinces have a total Black population of 10,170. Among these provinces, many participants expressed that it is almost impossible to access a Black mentor. Black entrepreneurs believe, in most cases, that they have to cross the border and look to the neighboring US counterparts for support and guidance. For some entrepreneurs in the Western provinces, having mentors in similar industries has made them feel less isolated; they feel heard and like they have a place to vent, but it is often scarce to find someone who looks like them.

There is also the intersection between being Black and an immigrant. Black entrepreneurs who have Permanent Resident status are not considered Canadian citizens yet, and are often excluded from local community programs as a result. This is an added layer, therefore Black entrepreneurs often find themselves having to be extra resilient.

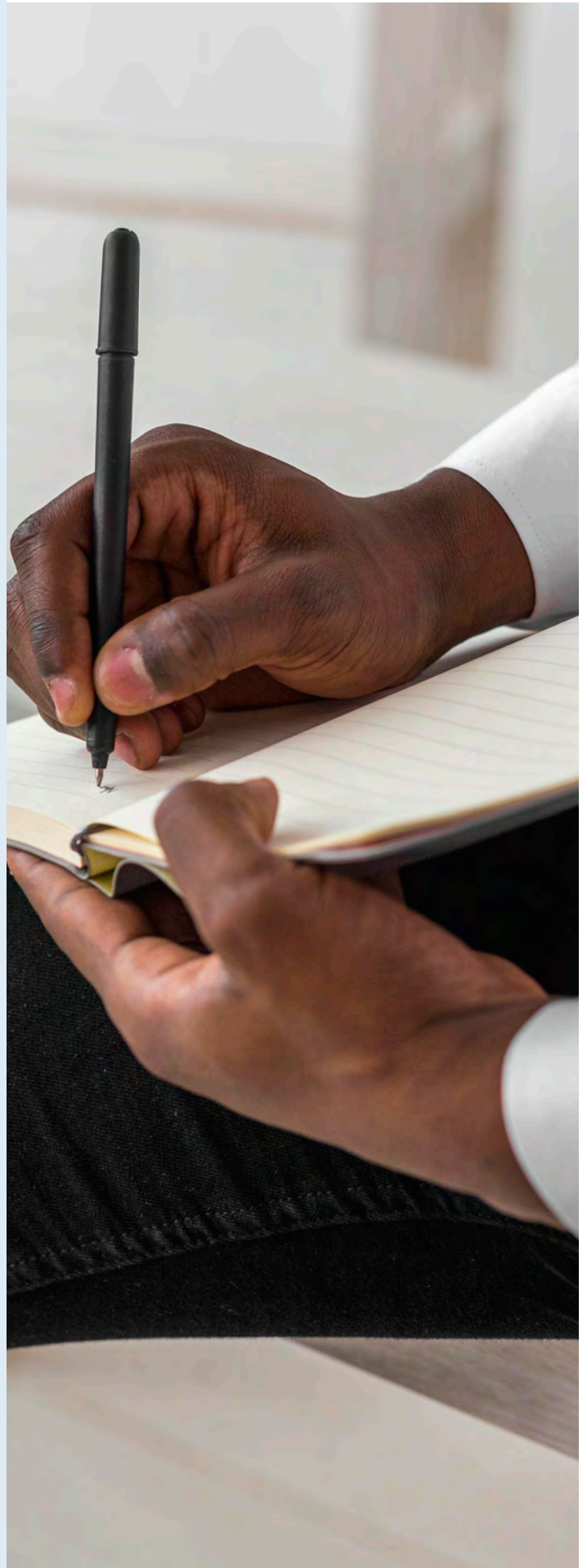


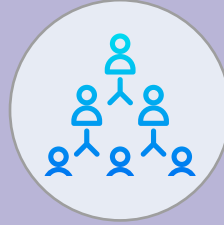
### 3. Institutions must develop specific hubs and programs for the Black business community to address financial literacy and ecosystem knowledge

**"Credit plays a huge part in getting a loan. A large percentage of Black people are not born here in Canada. In Africa, we don't have credit scores or loans. Our parents teach us what they know. You are gonna teach your kids credit matters. I had to tell the bank that too. No one teaches them that. There are a lot of Black people who want to get funding. Our parents can only teach us what they know. I don't have a history of grandparents who left money for me. We have to educate the next generation. You need that for everything (house, loan). Sometimes it's your credit, not your color. Black people don't work with credit in Africa. We have to educate the banks here."**

Financial literacy is a subject that is beginning to gain more attention in the school system and society as a whole. By and large, the diverse Black community's concept of financial literacy requires special attention, as the needs of this community are more complex than most. Systemically, there are no financial programs or concessions for Black Canadians who have been denied access to finances for things like homeownership and business ventures. Additionally, there are limited social innovation centers for Black entrepreneurs, where they can ideate and share ideas to build the next generation of high growth companies. For the communities in particular regions, (Quebec and Nova Scotia for example) programs like Groupe 3737 and Black Business Initiative have made a definitive commitment to addressing financial literacy and ecosystem knowledge sharing as demonstrated through multiple success stories across our focus groups.

Building community informed centers led by Black and/or other diverse experts in financial literacy, capital markets, knowledge exchange and sharing, taxation, accounting and bookkeeping need to be central to the Black Entrepreneurship strategy.





4. Federal funding institutions must make a conscious effort to enhance their relationships with Black Canadian Entrepreneurs..

**"You are talked down to sometimes because of your race, age, or gender."**

Almost 40% of respondents were not familiar with the major institutions and the available programs that provide funding to Canadian entrepreneurs regardless of race. Quite a few entrepreneurs who *were* familiar with major funding institutions felt it was more of a "whom you know" vs. a "what you know" type of system that enabled and rewarded entrepreneurs based on proximity and networks rather than their company's specific value proposition and capacity to generate cash flow and paying customers or to yield an ROI.

Marketing efforts spent to generate awareness about these programs are not considering the unique ways in which members of the Black community receive information. For those Black entrepreneurs who have heard of these funding programs, many do not feel that the available programs were designed with their unique needs in mind and do not feel comfortable approaching these institutions for capital.

The Black entrepreneurs who were familiar with federal funding programs cited several barriers that prevented them from approaching these institutions for support. An entrepreneur remarked that the BDC is probably "as close to a VC" investor that I am probably going to get, and it may, in fact, be easier to get that type of funding over a local bank which has almost impossible requirements to meet, whereas a VC is more willing to take a risk on you, a bank likely would not."

A handful of entrepreneurs felt that the accessibility of federal funding is highly dependent on whom you approach at the institutional level and and at what stage you present your business.



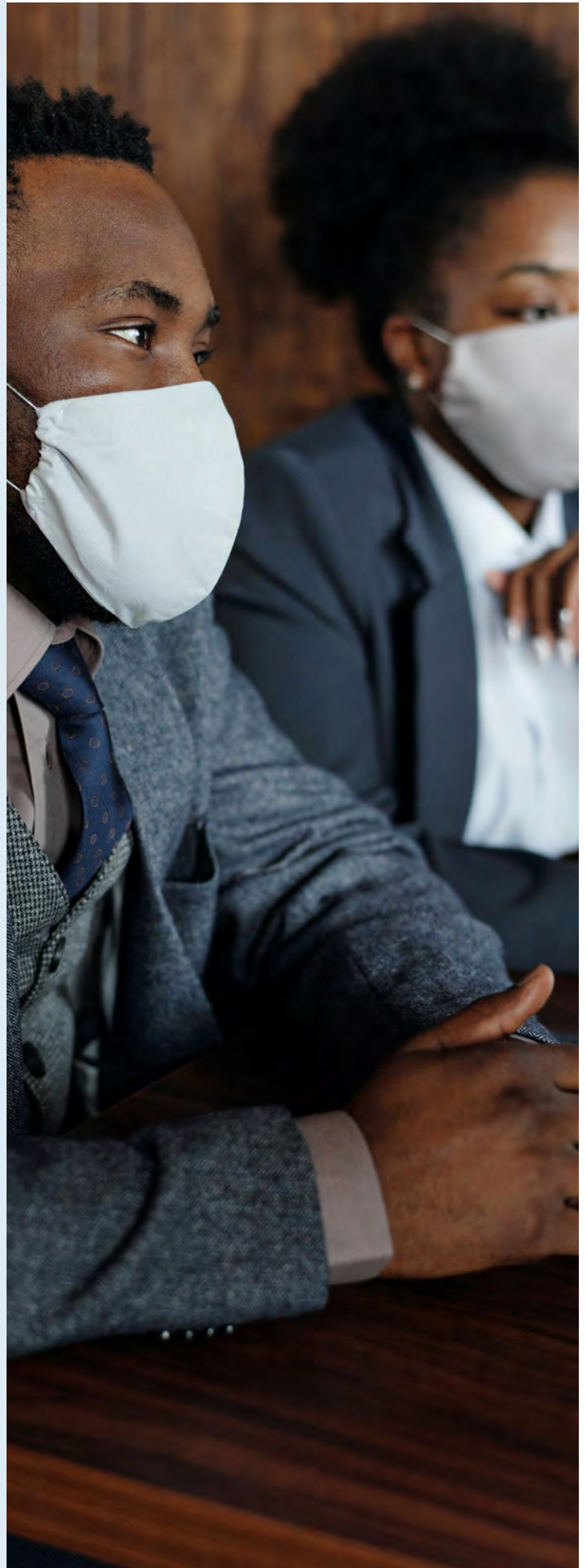
5. Government legislation must be reframed to address COVID-19 specific funding programs for small Black-owned businesses impacted by the pandemic.

**"From my side, sales have slowed down drastically. The necessity for my services has become almost extinct as people weren't going out anymore. So I've felt it, and my business has suffered tremendously as a result. I don't even know if my company will survive. I don't qualify for any of the funding out there."**

The current COVID-19 funding programs that the Government of Canada put in place to help businesses cope with the economic and financial effects of the pandemic include Canada Emergency Business Account (CEBA), Canada Emergency Wage Subsidy (CEWS), and Canada Emergency Rent Subsidy (CERS). These funding programs, albeit intended to assist Canadian businesses with financial relief, have criteria that implicitly exempt many Black Canadian entrepreneurs from being approved. For instance, 73% of respondents indicated that their pre-COVID-19 Revenue was under \$100,000 per year. If that is the case, they may not qualify for CEBA, as they must pay at least \$20,000 in employment income or eligible non-deferrable expenses of at least \$40,000. (Government of Canada, 2020)

Similar requirements apply to the CEWS and the CERS, which exempt many Black Canadian entrepreneurs from qualifying.

That being said, there is a need for COVID-19 funding programs that are specific to the needs of Black Canadian entrepreneurs, such as reduced revenue requirements, eliminating employee payroll requirements, and grants or interest-free loans with longer repayment periods, to name a few.



# FUTURE MARKET RESEARCH



This report only scratches the surface. Much deeper analysis and further research should be carried out to explore additional data, narratives, journeys, and perceptions.

This study is a great initial first step in helping the Government of Canada and financial institutions understand the Black entrepreneurship community's needs.

Through this study, we have begun to address the barriers to funding that are currently faced by the Black entrepreneurs and identified the need for more research in key areas, such as:

1. **FoundHers: The State of Black Women Entrepreneurs in Canada**
2. **The impact of COVID-19 on Black businesses**
3. **The Decade for People of African Descent ; Continuing the legacy**
4. **Funding accessibility based on the intersections of gender, sexual orientation, and race**
5. **Federal Funding Programs Designed, Targeted, and Marketed to Underserved Business Communities**
6. **Banks and Capital: The Black Canadian lens**
7. **The Causal Relationship between Education Levels and Entrepreneurship**
8. **Business Relations between Indigenous and Black Communities**
9. **Crowd-funding and Non-Institutional, Non-Bank Financing**
10. **High-Growth Scalable Companies and Job Creation in the Black community**
11. **The Impact of Mentorship in the Black Business Community**
12. **Black Francophone and Anglophone Business Experiences in Quebec**



## CONCLUSION

Ethnic diversity in the business ecosystem is an ongoing battle, and the voices of Black entrepreneurs remain unheard. Even though they have overcome systemic barriers to setting up businesses and conquering entrepreneurs' hardships in general, the struggle continues.

Very few Black women founders and entrepreneurs specifically met the Women's Entrepreneurship Fund criterion of \$50,000 in annual revenue; proof of being in operation for at least two (2) years; and having one to ten employees. Moreover, very few Black men find themselves able to access programs made with them in mind.

The focus on SMEs with employees excludes many Black entrepreneurs who, based on the present research findings, largely identify as solo entrepreneurs or self-employed with less than 10 employees. With the dearth of capital awarded to Black Canadian entrepreneurs, many business owners find themselves feeling that they are far less likely to be funded than other ethnic groups.

Actionable and measurable progress must be made towards creating a more equitable and sustainable business ecosystem for intersectional entrepreneurs. Black entrepreneurs are disproportionately more likely to hire other Black people, quite frequently family members and more often than not, members of their local communities.

The findings of this study are both integral and innovative, as data of this kind and at this scale has yet to be collected by the Government of Canada. This is why it is fundamental for the federal government, in partnership with major funding institutions to provide targeted capital, services, and systems to support Black entrepreneurs to build the future. It is our firm belief that an investment in the Black business ecosystem is an investment in Canada overall.

## Eight Key Findings

- 1 The majority of programs providing access to capital and funding for entrepreneurs do not make a targeted effort to address Black communities.
- 2 Generally speaking, Black entrepreneurs do not have positive interactions with financing institutions due to past experiences, lack of information, and financial literacy.
- 3 Black entrepreneurs in regions with lower populations of Black people such as Nunavut, Saskatchewan, New Brunswick, Newfoundland, and PEI identified isolation and limited networks as key barriers in their ability to grow their businesses.
- 4 Many Black entrepreneurs (36%) do not qualify for funding programs because they do not meet eligibility requirements. Many Black entrepreneurs also lack the social capital and networks to set up businesses for funding successfully.
- 5 In provinces like Quebec and Nova Scotia, the federally funded initiatives Groupe 3737 and Black Business Initiative are widely credited with providing specifically tailored programs to build Black businesses and support entrepreneurs in Canada.
- 6 A large number of Black entrepreneurs have an overall annual revenue of less than \$100,000 and are hitting a glass ceiling.
- 7 Across the country, the perception among Black immigrant entrepreneurs consisted of not receiving funding based on their immigration status.
- 8 The government must invest in high-growth and/or tech-enabled businesses as these types of companies create jobs and grow the economy.

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