




# FOUNDERS

The First and Largest Market Study of  
**BLACK WOMEN FOUNDERS IN CANADA**



*See Us, Hear Us*





# Table of Contents

*See Us, Hear Us*



## SECTIONS

---

- 3 Acknowledgements
- 4 Partners & Community Leaders
- 12 Executive Summary
- 15 Literature Review
- 26 Research Methodology
- 32 Black Women Founder Personas
- 39 Findings & Observations
  - I. Black Women Business Sector Overview
  - II. Charities and Non for Profits led by and serving Black Women
- 71 Recommendations
- 72 Future Market Research
- 73 Conclusions
- 75 Special Acknowledgments
- 78 Glossary of Terms
- 82 References

# ACKNOWLEDGEMENTS

This report was produced by Pitch Better Inc. with the support of Canadian Women's Foundation, The Investment Readiness Program with the Government of Canada, the Business Development Bank of Canada (BDC) and Brock University.

## About Pitch Better

Pitch Better is a national market research firm and capacity building organization focused on developing and scaling businesses and organizations led by diverse founders.

## About The Canadian Women's Foundation

The Canadian Women's Foundation is a national leader in the movement for gender equality in Canada. Through funding, research, advocacy, and knowledge sharing, we work to achieve systemic change.

## 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 all entrepreneurs in all industries and at all stages of growth.

## About Brock University

Brock University is a comprehensive university of more than 19,000 students, a home to rich academic programs and world-class research.

Our firms are thrilled to provide an in-depth report analyzing the nuanced experiences of Black women founders in Canada; their stories, triumphs and barriers.



# FOUNDHERS DONOR ACKNOWLEDGEMENT

THANK YOU OUR CONTRIBUTORS

## ORGANIZATIONS

Alterna Savings

The51

Schulich School of Business

Canadian Women Chamber of Commerce

Fifth Wave & Liisbeth

How She Hustles

Women in Tech

Braids For Aids

Setsi Community

Innovate Inclusion

The Founder Institute

Move the Dial

Ryerson DMZ

Sandpaper VC

Black Opportunity Fund

CILAR

## INDIVIDUALS

Chandran Fernando

Caitlin Macgregor

Andrea Henry

Chris Carder

Kristine Stewart

Nancy Wilson

Steve Hulford

Alysse Selby

Andrew Garrett

Kingsley O.

Linus AKANOH

Robert Kenedi

Emily Mills

Cherene Francis

Maambo Mujala

Alf Goodall

Leah Rivers

Sharon Fletcher

Julianne Trotman

Ali Close

Vinita Jajware

Kristine Vacola

Sumi Kim

Leah Nyugen

Ryan Tucker

Laura Maynard

Jen Couldrey

Stachen Frederick

Joy Bennett

Rosie Marfo

Petra Kassun-Mutch

Chantal Carter

Danica Samuel

Eril Berkok

Tiffany Peters

Olaitan Ogunnote

Arnold Gladin

# MESSAGE FROM THE PRESIDENT OF CANADIAN WOMEN'S FOUNDATION

As Canada's public foundation for gender equality with thirty years of impact, The Canadian Women's Foundation works toward gender justice. We support diverse women, girls, and Two Spirit, trans, and non-binary people to move out of violence and poverty and into confidence and leadership.

As part of our efforts, we build up social purpose entrepreneurs and organizations in Canada, particularly those led by women and gender-diverse people making impact in their communities. Supporting social purpose projects led by Black women and Black-serving organizations is an important element of our focus. Good data with an intersectional lens is essential to this effort, not just for us, but for all organizations and institutions that have an impact on the marketplace and economic inclusion in Canada.



The lack of Canadian data and benchmarking information about barriers Black women and gender-diverse entrepreneurs and organizations face has been a significant and longstanding gap. When data is not collected, concerns get ignored, solutions are left unpursued, and the status quo remains intact.

This is one of the reasons we partnered with Pitch Better to lead the FoundHERS Project, a national market study and digital dashboard showcasing businesses, social enterprises, and organizations founded by Black women and gender-diverse people. As an early partner, we are thrilled that other supporters joined in the effort. FoundHERS is an excellent example of a community-driven partnership that fosters inclusion in the investment readiness and social finance ecosystem, facilitated by the Government of Canada's Investment Readiness Program.

We are thrilled that insights from FoundHERS can help develop more capacity-building and advisory services for Black women and gender-diverse entrepreneurs and Black-serving social purpose organizations in all stages of development, from start-ups and micro-businesses to medium and growth stage enterprises. We look forward to the wealth of research that will come out of this work to extend the dialogue and enable innovations, such as tailored business incubators and accelerators.

Ultimately the Foundation looks forward to an increase in philanthropic funding and varied capital investments, such as micro-loans, seed grants, catalyst funding, forgivable loans, smart capital, and other funding for Black women and gender-diverse entrepreneurs and organizations.

We are proud to be a part of this changemaking project and look forward to the much-needed improvements it will bring.

Paulette Senior  
President and CEO  
Canadian Women's Foundation



## MESSAGE FROM THE PRESIDENT AND CEO OF BDC

As Canada's bank for entrepreneurs, BDC's purpose is to ensure that all entrepreneurs have access to the resources, financing, advice, networks and tools they need to succeed. Black entrepreneurs are making a significant contribution to our communities and our economy. Yet, it is challenging to quantify this because there is a significant gap in research on Black business owners and in how this data is shared.

The good news is, this is changing. Over time we are seeing more organizations bring data to market. In February 2021, BDC supported the Canadian Black Chamber of Commerce's (CBCC) first study, *Building Black Businesses in Canada* which examined the needs of Black entrepreneurs and the opportunities to better support them.



Today, we are proud to increase the research for this community and to work with Pitch Better as the exclusive financial partner on this report. Black women entrepreneurs face an even greater hurdle when it comes to starting and growing their businesses because they are a part of two underserved markets: women and Black. This intersection makes it even harder to access funding, find role models and support groups. This study of more than 1,500 Black women entrepreneurs in Canada will be the largest survey of its kind to-date. It will help inform financial institutions, like BDC, about the needs of Black business owners and how we can be all better partners. The partnership will also provide Black entrepreneurs with insights and inspiration by sharing information, success stories and bringing people together through the FoundHERs dashboard.

At BDC, we are committed to listen and learn by working with the Black community including our clients, entrepreneurs, employees, and partners. Armed with these learnings, we will then proceed to take action. Following the launch of *Building Black Businesses in Canada*, we created a free webinar series to provide solutions to the main challenges identified in the report. We partnered with Futurpreneur and RBC to launch the Black Entrepreneur Startup Program, and we are committed to regularly reevaluating what we do to ensure that Black entrepreneurs have access to the financial and non-financial resources they need.

Together, we must address the long-standing inequalities that hold Black business owners back from achieving their true potential. BDC is committed to being part of the solution and we are proud to work alongside partners like Pitch Better to support them.

Michael Denham,  
President and CEO, BDC



# MESSAGE FROM THE OFFICE OF THE PRESIDENT OF BROCK UNIVERSITY

## **FOUNDHERS: an important study that contributes to the knowledge and literature pertaining to Black women entrepreneurs.**

The large participation rate in the study from Black women business founders provides the data required in the establishment of meaningful and insightful observations. Some of the observations are consistent with research conducted outside of Canada, such as in the United States, that highlight issues such as business under-capitalization challenges limiting the growth and development of Black women led businesses. On the other hand, the report provides new data and information that give a richer understanding of the Canadian setting.



The report findings suggest for instance that the pursuit of their passion was the second motivation for starting a business, while the first motivation was being ready to be their own boss. It is meaningful to note that, while the study identify challenging Black women owned business, a significant number at nearly 25 percent of the Black women led businesses surveyed in Canada reported profit levels of \$100,000 or more. On the other hand, the study found more than 70 percent of the businesses in retail services; accommodations, travel, hospitality, and food; consulting and management; media, arts, and culture; and education sectors. The remaining 30 percent pertain to areas such as law, real estate, science and technology, construction and manufacturing, medical and dental sectors, and others.

The study involved the participation of members from the Canadian Black community and from Brock University. At Brock, the University's strategic priorities place a significant emphasis on the contribution to the growth and vitality of communities. This study represents the engagement between community and university which facilitated the bridging of community social capital and institutional capacity. In this manner, bridging social and institutional capital can assist in addressing business and managerial information gaps faced Black women-led businesses by Brock and other Canadian universities conducting community engaged research involving the Black and other minority communities. The study therefore points to the opportunity for Canada to boost its productivity and overall economic activities by Canadian universities and other institutions participating with community-based organizations to boost the knowledge and information available for supporting business and entrepreneurial success.

The study fundamentally contributes to an inclusive Canada and business community. It is worth reading.

Dr. Gervan Fearon  
President and Vice-Chancellor  
Brock University 2017 - 2021





At EY, inclusion is core to our business. As a global organization, we work to address the barriers to economic growth faced by Black people, from expanding opportunities to ensuring entrepreneurs have equal and equitable access to financing options. Access to networks and capital is at the core of many challenges Black women entrepreneurs endure; this dashboard aims to fill the gap representing the first database of its kind in Canada. The "FoundHers" Dashboard and Research Study by Pitch Better Inc. is a clear view into the dynamic companies led by Canadian Black women business owners, a promising group of founders who require continual investment to innovate and scale long-term.



We are proud to be the official Industry and Innovation Partner for this innovative concept through supporting the development and quality assessment of FoundHer's visual dashboard.

*Tiki*  
**CHEUNG**  
PARTNER, EY CANADA

*Chris*  
**GORDON**  
PARTNER, EY CANADA

I have personally grown through the transformative power of great mentors and networks. I believe that more Black women just need the opportunity to capitalize on their massive potential.

*They need a seat at the table.*

The data from FoundHers indicated that more than 90% of respondents rarely participate in personal skills development programs through accelerators and workshops. This is a great starting point for us to better tailor and enhance our products and programs for professional development, networking, financial literacy and youth engagement targeted at this promising group of leaders; Black women entrepreneurs.



*Claudette*  
**MCGOWAN**  
GLOBAL EXECUTIVE OFFICER, CYBERSECURITY, TD BANK

The FoundHers Research Study has come at a great time for Black women entrepreneurs in Canada, and most specifically for those in Quebec. It is finally allowing our voices to be heard! The statistics and data will allow us to show the lack of diversity within entrepreneurial spaces, lack of access to capital and viable networks; and an inability to find financing for businesses.

A key finding in the comprehensive report indicates that 34% of Black women entrepreneurs have never taken advantage of available funding programs, even though they are operating viable businesses that generate revenue. As an executive, it is important that gatekeeping the access to funding does not exclude those who need it most. With all of these findings, I am happy and proud to co-sign the The FoundHers Report and Dashboard. Amoye Henry, Adeela Carter-Charles and the entire FoundHers team are creating a platform and taking a stance on data for Black women-led businesses for the future and for Canada overall.



*Vickie*  
**JOSEPH**

**CO-FOUNDER GROUPE 3737  
INVESTOR, ENTREPRENEUR**



*Jodi*  
**KOVITZ**  
**FOUNDER, MOVE THE DIAL**

I observed and learned about some of the unique barriers Black women founders faced through our work over the years at #movethedial including access to capital, networks, skilled advisors and customers. I was horrified to learn that there is simply not a level playing field as it relates to conditions for building successful companies. However, I did not understand the absolute magnitude of the problem (and opportunity!) prior to reading the poignant data and insights provided by the FoundHers research study and Dashboard.

The team at FoundHers has produced the exact rallying cry that the entire technology ecosystem needs to call us to collectively take bolder action to actively support Black women founders in continuing to start and scale their businesses and the tool to do just that. By putting a much needed lens on Black women-led companies, we can better understand what we need to do specifically to support them to move the dial further and more equitably. I am proud to support this initiative and invite my dial moving colleagues, funders, founders and friends to join me in going out of our way to use the Dashboard to invest in, support, guide and amplify Black women-led companies, now.

Lise  
**BIRIKUNDAVYI**

Isaac  
**&** LEADERSHIP TEAM  
**BLACK INNOVATION CAPITAL**  
**OLOWOLAFE**



Black Innovation Capital is a Canadian venture capital firm built with the objective of investing in promising black founders in the technology space. We make early and transformational investments in disruptive companies often answering unmet needs of minority communities. We like to work with dreamers that can envision what life will be like in 5-10 years, and invest to help make that vision a reality.

Pitch Better's research for the FoundHers Report and Dashboard is an integral part of the puzzle we aim to respond to through our fund. With the highly anticipated release of this foundational data, both the report and dashboard will provide a real-time snapshot of the movement around building and scaling Black business communities in Canada. This dashboard will allow the investment community at large to see what we see, that there are communities of hard working entrepreneurs that are overlooked, yet have the potential to yield great returns.

The Black Innovation Capital fund gives its full support to this critical work by FoundHers as we are confident that it will help catapult the Black business infrastructure in a future-forward direction.

As a Venture Capitalist interested in dynamic growth based businesses, the FoundHers Dashboard gives direct insight to innovative companies that need access to capital. It also allows us to understand capacity building opportunities to support the growth of Black women led businesses and their stage of development.

We have seen that Black led businesses create significant impacts in our communities and the economy overall. Supporting platforms like FoundHers will help to shift and shape the inclusive Canada we want to live in for future generations.

Jay  
**ROSENZWEIG**  
VENTURE CAPITAL INVESTOR



# EXECUTIVE SUMMARY



FoundHers is the largest open national market analysis of more than 1500 Black women led/Black serving charitable, not for profit (NPO), and for profit organizations in the Canadian business sector. This large-scale socio-economic analysis aims to uncover critical insights to understand barriers faced by Black women led organizations along with a comprehensive environmental scan on the literature in the market. This report addresses the significant research gap and lack of market information available for this domain with the following distinct features:

- Led by a team of Black women and centered on the experiences of Black women entrepreneurs, business owners and not for profit founders who are not typically compensated for their intellectual resources and input;
- Guided by academic collaboration with an ethics approved quantitative survey;
- Leveraged Pitch Better's robust marketing network, existing connections, and social media followers, including locations that have not been sufficiently explored before;
- Incorporated a comprehensive review of literature and Canadian business history;
- Provided separate insights into for profit and not for profit businesses;
- Generated personas based on key profiles and insights to paint a clearer and more dynamic picture of the Black women entrepreneurship community;
- Laid the groundwork for an interactive dashboard featuring Black women led organizations across Canada.

## INTERSECTIONAL INCLUSIVITY

**When referencing the term "women", this study is inclusive of diverse people across various intersectionalities and includes people who identify as women, girls, trans, non-binary and Two Spirit LGBTQI+**

*See Us, Hear Us*



# AT A GLANCE

For Profit



59%

Have a Bachelor's degree or higher

Not for Profit



42%

NPO's are ready to take on investment capital



\$25K

43% of founders have reported annual revenue of \$25,000 or less



85%

NPO's are familiar with social financing



72%

Indicated that their business revenues were impacted negatively by Covid-19



< 5 years

72% of NPO respondents would need less than 5 years to repay a loan



34%

Never take advantage of available funding programs



86%

NPO founders require less than \$250K in funding to grow



74%

Are based in Ontario, Quebec and British Columbia



70%

Have a College diploma or higher



2 years

The average amount of time needed by 50% of respondents to repay financing



37%

NPO's have never secured any funding at all



57%

Earn 57% of what men earn



41% identified that they would take 1-3 years to repay a loan

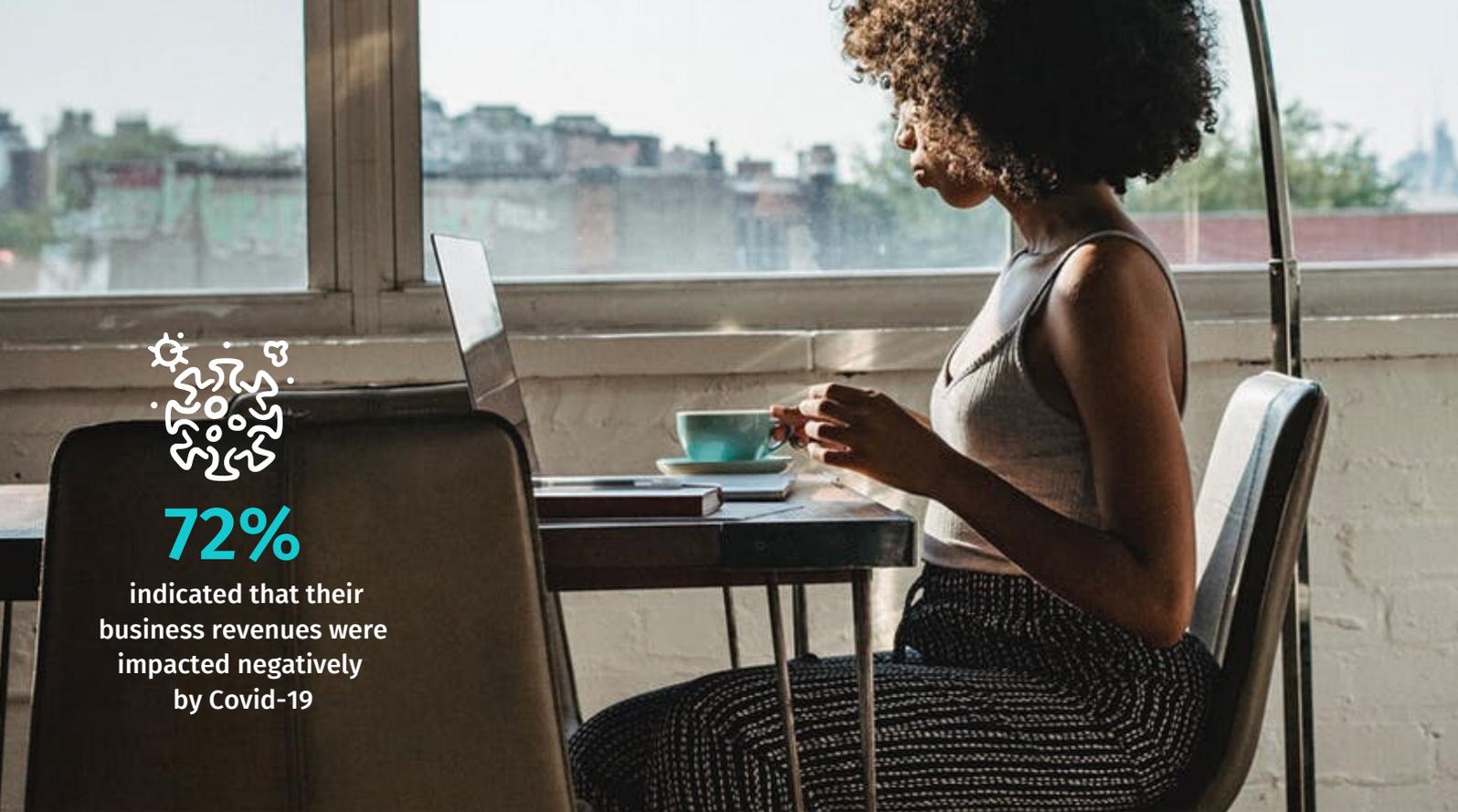
It goes without saying, Black women founders face significantly more challenges because they fall into more than one underrepresented intersection, being Black and being women. According to a [2019 BDC study](#), data shows that only [16% of Canadian entrepreneurs are women](#). Additionally, a 2021 study led by the African Canadian Senate Group indicated that [76% of Black entrepreneurs felt that race affected their ability to succeed in business](#). Research targeting Black women founders is very scant. With the exception of a recent study based on a purposive sample of a 2021 pitch competition, to the best of our knowledge, FoundHers study is the largest open survey and study on Black women entrepreneurs in Canada with the unique features outlined above.

## For Profit:

- 59% of Black women entrepreneurs earn a bachelor's degree or higher;
- 57% of their business' were founded over the last 5 years; 35% are solopreneurs; and 52% cited personal passion or self independence as their motivation;
- 45% of Black women entrepreneurs identify their business lifecycle at a growth phase; and 41% of the respondents reported that the global pandemic has significantly impacted their revenue and/or profit;
- 65% reported that they have not secured funding, or have secured less than 50K in external funding;
- 53% have generated less than 50K; and 51% profited less than 25K in the past 12 months;

## Not for Profit:

- 33% of Black women founders are familiar with social financing;
- 41% of NPO founders indicated that it would take them 1-3 years to repay a loan; and 31% indicated it would take them 4-5 years;
- 86% of Black women NPO founders indicated they need less than \$250,000 in funding to grow their organizations;
- 42% of NPO founders feel ready to take on investment capital;



**72%**

indicated that their  
business revenues were  
impacted negatively  
by Covid-19

## **Lack of Access, Capital and Networks**

Findings from this study indicate that Black women founders operating in both the for profit and not for profit space have a lack of access to capital. Although competent and capable of building viable businesses that generate revenue, social factors such as networks and mentorship result in lower yields for these founders and their enterprises.

Findings also indicate that Black women are highly educated, leaving us to examine why women with advanced education lack the financial resources required for growth and sustainability. Insights suggest that this scarcity results in most Black women entrepreneur remaining the only employee within their organization.

Led by a team of Black women, it was critical in the research approach to truly centre the experiences of Black women entrepreneurs, business owners and not for profit founders through the focus group discussions, outreach to participants, and by incentivizing women who are consistently asked to share their experiences but are not compensated for their intellectual resources and input.

Powered by relevant literature and a survey questionnaire designed in academic collaboration with researchers at Brock University, this inaugural report provides significant insights based on data obtained from hundreds of businesses and organizations throughout the nation, laying the groundwork for an interactive dashboard featuring Black-women-led organizations across Canada.

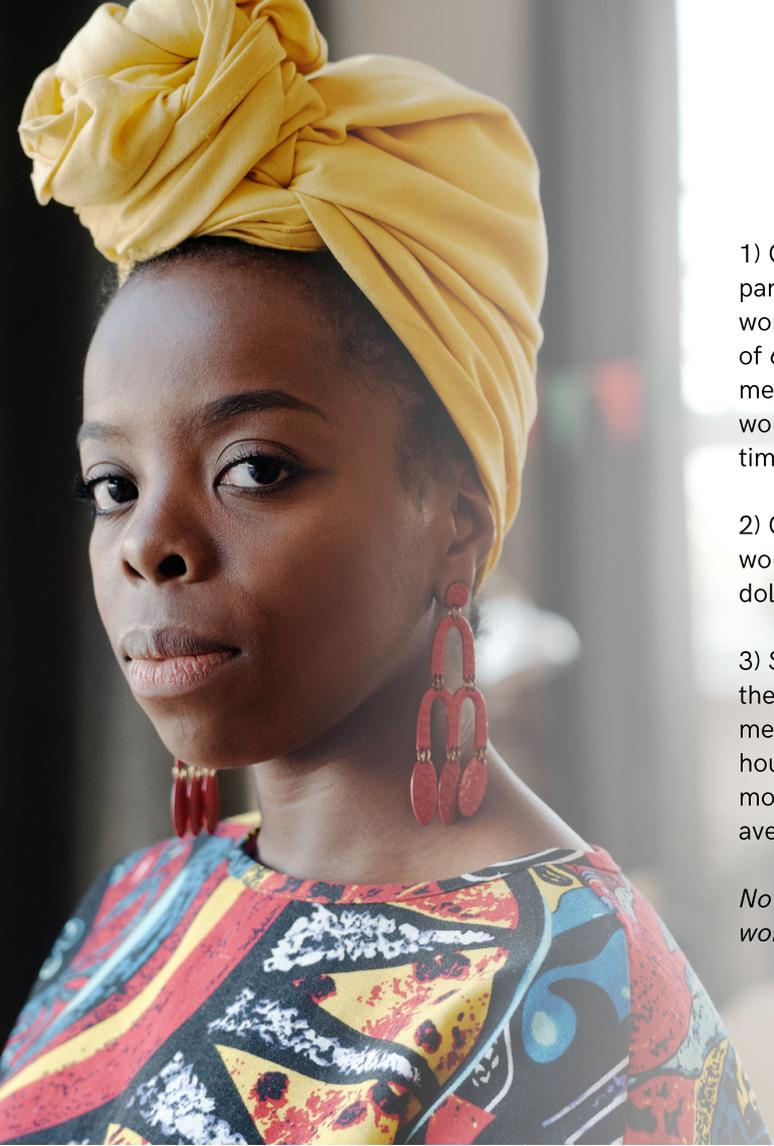


## LITERATURE REVIEW

Central to the study of Black women in Canada is their position at the intersection of Blackness and womanhood. Black women continue to report wages significantly lower than Black men and white women. Most recent available data reports that Black women earn 58.5% of what men (on average) earn, presenting a 30%+ difference between all women and Black women specifically. Further, according to Drover (2004), Black women are said to make 79% of what Black men earn and 57% of what all Canadian men earn (p. 314). In general, studies focused on Black women entrepreneurs in Canada are very limited, with prior studies appearing only recently (e.g. BBPA, 2021; katshunga and Massaquoi, 2020).

Historically, Black women have simultaneously worked in the formal and informal economy to survive (Knight, 2004, p.105). From 1922 to 1931, 74% of the 768 Caribbean Black people who immigrated to Canada came as domestic workers. The numbers were slightly lower between 1955 and 1961, with 44% of the 4219 Caribbean immigrants being "female domestics" (Knight, 2016, p.312). What is vital about Canada's domestic program is that the government required that migrants be single with no dependents (Knight, 2016, p.313). However, literature around women's entrepreneurship "often essentializes the 'female entrepreneur' as being white and middle-class and neglects to address the issue of race (originally cited to recognize Mirchandani, 2002)" (p.104).

According to Lo, Teixeira, and Trulove (2002), "much of the literature analyzing Black business activity in Canada describes it as very low." The perception of a lack of Black entrepreneurs' activity often correlates with difficulties accessing bank financing or their lack of experience in operations and discrimination, not to say that there is no Black business in Canada. Despite institutional barriers, there is a long history of Black ownership.



## According to the Canadian Women's Foundation, the gender pay gap is typically measured in three different ways:

1) Comparing the annual earnings, by gender, for both full-time and part-time workers, comparing the annual earnings of full-time workers. On this basis, women workers in Canada earned an average of 69 cents for every dollar earned by men in 2016. This measurement results in the largest pay gap because more women work part-time, and part-time workers typically earn less than full-time workers.

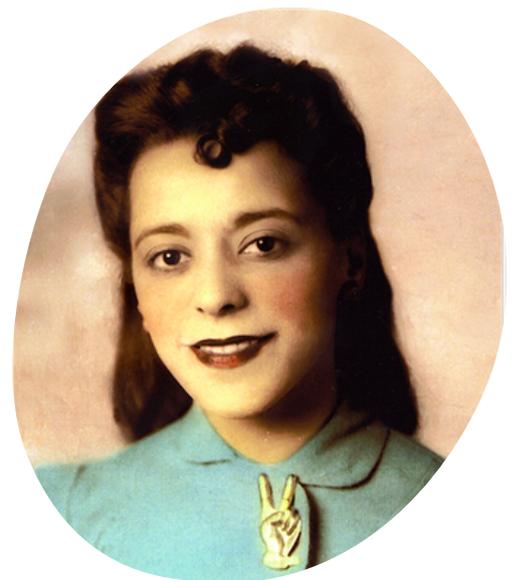
2) Comparing the annual earnings of full-time workers. On this basis, women workers in Canada earned an average of 76.8 cents for every dollar earned by men in 2019.

3) Statistics Canada notes that the measure above doesn't account for the fact that full-time working women tend to work fewer hours than men, often because of family responsibilities. Thus, comparing the hourly pay of full-time working women to those of men provides a more precise picture of the pay gap. On this basis, women earned an average of 87 cents for every dollar earned by men in 2015.

*No matter which calculation is used, the pay gap clearly exists for women in Canada.*

## BLACK WOMEN IN BUSINESS IN HISTORY

Before and during the nineteenth century, Black-owned businesses in Toronto included hotels, restaurants, taxi service companies, dress shops and livery stables (Frost, 2007; Hill, 1985). There is also evidence of Black business ventures in Western Canada, including pool halls, barbershops, cafés, a horse-drawn delivery service, a hotel, and boarding houses. There were seamstresses, junk dealers, and grocery and candy store owners (Palmer and Palmer, 1985). Even further back, the 1784 Canadian census reveals that Black Loyalist women in Nova Scotia, due to the scarcity of work, made crafts which they sold at markets (Knight, 2016, p.313). "The data show that previous employment in feminized forms of wage work, lack of finances and the predominance of women as sole income-earners in their families all contribute to a greater likelihood of entrepreneurs having continued ties to wage work" (p.311).



**Viola Desmond**  
Canadian Civil Rights Activist  
& Nova Scotian Businesswoman

## THE IMMIGRANT ENTREPRENEUR

Onawa Victoria Ogbolu (2019), in her doctoral dissertation, notes that entrepreneurship entry for the already marginalized immigrant women of colour in Canada, in a gendered labour market, has considerably worsened in the last two decades "with increasing social and economic barriers discouraging these women from small business ownership" (p.8).

Amos Nkrumah (2016), also considering immigrant women from Africa, highlights that studies on immigrant entrepreneurship in Canada have been gender-neutral and primarily focused on immigrant entrepreneurs from Asia because they form the majority in Canada (p.60). However, "there are other immigrants, mainly from Sub-Saharan Africa, who entered Canada through other immigrant admission categories and later become entrepreneurs," and researchers have paid them little attention (p.60).

Several studies (Aldrich and Waldinger, 1990; Li, 2000; 2003; Light, 2004) suggest that in Canada, immigrants, especially those who are visible minorities facing unemployment, are more likely to resort to entrepreneurship because of challenges such as lack of recognition of their foreign credentials, segregated labour markets, and discrimination.

A woman with long dark hair, wearing an orange blazer, is sitting at a desk and looking down at a laptop screen. She is holding a pen in her right hand. The background is a bright, out-of-focus office setting.

A recent study conducted by graduate student Sein Kipusi (2020) on the impact of financial literacy on Black entrepreneurship in Canada revealed that financial literacy is the lowest among the Black Community in Canada's Greater Toronto Area.

Furthermore, through interviews with 22 Black business owners in the GTA, factors such as community preservation and neoliberalism were identified as colliding among Black-owned business enterprises.

It is important to mention that there are situations where there could be an underlying intersectionality for an immigrant entrepreneur who has an identity as both Black and as a newcomer.

## FUNDING AND BUSINESS INTELLIGENCE DATA IN THE BLACK COMMUNITY

Funding challenges are not unique to the Black entrepreneur in Canada. Systemic discrimination is a global struggle that is believed to be the root cause of such inequities. Stakeholders continue to explore the various dynamics through research to remove barriers obstructing the economic success of businesses in their respective communities.

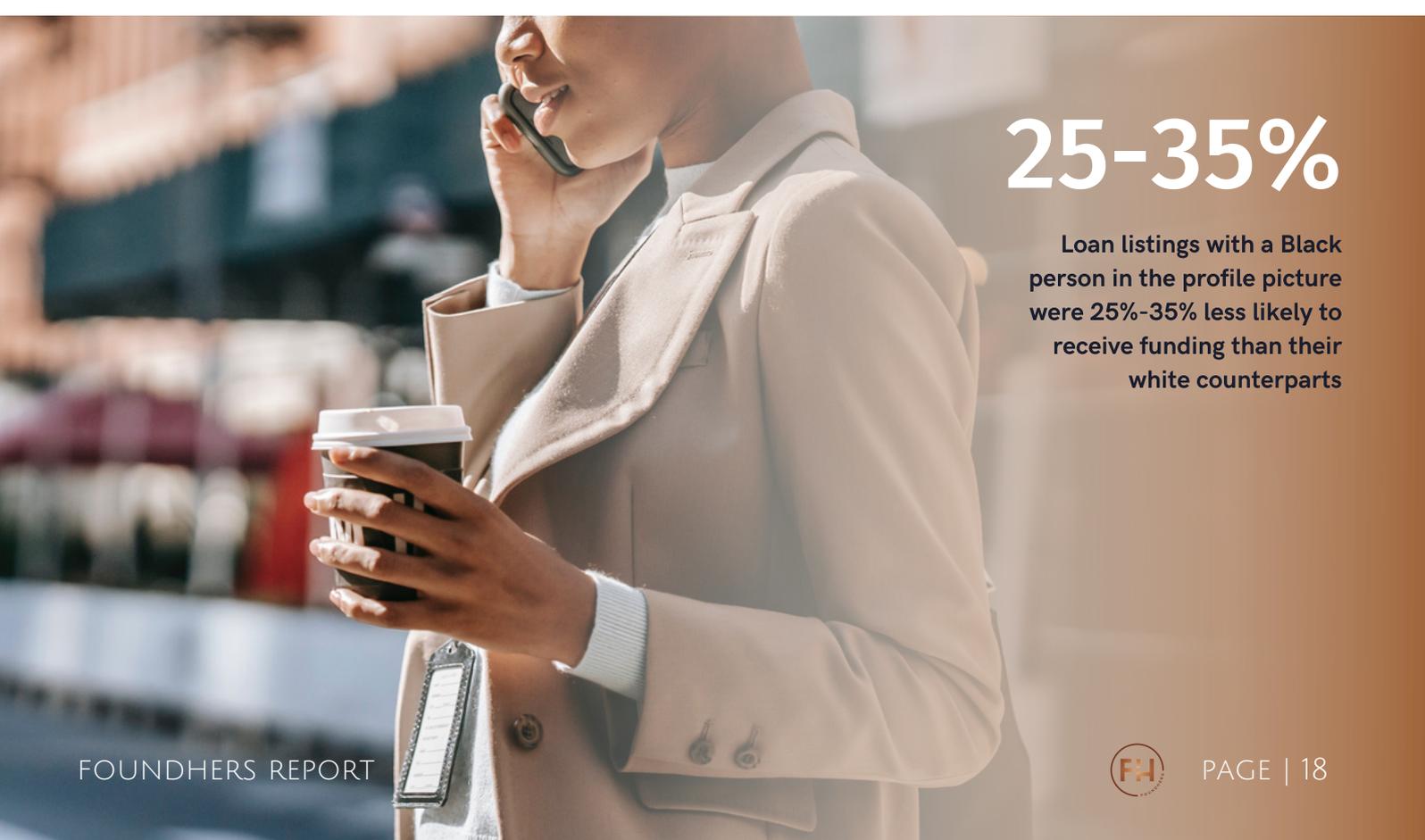
A study by Fairlie, Robb, and Robinson (2017) has shown that over the years, Black start-ups report substantially higher levels of loan denials, and overall unmet need for capital than white start-ups, even after controlling for differences in credit scores and founder wealth. Consequently, the ratio of debt to total capital (i.e., the leverage ratio) for Black-owned start-ups is persistently below that observed for white-owned start-ups. In addition, Fairlie, Robb, and Robinson (2017) found that relatively low credit scores for Black business owners explain a substantial amount of the gaps in both financings at start-up and in the years after start-up. These results imply that a great deal of the capital investment differences between Black- and white-owned businesses result from persistent differences in the founder's financial health present at the very inception of the firm (p.32).

In his study (2016), Oluwafemi Akinkugbe (2016) explores the lived experiences of 16 Black small business owners about the meaning and understanding of the reduction of the U.S. Small Business Administration (SBA) funding. The research findings include that some Black owners contemplated selling their businesses, some contemplated laying off their employees, some thought about reducing the number of work hours for employees, and some concluded they would borrow money from banks with higher rates.

A study by Pope and Sydnor, titled '*What is in a Picture*', found "evidence of significant racial disparities in...peer-to-peer lending." Loan listings with a Black person in the profile picture were 25%-35% less likely to receive funding than their white counterparts. Additionally, they discovered that when Black applicants were successful, they were charged higher interests and had higher default rates. Pope and Sydnor were left questioning if the discrimination was taste-based or statistical.

In South Africa, studies were done to investigate whether the funding models used to finance Black Economic Empowerment (BEE) transactions were efficient for creating sustainable BEE transactions. Studies have revealed that the problem of BEE funding models used during the first and second phase include the following: Black investors lack capital and collateral, thus requiring 100% funding; High-interest rates required on the financing of BEE transactions; BEE transactions use funding models that highly depend on share performance, dividends, and cash flow. (Nhlapo, 2008, p.56).

With the introduction of vendor finance, more BEE companies may reduce the cost of capital used to purchase BEE shares, and such intervention will reduce the burden of debt and high-interest payments.



# 25-35%

Loan listings with a Black person in the profile picture were 25%-35% less likely to receive funding than their white counterparts

Furthermore, in Finland, Ekaterina Vorobeva (2019) focused on identifying existing structural barriers to migrants' self-employment in her article. The case study is based on the experiences of Black Sub-Saharan Africans, the racial group with the lowest self-employment rate.

This study found that they remain excluded from funding, partnerships, and beneficial networks. Numerous stories told by the participants point to the fact that the Finnish public seems to have widespread negative racialization, prejudice, and favouritism. One of the policy recommendations made by the paper is that favouritism at the funding, granting, and other relevant decision-making levels must be better governed and carefully investigated.

The decision-makers should be informed about the consequences of and ethical ramifications of favouritism. There is also a need for more transparency behind the decision-making in funding organizations and better articulation of these decisions to the applicants (Vorobeva, 2019, p.65).

Concerning access to capital for entrepreneurs, Hwang, Desai, and Baird (2019) explored the barriers that affect the trends and outcomes associated with entrepreneurship.



**A 2019 Finland study focused on Sub-Saharan African entrepreneurs living in Northern Europe identified that those founders face geographic, demographic, and wealth barriers, exacerbated by a capital market structure that does not effectively find and support most entrepreneurs.**

## SOURCES OF FINANCING: EQUITY, DEBT FINANCING, AND LENDING

In addition, the study by Hwang, Desai, and Baird (2019) reveals that capital access is also marked by striking differences across racial and ethnic groups. Minority-owned firms are found to face significant barriers to capital. As discussed previously, they are disproportionately denied when they need and apply for additional credit. The Fairlie, Robb, and Robinson (2017) study even compared sources of finance and found that new Black-owned businesses start with almost three times less in terms of overall capital than new white-owned businesses and that this gap does not close as firms mature.

There is also significant variation in the uptake of financing sources. Owner equity for Black owners is more than half of total financial capital, while white owners put up less than one-third (Fairlie, Robb & Robinson, 2017). Outside equity accounted for 1.5% and 17% of total financial capital in Black- and white-owned new businesses, respectively, while external debt accounted for close to one-third and more than half of total financial capital in Black- and white-owned new businesses, respectively.

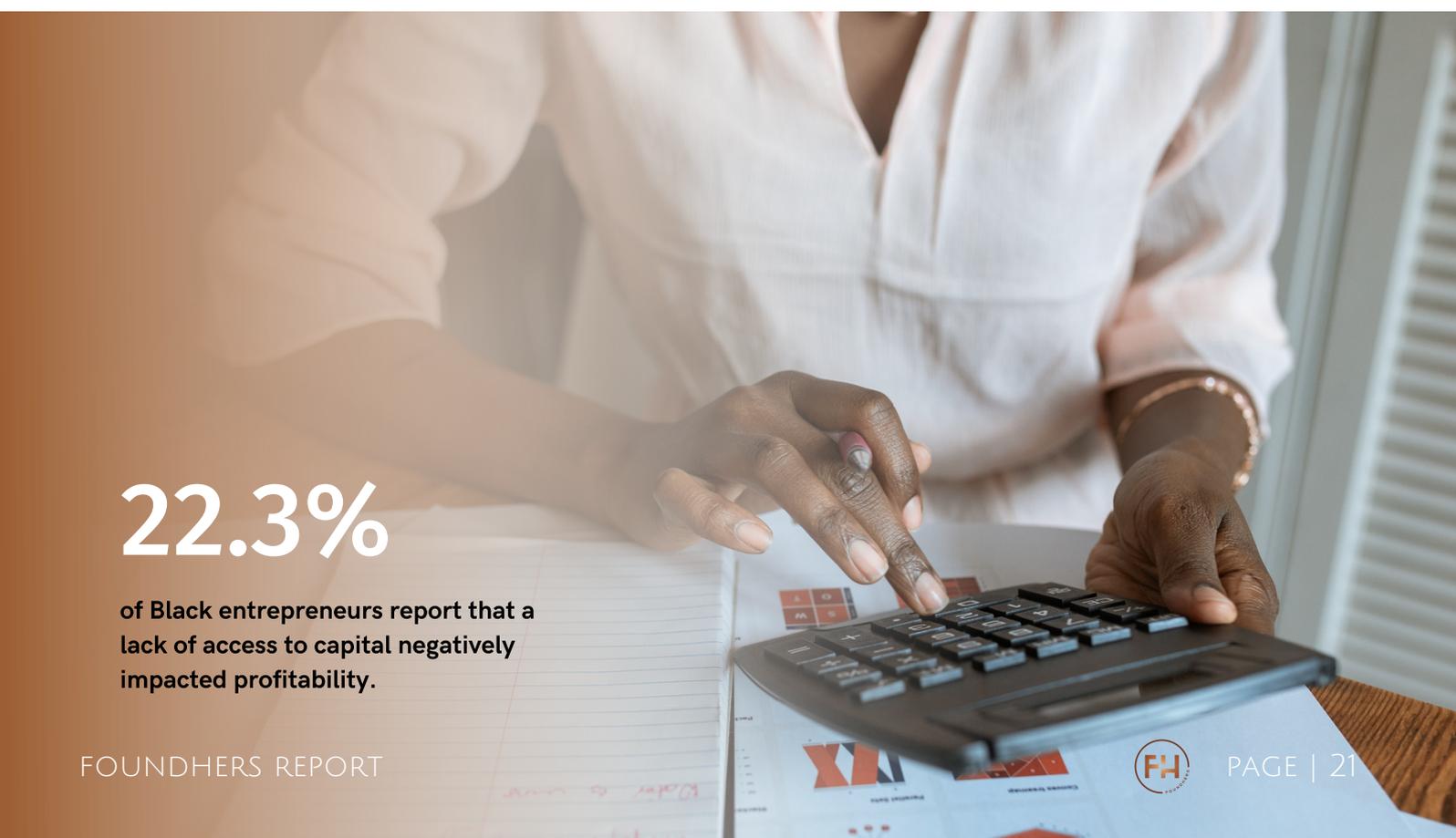
To add more credence, a "mystery-shopping" study of bank lending practices, done by Bone et al. (2019), demonstrated discrimination against Black entrepreneurs. Black participants were asked to provide more information about the business than white testers, including information that was not relevant to the business. Despite recent findings (Bates et al., 2018), these are realized financial returns from equity capital investments in minority-owned businesses could exceed those from white-owned ventures.



Data from the Annual Survey of Entrepreneurs (2016) demonstrates that a lack of access to capital has a disproportionate effect on minority entrepreneurs, and 22.3% of Black entrepreneurs report that a lack of access to capital negatively impacted profitability. This proportion is considerably higher than the 15.1% of Latino entrepreneurs, the 13.3% of Asian entrepreneurs, and the 8.9% of white-owned businesses. To corroborate this, Fairlie, Robb, and Robinson (2017). revealed that Black start-ups face more difficulty in raising external capital, especially external debt.

The study finds that disparities in creditworthiness constrain Black entrepreneurs, but perceptions of treatment by banks also hold them back. Black entrepreneurs apply for loans less often than white entrepreneurs because they expect to be denied credit, even when they have a good credit history and in settings where solid local banks favour new business development. In addition, Black-owned start-ups also have lower levels of all other significant sources of funding than do white-owned start-ups. (Fairlie, Robb & Robinson, 2017).

Finally, a recent study by Howard, Smith & Nwaigwe (2020) revealed that the barriers having the most significant effect on Black-owned businesses were poor creditworthiness, poor financial literacy, institutional discrimination, and social capital deficit. Overall, these studies have highlighted the racial disparities faced by Black-owned businesses worldwide and the need to close the gap.

A photograph of a person with dark skin, wearing a white long-sleeved shirt, sitting at a desk. They are using a black calculator. There are papers and a pen on the desk. The image is partially obscured by a semi-transparent orange overlay on the left side.

**22.3%**

**of Black entrepreneurs report that a lack of access to capital negatively impacted profitability.**



The average level of start-up capital among Black entrepreneurs is

**\$35,205**

compared with \$106,720 for white entrepreneurs.



Black women start-up Founders raise

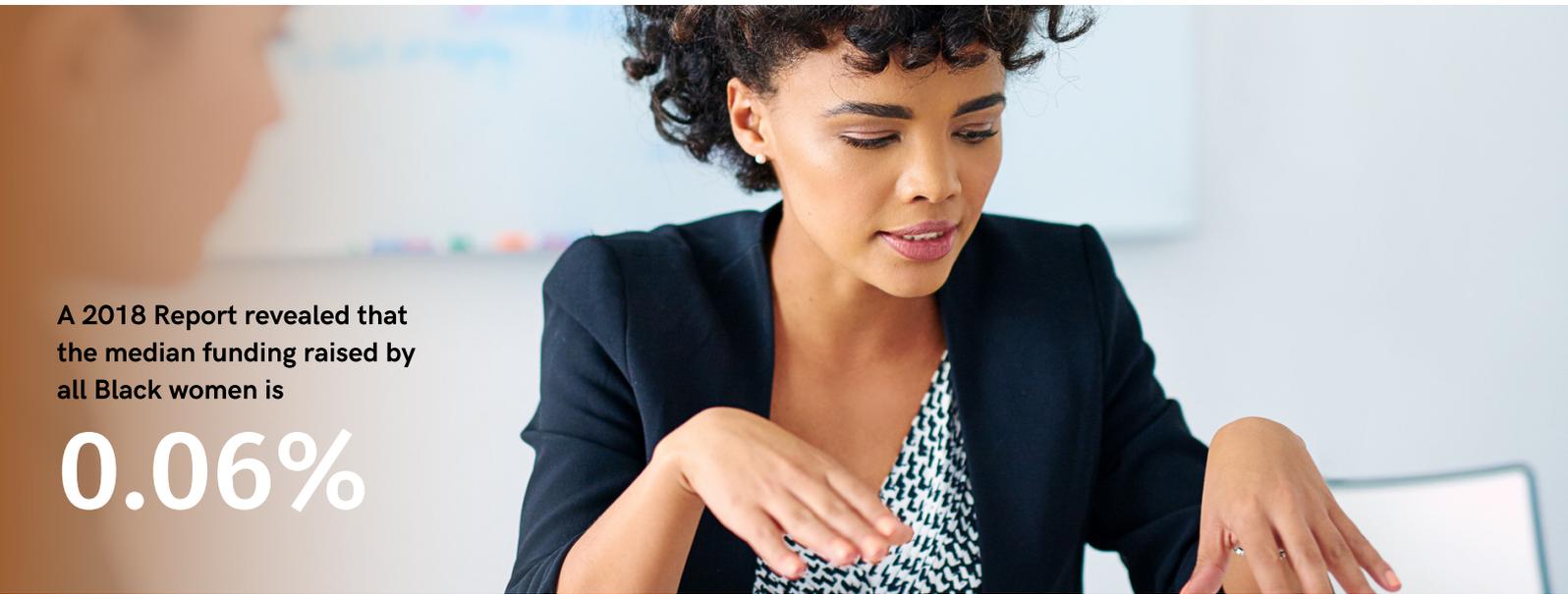
**\$36,000**

on average, while the average (mostly white male-led) failed start-up raises 1.3M.

Based on the Kauffman Firm Survey (KFS), on how start-ups access capital markets, the average level of start-up capital among Black entrepreneurs is \$35,205 compared with \$106,720 for white entrepreneurs. Moreover, in the first year of business, white-owned firms borrow nearly six times as much as Black-owned companies. To corroborate this, a study by digitalundivided (2018) showed that Black women start-up founders located in the United States raised only 0.0006% of all venture funding since 2009. The study went on to discover that "Black women start-up Founders raise \$36,000 on average, while the average (mostly white male-led) failed start-up raises 1.3M."

Garima Bajpai (2014), in his study, explored the patterns of entrepreneurship and social and economic challenges facing women business owners on the African Continent. The study identified that customs, social and personal problems were a considerable hindrance stemming from the general belief that African women emphasize their motherly role and family/home responsibilities rather than venturing for a career as an entrepreneur. This is an important finding as many of these women are represented in our sample here in Canada. Bajpai (2014) also found that African women entrepreneurs faced technical and financial problems such as; lack of raw material or delays of raw material, different business licenses, permission from electric and water departments, lack of technical skills, unskilled group members, unfavourable market problems, and shortage of capital are issues that may be more specific to their experience on the continent.

Studies have also found that Black Americans exit out of entrepreneurship at higher rates than Americans in the general population. (Bradford 2003; Butler 1991; Ede, Panigrahi, and Calcich 1998; Fairlie 1999; Fairlie and Meyer 2000). A study by Tiffany Howard (2019), which focused on The State of Black Entrepreneurship in America, found out that while white Americans or white business owners have 13 times the wealth of African Americans and, when comparing the median wealth of Black and white business owners, the median wealth gap decreases to that of three. In addition, the digitalundivided's (2018) report revealed that the median funding raised by all Black women is \$0. Therefore, not only are there fewer African American entrepreneurs per capita, but these entrepreneurs are less likely to be successful than their white counterparts (Singh & Gibbs, 2013)



A 2018 Report revealed that the median funding raised by all Black women is

0.06%

## TRAILBLAZING BLACK WOMEN FOUNDHERS - PATHWAYS TO FINANCIAL FREEDOM

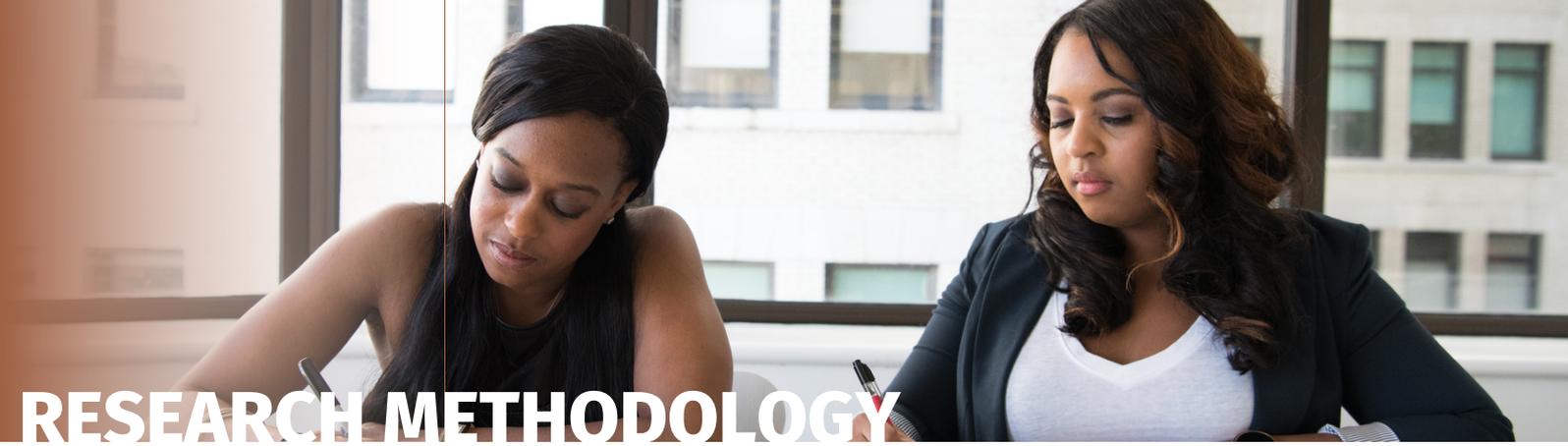
During focus group discussions, we asked trailblazing Black women whose businesses had revenues of over \$250,000 annually, to share with us how they accessed what they determined to be 'financial freedom'. We also asked our other five groups to identify some of the tools they needed to get onto the path of financial freedom, hoping to see some of the same ideas expressed. Notably, the degree of overlap was limited.

Our trailblazers included that conservatism with spending, reinvesting and organic growth was the source of their financial freedom--one trailblazer even questioned the idea of financial freedom, stating that "the more money one makes, the further financial freedom feels because individual financial responsibilities now become stretched to extended family members and more increasingly, community responsibilities."

Our other Black women entrepreneurs felt the tools they needed to reach a state of financial freedom included mentorship, better education, and better employees. This suggests a divide: that the trailblazers have identified hard-dollar financial conservatism as the tools that led to their financial freedom while the other entrepreneurs have identified softer skills such as mentorship and networks as assisting them on the path to financial freedom.

*Given all that is expected from Black women at work and home, we were also curious about how these women took care of themselves.*

As expected, the women cited several ways that they take care of themselves. Several women cited exercise and meditation, explaining that they needed to take a yoga or Zumba class once a week. Other women included aspects of their beauty regimens like getting their hair and nails done as very important to their self-care routine. Lastly, a smaller group of women from across the focus groups indicated that simply blocking off time in their calendars to decompress or take naps was their form of self-care.



# RESEARCH METHODOLOGY

The FoundHers study used a mixed-method approach to data collection and data analysis. Using an explanatory mixed-method design, the study began with a for profit and not for profit quantitative survey which provided a foundation to a qualitative focus group study. The quantitative study phase is guided by academic researchers at Brock University and an ethics-approved online survey through Qualtrics software. The findings of the quantitative study not only confirms important observations from prior studies but also opens multiple avenues for more focused qualitative studies on the status of Black women-owned businesses in Canada and the critical socio-economic issues facing them.

This report also includes the key insights obtained from the first round of qualitative research engagement conducted by Pitch Better based on a sample of 126 participants. Below we present the decisions and assumptions made to establish the validity and reliability of the data collection and analysis steps in the quantitative study phase and the follow-up qualitative engagement.

## **The main research objectives include:**

- 1. To identify the size and scope of businesses led by and serving Black women (e.g. market opportunities, financial barriers, investment preparedness needs, etc.)**
- 2. To provide a clear picture of the characteristics of and barriers faced by Black women-owned businesses and organizations in Canada. (eg. organizational structure)**
- 3. Discover distinct profiles and design the personas that best reflect a large share of the Black women-owned business population, including their challenges.**
- 4. To identify the Black women persona needs such that they can be matched with existing or new products and services offered by the supply side of the market (e.g., lawyers, financial institutions, accounting firms, etc.).**
- 5. To understand the perceptions of financial institutions (e.g. funders, investors, etc.) within the Black women-owned business community.**

## Quantitative Data Collection

To conduct an environmental scan on the characteristics and barriers faced by Black women entrepreneurs in Canada, we decided it would be best to use an online survey tool to collect data. The FoundHers study focused on better understanding the experiences, outcomes, and barriers of Black women founders and Black women who lead not for profit organizations. Unfortunately, there is no data to indicate how many Black women entrepreneurs and Black women NPO leaders exist in Canada. Our intended sample size, which was 500, was determined by statistical inferences from the geographical spread of the population.

In addition to not knowing how large our sample size should be, we also did not know how to ensure our sample included the desired diversity, including but not limited to Francophone Canadians, early entrepreneurs, seasoned entrepreneurs, NPO founders, and founders that would be representative of every province and territory in Canada. Ultimately, we decided to use Canada's metrics around total entrepreneurs in Canada (3.5 million people), with the consideration that 3.5% of all Canadians identify as Black (122,500), and 50% of Black Canadians are women to inform the sample size as well as the sample distribution.

## OUTREACH STRATEGY

The survey link was posted on our website, [www.FoundHers.ca](http://www.FoundHers.ca), on March 8, 2021, and potential respondents were engaged through various mechanisms and outlets. The survey was open to the public but disqualified anyone who responded "No" to questions included as part of our inclusion criteria, including gender as man, race as anything except Black or biracial, and age as below 18 years of age. Our quantitative survey using the Qualtrics platform took place between March 8, 2021, and March 25, 2021.

We received more than 1500 responses before applying several data quality validation procedures, including percentage and duration of completion. This step has led to more than 1200 usable sample for most questions.





**The quantitative portion of this study is based on an analysis of English and French survey responses from Black women entrepreneurs from all over Canada.**

Survey respondents were engaged in various ways, including targeted marketing campaigns, community managers, immigrant forums and organizations, social media platforms, and internally generated databases. The project deployed marketing campaigns encouraging Black women founders to participate in the study. These campaigns were projected on Pitch Better's media pages. The project partnered with Black-owned community organizations to galvanize participation from Black businesses. Pitch Better has worked with organizations in the past and leveraged its network to reach out to participants.

It is essential to mention that participants were told of the potential benefits of partaking in the survey, including addressing the information gaps in the social economy and providing in-depth market analysis of Black women-led business in Canada.

### **Survey Questions**

We made four versions of the survey available on the FoundHers.ca website; a version that targeted founders in the for-profit business space, another that focused on founders in the not for profit space, as well as English and French. All versions of the survey included 45 - 46 questions, all tied to achieving the research objectives and responding to the research questions. The survey questions explored six themes, some of which were identified in the literature, including company overview, finances/ease of financing, debt/financial obligations, grants/non-repayable funding, financial impact of the Covid-19 pandemic, and ecosystem support.

## SURVEY DATA ANALYSIS

The quantitative study was analyzed using the Qualtrics survey platform hosted on the Brock University site. Qualtrics allowed for practical Data Analysis. Once obtaining the initial survey results, the team underwent a data pre-processing and cleaning procedure, after which they were re-uploaded back into Qualtrics for Exploratory Data Analysis (EDA).

We performed EDA using Qualtrics, a powerful data analysis tool that enables us to filter, classify, merge, clean, and statistically view our raw data. With the completed analysis, we were able to produce multi-dimensional cross-tabulations and visualization through different types of charts.

Furthermore, we also employed Natural Language Processing (NLP) technique to build word clouds, also known as tag clouds, to highlight popular words and phrases based on frequency and relevance. With this, we were able to provide quick and straightforward visual insights that enabled more in-depth analysis.

### Qualitative Data Collection

Building upon the critical insights obtained from the quantitative survey, Pitch Better leveraged its existing ecosystem and facilitated the first round of a qualitative research engagement with Black Women FoundHers with a small in-kind incentive for participation. The purpose of this qualitative phase is to validate the profiles identified from the quantitative insights through distinct and representative personas of Black Women Founders in an interactive dashboard.



Our Explanatory Data Analysis involves conceptual and computational methods to discover patterns, summarize data sets to highlight their main characteristics, and finally provide visualization options for data. Alongside EDA, we used the literature review to understand similar demographics, followed by the survey to test pre-existing patterns. Finally, we used the focus groups to explain the phenomena we saw as profiles and patterns became apparent in the data.

Building upon the key insights obtained from the online surveys, the study used qualitative tools, including focus groups and semi-structured interviews, to explore more about what was being uncovered through the quantitative data. Therefore, all research participants who participated in the focus groups or semi-structured interviews also participated in the online survey. The sample size for the focus groups and the semi-structured interviews was a total of 126 participants, 8.2% of the larger sample.

### Focus Groups

Our approach to focus group participation was to run it simultaneously through a Summit. The Summit allowed for all focus group participants to receive the same overview of the FoundHers study (20 minutes), as well as the same debrief (10 minutes) of the study while permitting for smaller group discussions of 5 to 10 participants having specific conversations categorized according to the seven characteristics of interest. The smaller groups focused on the following topics:

- 1) entrepreneurship in a rural environment;
- 2) entrepreneurs in retail and e-commerce;
- 3) experiences of mothers who are entrepreneurs;
- 4) Francophone entrepreneurs;
- 5) not for profit/charity leaders;
- 6) high-value business leaders (\$250K and above), and
- 7) emerging (\$25K and below) business leaders.

In addition, all groups focused on the intersectional experiences of Black women operating as leaders of their organizations.

### Semi-structured Interviews

The semi-structured interviews targeted Francophone women, not for profit leaders, and women with high-value businesses (revenue \$250,000+). Although not included in our original research design, we found that it was necessary to use semi-structured interviews to access Black women who were Francophone, NPO leaders, and women founders with high-value enterprises.

The semi-structured interviews ran an average of 45 minutes long, and participants were asked 8 -10 questions.

## Focus Group Data Analysis

A notetaker transcribed the significant findings during each session, which were subsequently coded using designations that were developed based on our quantitative findings. Qualitative data were analyzed through the use of the results-section coding method. Each theme was assigned a colour that was subsequently used to identify its prominence in the collected notes. The data were then summarized to identify the prominence of the themes identified in this report.

## Data Protection, Confidentiality and Anonymity

The data from the quantitative survey was kept on Brock University's Qualtrics. The legal license assures the data protection and policies employed by Qualtrics, emphasizing the secure storage of the data in the cloud with access limited to the research team. The data is hosted on the platform for the duration of the study. The license also ensures that standard procedures are followed in the disposal of data. Given the nature of the qualitative data collection method, we were unable to ensure total anonymity and confidentiality; however, we offered participants the opportunity to use pseudonyms while participating in the Summit and allowed them the freedom to turn off their cameras if they wanted to maintain privacy in that space.





## PERSONAS OF BLACK WOMEN FOUNDERS

This study sought to understand idiosyncrasies and shared needs, behaviors, and characteristics of Canadian Black women business owners. Personas are a valuable tool that is useful to gain a deeper understanding of commonalities.

The below Personas are based on an amalgamation of characteristics and experiences of participants in our qualitative study. As such, they represent some, not all, of the participants. Additionally, some business owners may identify with more than one category. As we continue to work with the community, we will have the opportunity to discover more personas and uncover more insights.

The founder personas are **Emerging**, Booming, **Momprenneur**, **Changemaker**, Trailblazer, and Francophone.





*See Us, Hear Us*

**Name:** Martika Chapman

**Pronouns:** She/Her

**Age:** 37

**Industry:** Owner, Chapman Bakery

**Location:** Vancouver, British Columbia

**Net Annual Revenue:** \$22,000



## EMERGING

Meet Martika. She works a full-time job and runs a business on the side.

She requires mentorship to grow her business but cannot identify someone from her community with the skillset and time to guide her.

Martika's schedule is hectic because she has to bake and package tomorrow's orders after work while confirming deliveries and final payments. She doesn't have enough time to research ways to grow her business, and she lacks the financial resources to hire help. So she does her best to reinvest the little revenue back into the business to keep it afloat.

Martika is aware that different funding options exist. Still, she is unwilling to apply because she is not confident in her understanding of the various funding options or her ability to navigate the grant writing process.



*See Us, Hear Us*

**Name:** Rita Onianwah

**Pronouns:** She/Her

**Age:** 31

**Industry:** Owner and Operator,  
Delicious Cosmetics

**Location:** Edmonton, Alberta

**Net Annual Revenue:** \$28,000

## BOOMING

Meet Rita. She is an enterprising entrepreneur who creates hair and beauty products that cater to the Black community.

Equipped with a Bachelor of Science degree, Rita has rave reviews on her products and works hard to ensure that the product is stocked and available for her clientele. She wants to strengthen her financial literacy to apply for funding opportunities but cannot commit time to attend courses because she wears all of the hats in her company. She feels alone in her struggle to build a business and wishes she had access to a network of like-minded individuals for general support.

Burnout is something that Rita regularly experiences because all of her time and energy is spent running the business, and she does not prioritize self-care.

*See Us, Hear Us*

**Name: Terika Hanson**

**Pronouns: She/Her**

**Age: 40**

**Industry: Managing  
Director, Hanson  
Professional Accounting**

**Location: Regina,  
Saskatchewan**

**Net Annual Revenue:  
\$90,000**

## MOMPREENEUR

Meet Terika. She is a married mom of two young children, a mompreneur.

She graduated from university with a degree in accounting and works full-time for a small accounting firm. She is a resourceful woman operating her business as a side hustle because now that both children attend school full-time, her family needs the stability of a consistent pay cheque. As the owner of a service-based/fee-for-service business, her overhead is low as most of the work is done from home. On average, Terika meets with five clients each week as part of her accounting services.

Terika is an expert at integrating her business service offerings by leveraging her expertise gained from her full-time job, which helps make the transition from mompreneur to the full-time business owner more seamless and accessible.





*See Us, Hear Us*

**Name: Leo Jenkins**

**Pronouns: They/Them**

**Age: 31**

**Industry: Founder and  
Managing Director, Rising  
Buds Not for Profit**

**Location: Halifax, Nova  
Scotia**

**Net Annual Revenue:  
\$54,000**



## CHANGEMAKER

Meet Leo. They are a Changemaker, a person who developed a charity based on lived experience, knowledge of the Black community and broader NPO sector.

As the Managing Director, they believe that it only takes a spark to create a fire, so they uplift their community outside of holding down a full-time job. They have a small network of support through their local LGBT Alliance and their college alumni association and work hard to gain connections outside of their comfort zone.

Leo values structure and sustainability and seeks to secure and stabilize their NPO. They work diligently to identify resources to run programming and require long-term funding support for operational expenses like employing a full-time business development team member.



*See Us, Hear Us*



**Name:** Theresa Barrett

**Pronouns:** She/Her

**Age:** 44

**Industry:** CEO, Global Secure Solutions, Cyber Security

**Location:** Toronto, Ontario

**Net Annual Revenue:** \$261,000

## TRAILBLAZER

Meet Theresa. She is a Trailblazer whose MBA degree in Innovation Management has allowed her to build relationships and a community that has helped her grow her business by leveraging networks and securing access.

Her business which focuses on high end cyber security solutions for large corporations, has a structure which includes mentorship and a board of directors that advises on strategic initiatives to grow the business. Theresa is confident. She regularly pitches her idea to venture capitalists and financial institutions to secure funding to scale. She prioritizes self-care and takes the time to reflect and celebrate her accomplishments as she continues her path to financial independence. She is very conscious of her financial position and regularly takes advice from her mentors and institutional advisors.



*See Us, Hear Us*

**Name: Fabienne Joseph-Pierre**

**Pronouns: She/Her**

**Age: 36**

**Industry: Owner, Traducteur  
eCommerce platform**

**Location: Montreal, Quebec**

**Net Annual Revenue: \$110,000**

## FRANCOPHONE FOUNDER

Meet Fabienne. She is a Francophone entrepreneur who is internet savvy, so she grows her business digitally.

Fabienne is a solopreneur operating an e-commerce based service that sells language translation courses. She is part of a small community and relies on her local network for business advice and support. Fabienne believes in maintaining her business growth to a modest and manageable size, where her company can run lean, efficiently, and profitably.

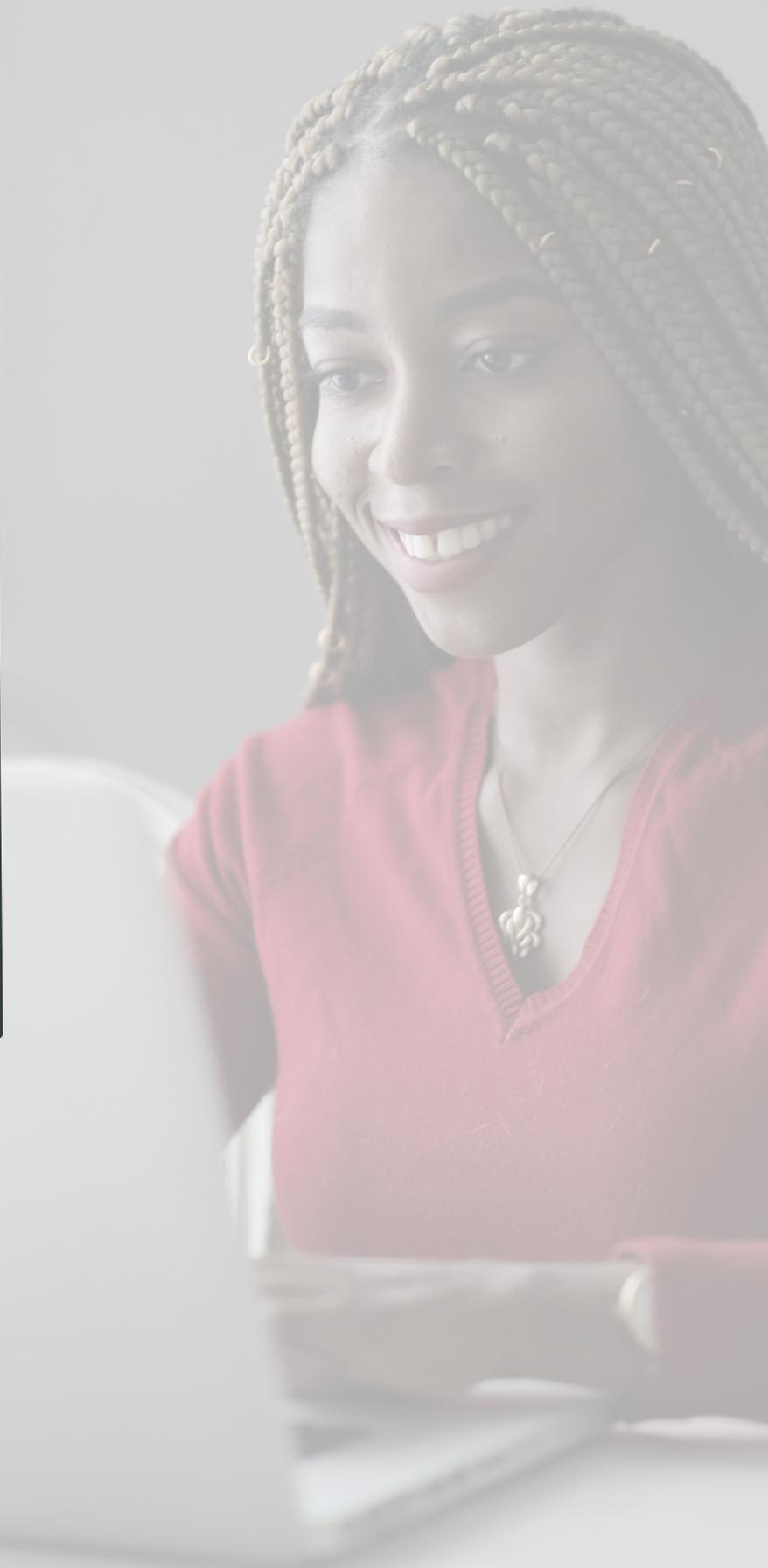
She is reluctant to take on outside funding as she does not feel that the energy and effort expended through the application process will yield her a positive outcome. Additionally, she wants to ensure that she has full control of her business.





# Findings and Observations

*See Us, Hear Us*



For-Profit Organizations (Entrepreneurs, Start-Ups  
and SMEs) led by Black women

# BLACK WOMEN BUSINESS SECTOR OVERVIEW



Business  
Structure and  
Industries



Motivations and  
Stay-Awake  
Issues



Business Stage  
and Ecosystem  
Support



Operating  
Revenues and  
Profits



Financing:  
Access to Capital,  
Grants and  
Funding Barriers



Focus Group  
Insights

# I:BLACK WOMEN BUSINESS SECTOR OVERVIEW

The FoundHers survey reached over 1200 Black women founders operating for-profit enterprises. While all of the respondents identified as either Black or bi-racial (mixed with Black), there is significant diversity within the group of respondents. Over 50% of respondents are on average 34 and a half years of age, 46% of respondents are second-generation Canadians in terms of their family status, 52% are married/common-law, and 56% are mothers.

As a nationwide study, we attempted to collect responses from coast-to-coast and ended up having a relatively representative sample of the Canadian population by province/territory and region. For example, over 47% of respondents owned companies based in Ontario, 16% from Quebec, 11% from British Columbia, and over 11% from Alberta.



## LOCATION OF BUSINESS

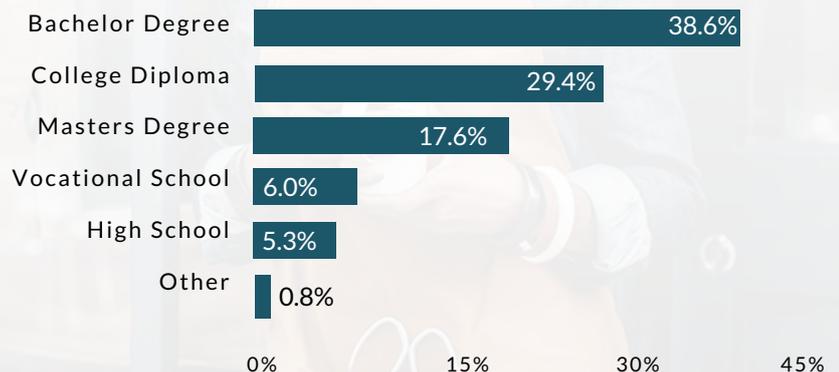
### In which province/territory is your company/business based?

Alberta	11%
British Columbia	11%
Manitoba	4%
Ontario	47%
Quebec	16%
Other	11%
My company is national in scope	4%

Sample = 1102

A 2018 Universities in Canada study shows that Canadian entrepreneurs are well-educated. This group is no exception, with 29% of respondents being college educated, 39% with a Bachelor's degree, and another 21% with a Master's Degree or higher.

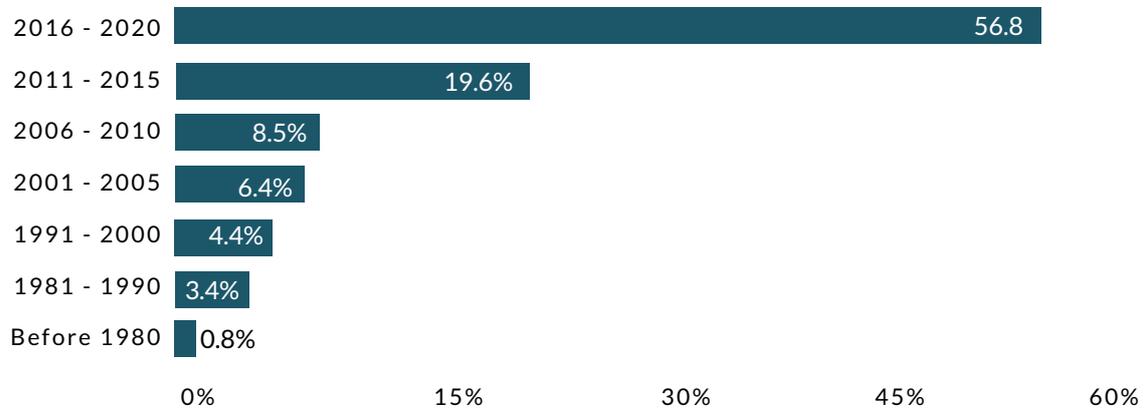
## EDUCATION LEVEL



Sample = 1102

# RESPONDENT BUSINESS DEMOGRAPHICS

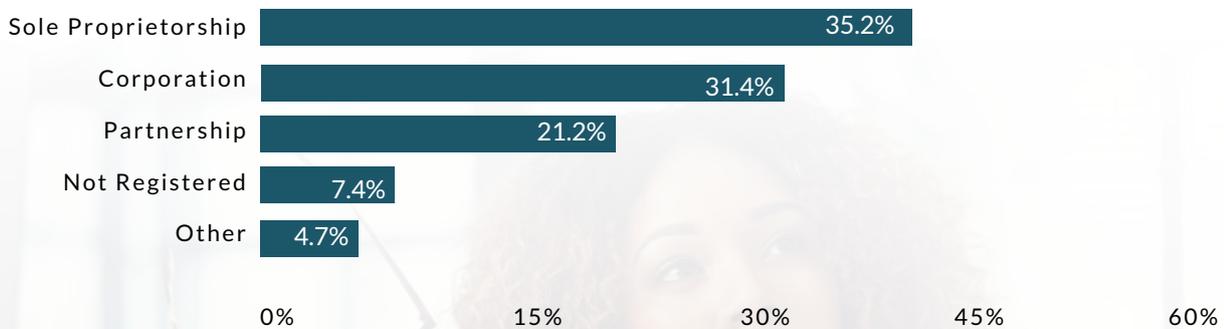
## YEAR COMPANY WAS FOUNDED



Sample = 1102

57% of respondents business' were founded within the last 5 years and 35% of business owners identify as solopreneurs. Findings indicate that the vast majority of organizations are young and at the growth stage.

## TYPE OF BUSINESS REGISTERED



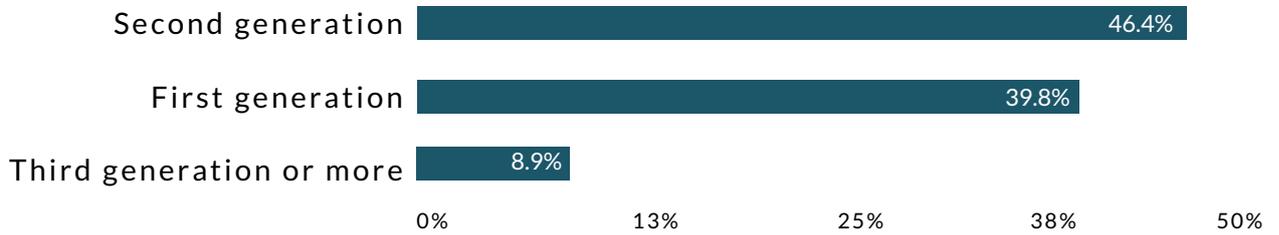
Sample = 1102

From the February 2021 Canadian Black Chamber of Commerce qualitative study with BDC, 61% of Black entrepreneurs tend to operate their companies as solo ventures. The African Senate Group, which surveyed 342 Black men and women entrepreneurs nation wide found that 47% of respondents identified as solo entrepreneurs.

In this study, which looks at the Black women entrepreneurship community, these figures contrast as only 35% of respondents identify as owning a solo venture.

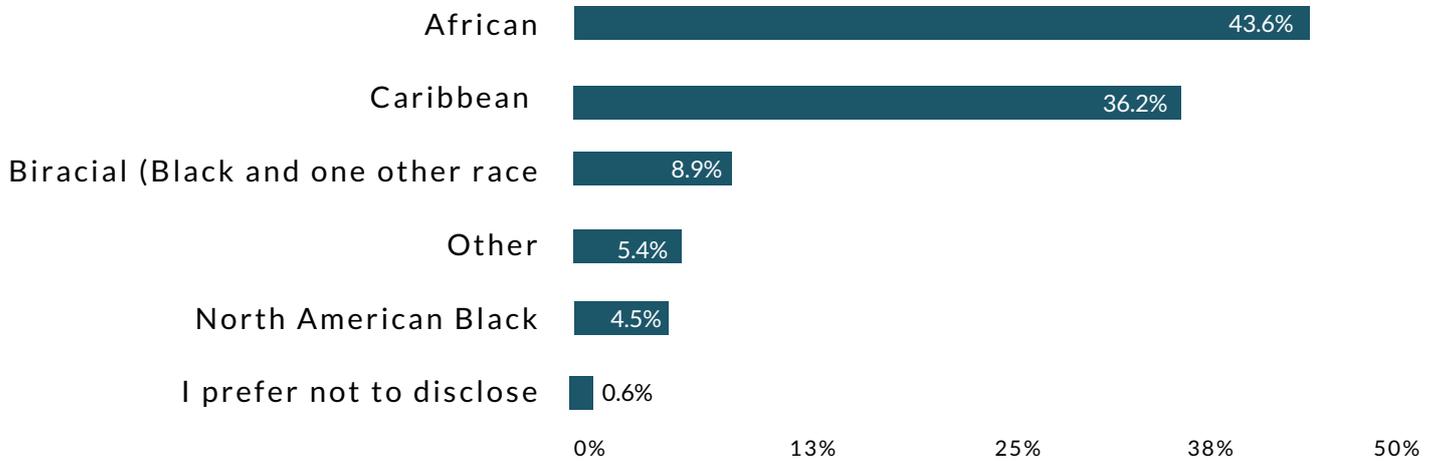
# ETHNICITY AND GENERATIONAL STATUS OF ENTREPRENEURS AND THEIR WORKFORCE

## Generational Status

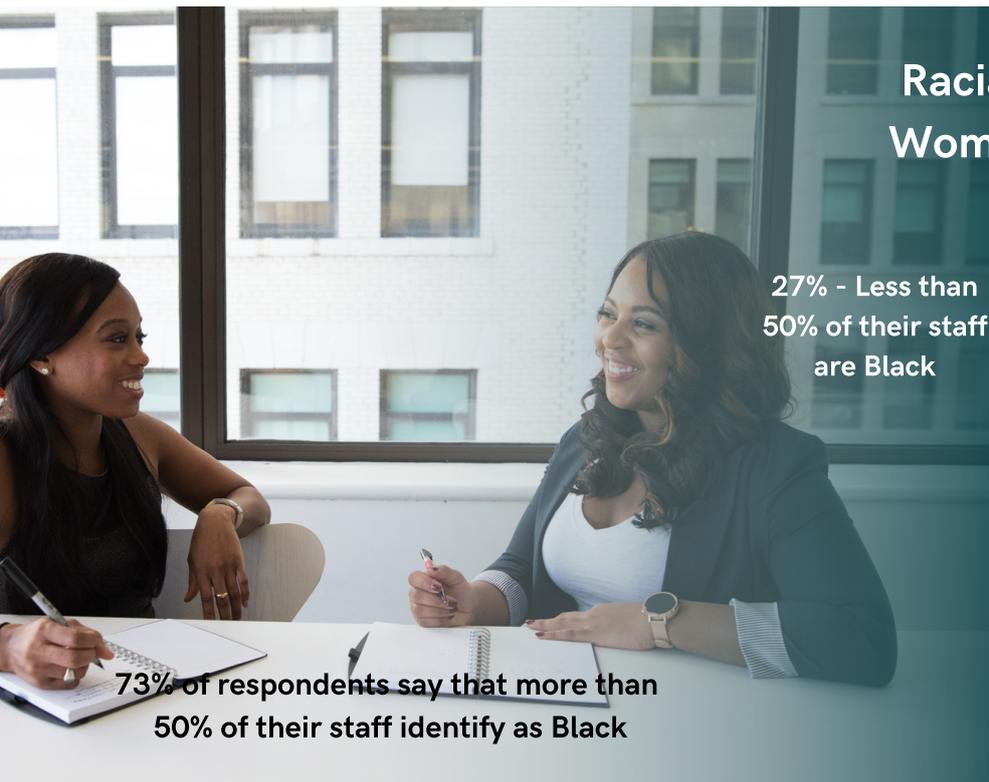


Sample = 1102

## Ethnicity

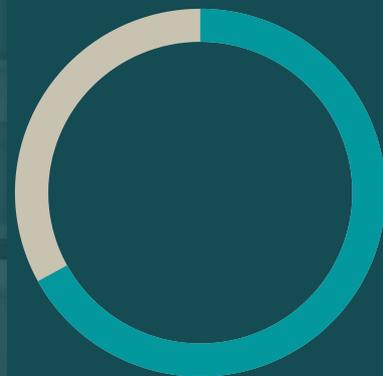


Sample = 1102



## Racial Makeup of the Black Women Business Workforce

27% - Less than 50% of their staff are Black



73% - Over 50% of staff are Black

Sample = 1102

73% of respondents say that more than 50% of their staff identify as Black



## BUSINESS STRUCTURE AND INDUSTRIES

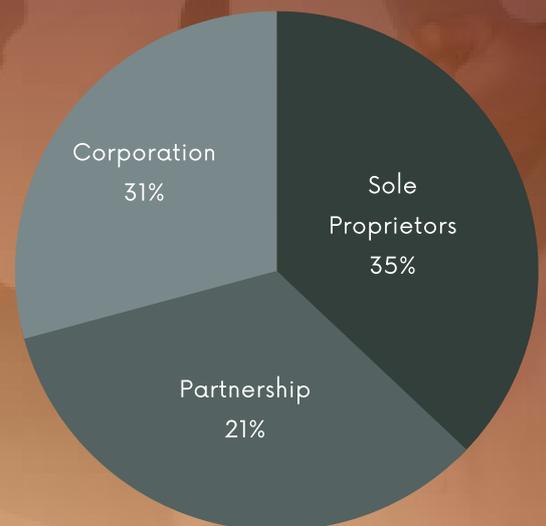
Entrepreneurship comes in many shapes and sizes. This study sought to understand in what capacity Black women were acting as entrepreneurs. Did they have co-founders, did they have employees, and in what industries did they operate? 96%, an overwhelming number of respondents are the lead, owner, or founder of their enterprise, and only 21.2% have a business partner (65% of those partners are not family members).

Within our sample, a significant proportion of the enterprises are under five years old, as 57% of respondents started their businesses between 2016 and 2020.

Given the recent years of increased racial discrimination and gender bias, the path of entrepreneurship seems to be a natural step towards accessing personal balance. In terms of how these businesses are registered, 35% are sole proprietors, 31% are registered corporations, and 21% partnerships. This insight correlates with the findings that indicate that 51% of Black women founders chose to be entrepreneurs to become their own boss or to pursue their passion.

57%

of respondents reported starting their businesses between 2016 and 2020

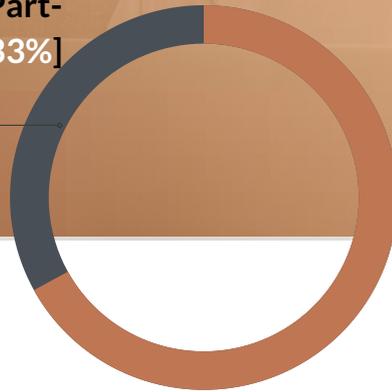


Sample = 1102

## ARE YOU A FULL TIME EMPLOYEE OF YOUR COMPANY?

Side-hustle/Still building/Part-time [33%]

Full-time employee [67%]



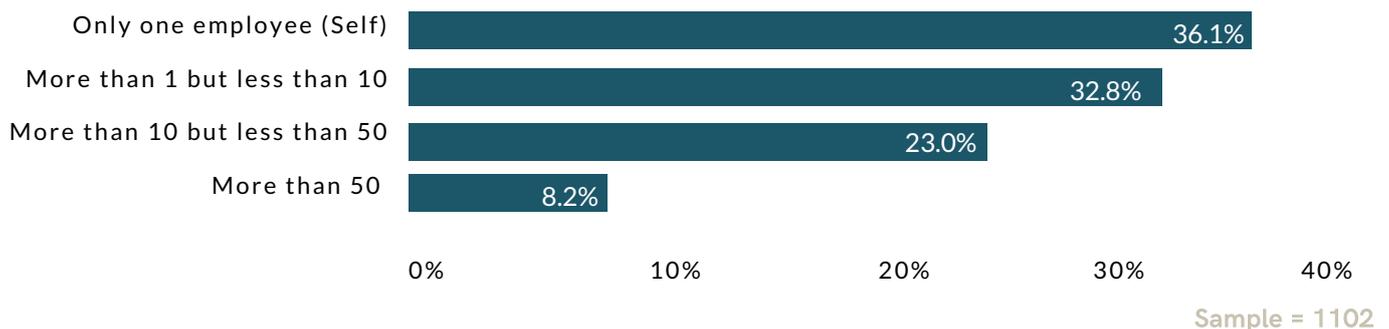
Sample = 1102

Importantly, as referenced in the literature review, in the U.S. study of Black women entrepreneurs (digital divided, 2018; Howard, 2019), Black women entrepreneurs led smaller organizations. Based on FoundHers study, in terms of the workforce, 67% of the respondents are full-time employees of their businesses; 36% of the respondents are the only employee of their business; 33% have more than one but less than ten employees, 23% have more than ten but less than 50.

During the qualitative portion of this study we learned that employees are often hired on a short-term contractual or fractional basis as resources are not available to hire permanently.

Literature has also suggested that the more minority entrepreneurs there are, the more opportunities for minority talent within the labour market. As a result, we decided that it was essential to understand who Black women hire to help run their enterprises. Our study found that 73% of respondents say that more than 50% of their staff identify as Black

### How many people are employed (full-time, part-time, contract) by your company or business?



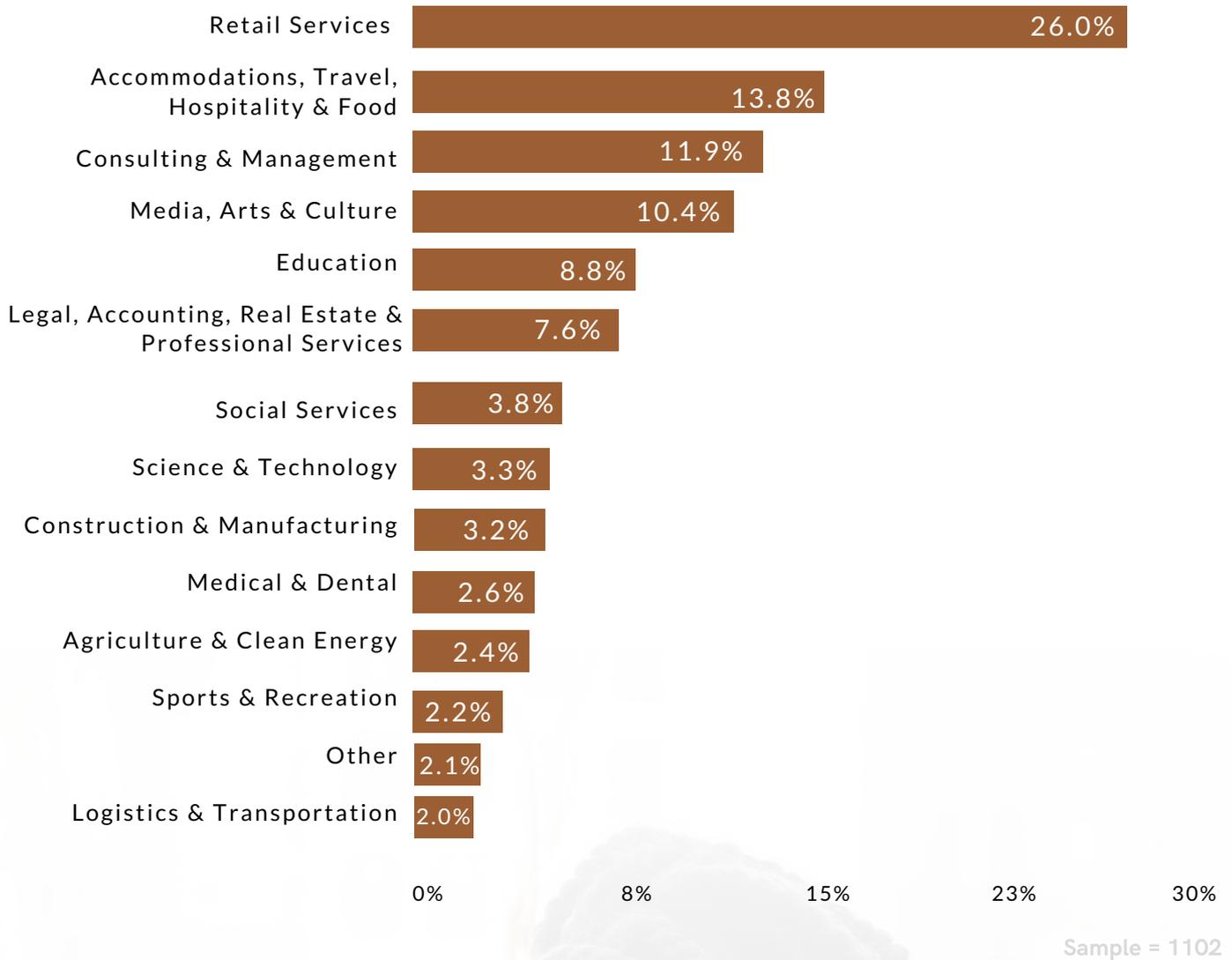
Sample = 1102



## INDUSTRIES

Black women founders have companies in the following top three sectors: a) Retail Services; b) Accommodations, Travel, Hospitality & Food; or, c) Consulting & Management.

### What category/industry does your company/business fall under?



A small percentage of Black women entrepreneurs venture into the industries of science and technology, construction and manufacturing, and medical and dental. This indicates that barriers to entry into these industries may be too high for everyday business owners looking to support families and obtain economic stability.

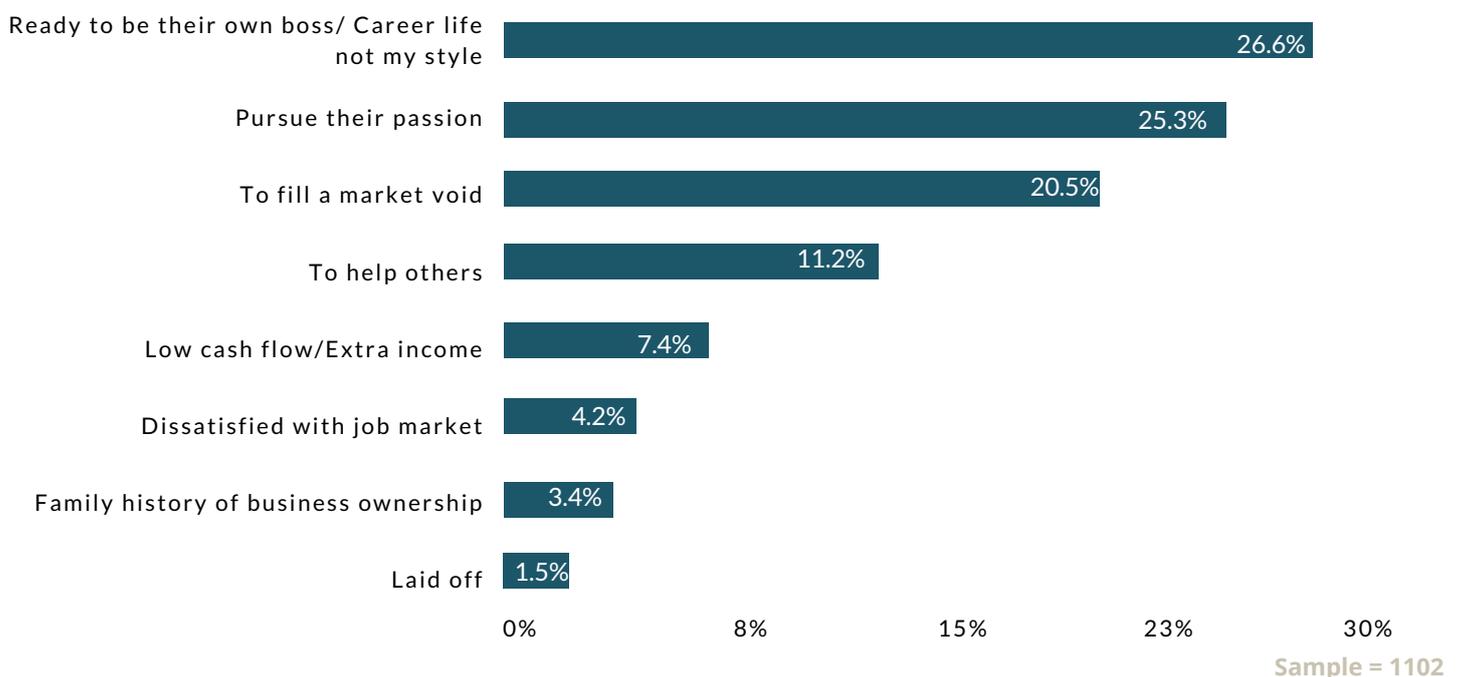


## MOTIVATION, STAY-AWAKE ISSUES & BUSINESS STAGE

When asked about their motivation behind starting a business, 27% of women indicated that they were ready to be their own boss, 24% wanted to pursue their passion, and 21% saw a market void they felt prepared to fill.

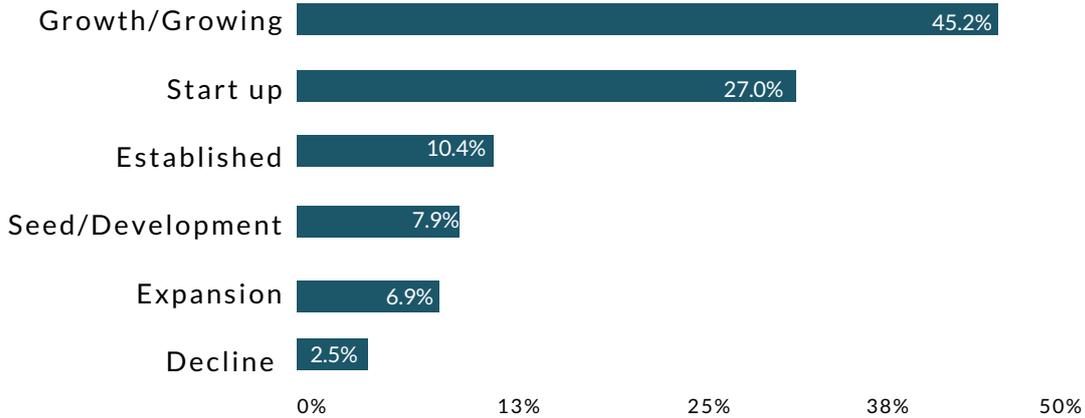
In terms of their greatest needs, when asked about their stay-awake issues, the top ranked issues are finding capital/investment, personal development and mentorship, market research, talent management, and resources and capacity.

### MOTIVATION FOR STARTING A BUSINESS



## BUSINESS STAGE

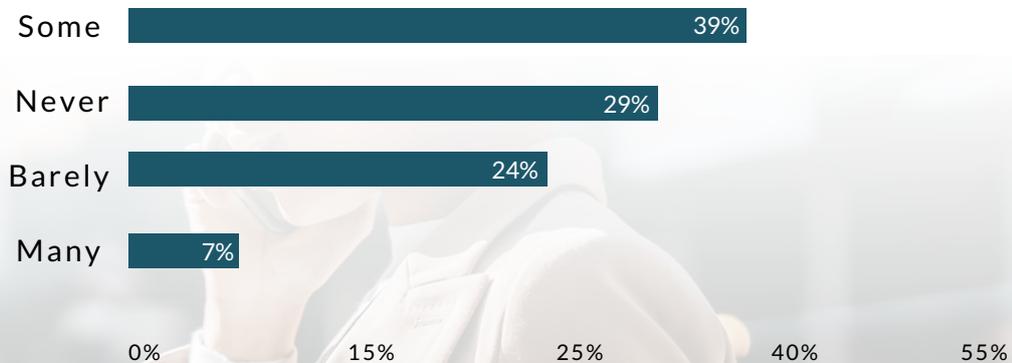
What phase of the business lifecycle is your company/business in?



Findings indicate that 45.2% of respondents are in the growth/growing phase of their company. This correlates to the findings which identified that almost 50% of businesses were established within the past five years. (2016 to 2021)

## ECOSYSTEM SUPPORT AND BUSINESS DEVELOPMENT PROGRAMS

The Black women entrepreneurs surveyed in this study were asked about eco-system support available to them through accelerators, incubators, community based programs. More than 90% of respondents indicated that they rarely participate in personal skills development programs through accelerators and workshops. Given that lack of information has led to very limited participation, pathways to opportunities are missed as information is typically available through knowledge sharing and resource channels via "social cliques."



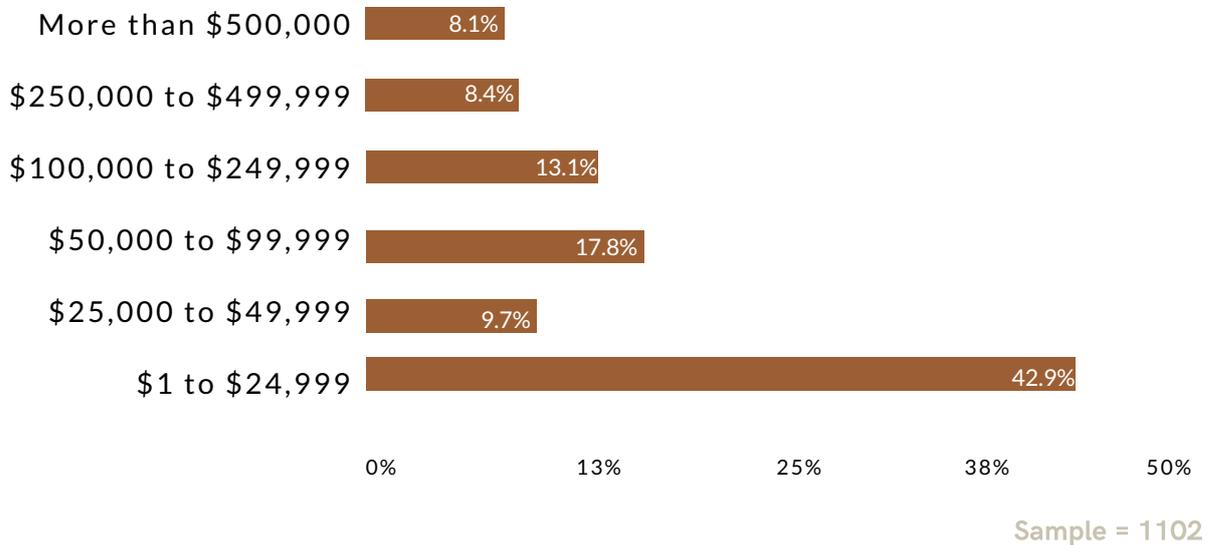
Sample = 1102

In addition when asked what the most pressing issues were for the respondents, Access to Finances, Community Networks, Access to Growth Opportunities and Mentorship were ranked among the top elements that respondents say would make their entrepreneurship experience better.



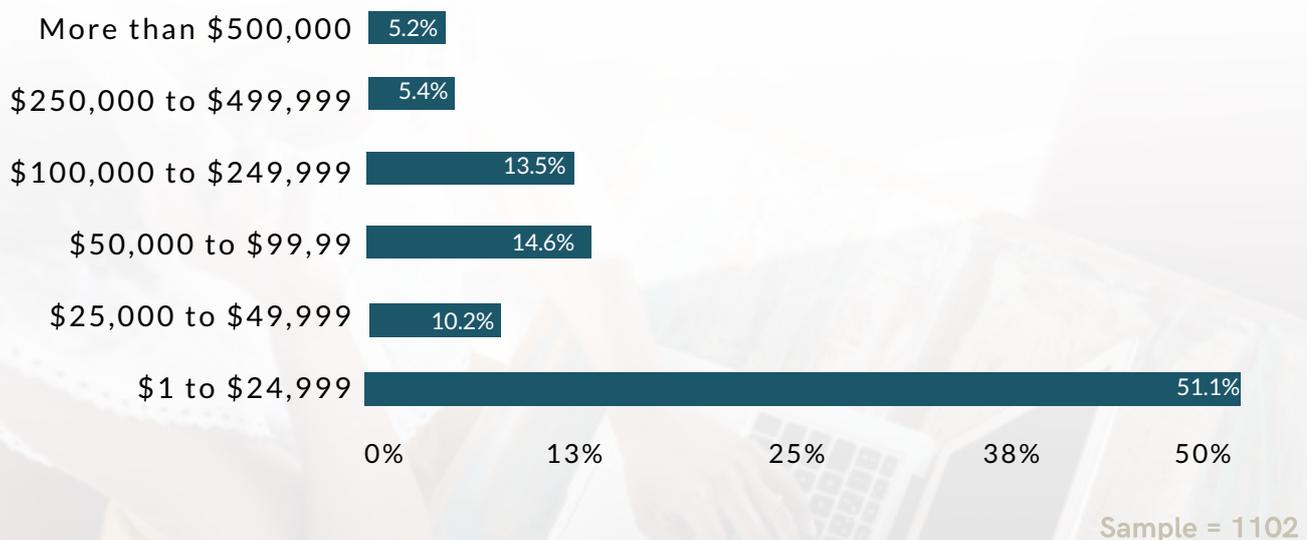
## OPERATING REVENUES AND PROFITS

### What was the total revenue of your company/business in the last 12 months?



Findings reveal that 53% of respondents have generated less than 50K in revenue while 51% profited less than 25K in the past 12 months. This could be attributed to the impact of Covid19 to the economy and the small business community overall.

### What was the total profit of your company/business in the last 12 months?





## FINANCING: ACCESS TO CAPITAL, GRANTS AND FUNDING

A significant proportion of respondents (45%) reported being in the growth phase of their business life-cycle, with 21% being open to consider up to \$25,000 in investment financing and a minority (19%) even seeking to borrow at all. This aligns with the results from a study conducted by BDC on Investment Intentions of Canadian Entrepreneurs: An Outlook for 2021 which indicated that business investment intentions were improving, with a growing number of Canadian entrepreneurs planning to invest more in 2021 than they did in 2020. Moreover, the survey indicated that entrepreneurs will invest more in technology, building on the momentum started in 2020.

In the FoundHers study, the general tendency against seeking or accessing capital from financial institutions was often tied to the founders feeling insecure or uncomfortable about their credit and credit history. Findings from the survey identified that one of the most significant barriers was uncertainty around business finances.

Even if these women founders are currently financially stable, they may be more reluctant to apply for a business loan as they are not sure their business will generate enough revenue to repay the loan, so they often bootstrap to avoid the risks of taking on external repayable financing.

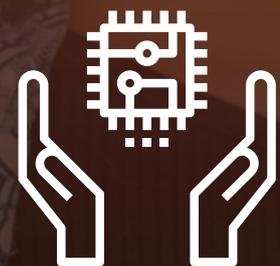


21%

of respondents are open to consider up to

\$25,000

in investment financing

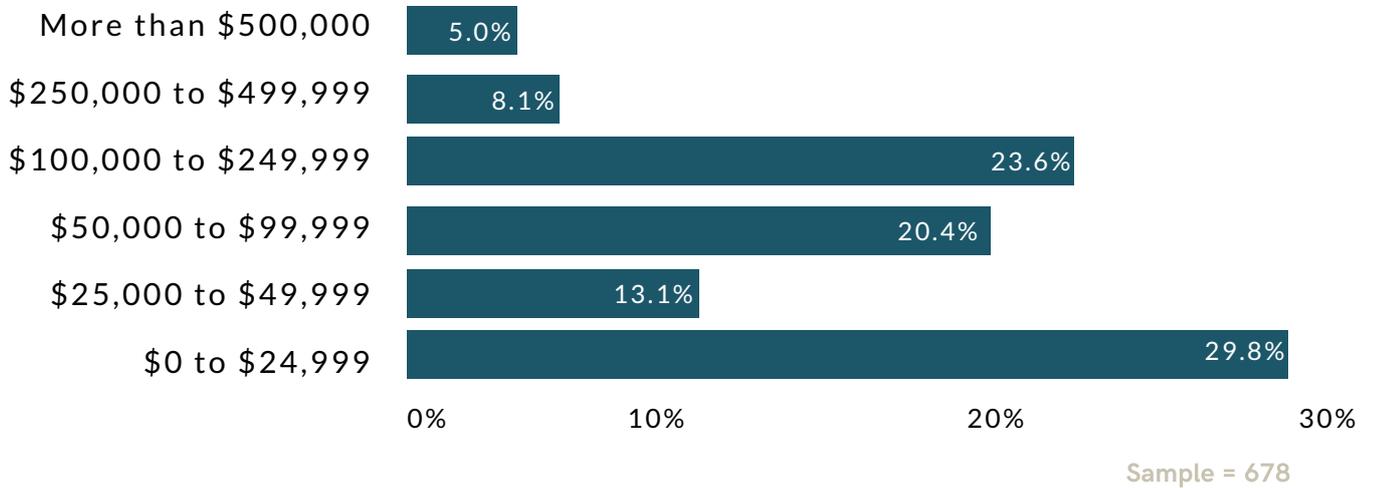


21%

Canadian entrepreneurs plan to increase business related spending in 2021 (BDC, Investment Intentions 2021)

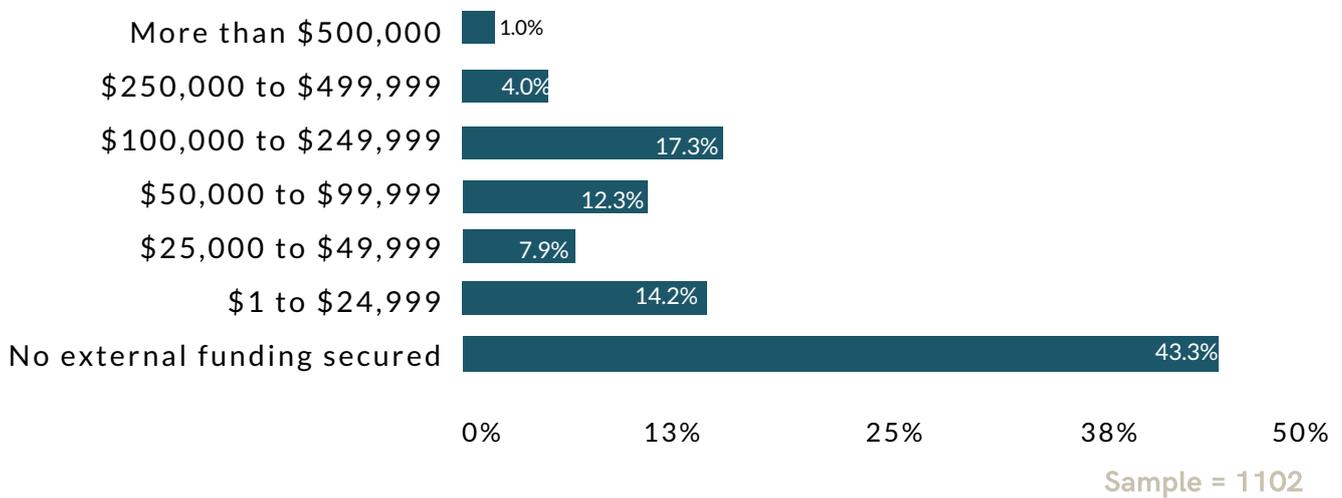
# BUSINESS START UP CAPITAL: SOURCES & AMOUNTS

## Personal Start Up Capital Used To Establish Business



63% of respondents report self-funding their business up to 100K.

## Amount of External Capital Raised



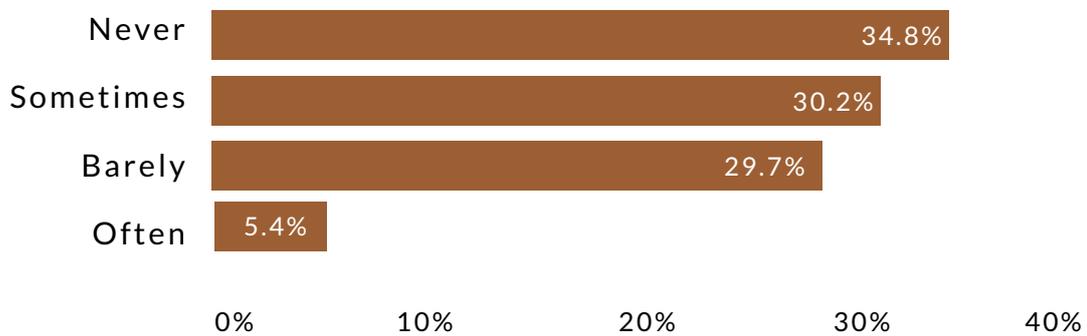
Of the sample group, 21% of respondents reported that they have secured less than \$50,000 in funding, while 12.3% were able to secure between \$50,000 and \$99,999. Nearly half of the respondents (43%) indicated that they have not been able to secure any external capital for their businesses due to their own lack of interest, and other factors that will be identified in further findings to follow.

## EXTERNAL FINANCING

In addition, insights from the Quantitative survey indicated that only 18% of respondents overall were comfortable approaching their home financial institution for funding.

Grant Funding: Respondents were less inclined to seek grant or philanthropic funding due to the amount of time and know-how required to complete applications. Concerns over the length of time and expertise required to complete grant applications were expressed in every focus group.

### How often do you take advantage of funding programs?



Findings indicate that 35% of respondents never take advantage of available funding. When we did a deeper dive, we learned that a large majority of respondents do not access or take advantage of funding opportunities for the following top three ranked reasons; lack of information/cannot identify program, did not meet eligibility requirements, and frustration with previous outcomes.

### Top three reasons cited as to why Black women founders do not access funding:

- 1** Lack of information and awareness/could not identify program
- 2** Did not meet eligibility requirements
- 3** Frustration with previous outcomes

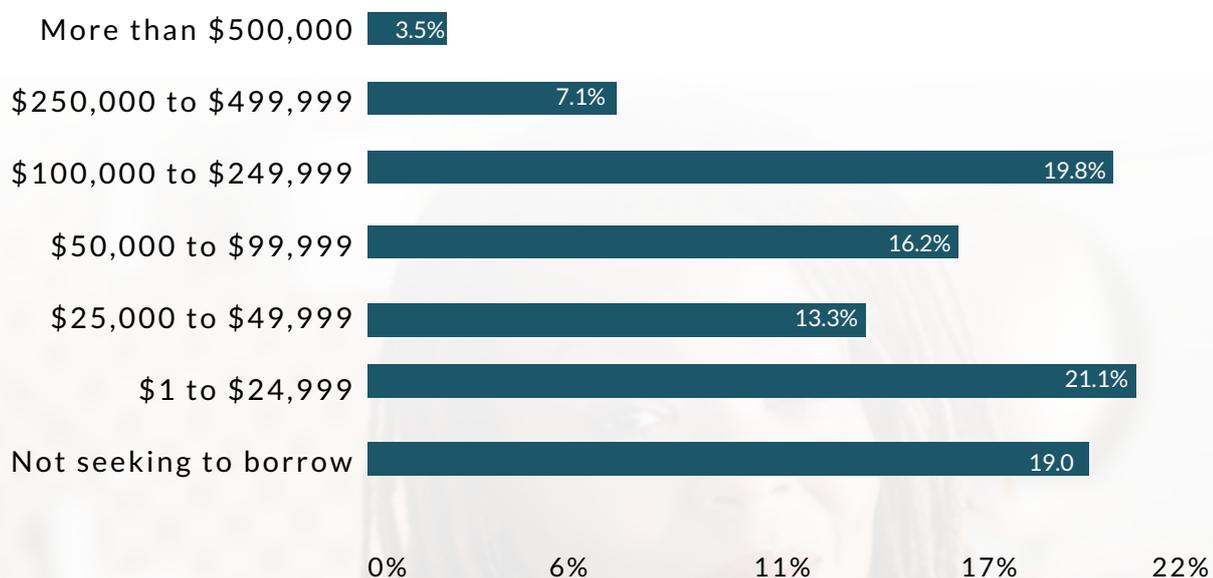
# 30.1%

of respondents indicated that they utilized external funding through bank loans, line of credit and other forms of institutional financing.



Sample = 678

## Assuming a repayable loan were to be available, about how much money would your company or business seek to borrow?



Sample = 1102

Repayment was a perpetual issue with 51% of the respondents believing that they could repay the type of financing referenced, and another 32% believing that they could repay it in about 4 - 5 years. 57% of women are actively seeking investment capital for their business and in 2018, according to Small Business Credit Condition Trends, 34% of business owners requested external business financing.



## Top 3 Barriers

1. Not Generating Enough Revenue
2. Uncertainty Around Finance
3. Lack of a Business Plan

*Respondents were asked to identify their barriers to pursuing funding. The top three commonly cited barriers were; company currently not generating enough revenue (16%), uncertainty around their organizations finances (12%), and lack of a business plan (11%).*

### **BARRIERS FOR BLACK WOMEN IN BUSINESS**

Black women FoundHers identified their top three significant barriers as; not generating enough revenue, uncertainty around the business' finances, and lack of a business plan. The inability to create enough income was the top barrier encountered. Lack of funds negatively impacts an organization's ability to reinvest in their companies and participate in normal business activities like employing right team.

Having to shuffle around a minimal amount of finances makes it understandable that uncertainty around business financial stance is cited as the second barrier.

The lack of a business plan can impact a companies ability to access financing and entrepreneurs ability to participate in development programs.

While the top two barriers are financially focused, substantial obstacles fall into social, environmental, and familial categories. This study notes that financially focused barriers have become more prominent with the pandemic. Before that, they were not as evident.



of respondents indicated that the COVID-19 pandemic decreased their profits



of respondents indicated that they experienced a revenue increase.



of respondents noted that the pandemic had no impact on their revenue or profits.

## FOCUS GROUP INSIGHTS

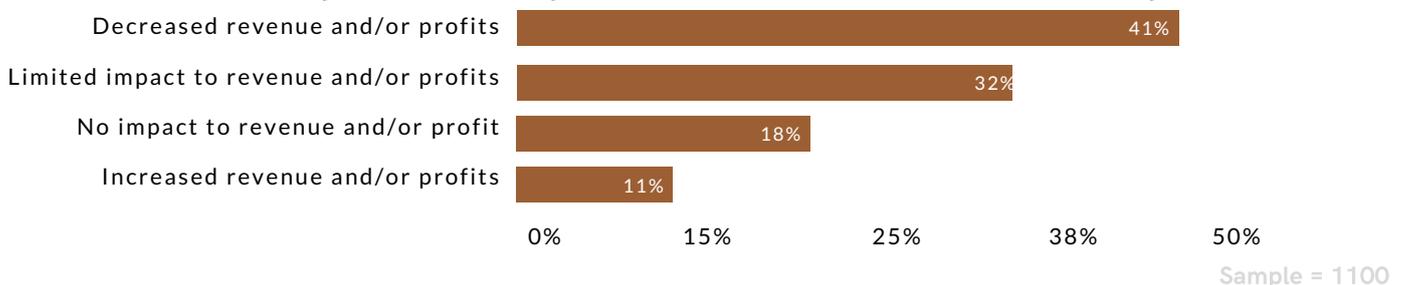
Qualitative findings from the Focus Groups revealed that other key barriers include mentorship, networks, and access to relationships and business connections. Black women founders are interested in expanding their capabilities by way of a mentor-mentee relationship. The lack of mentors within the Black business community remains a missed opportunity. Having a mentor to help business owners gain access to new opportunities and networks can be the difference between thriving and surviving for an organization.

## Entrepreneurship & Mothering, While Black



As mentioned earlier in the report, 56% of Black women business owners also identify as mothers. The familial constraint of motherhood is recognized as a barrier for some. Business owners are required to dedicate time to their craft, but mothering, which is often considered a full-time job on its own, does not give mom the necessary time needed to focus on the company. Additionally, when time is no longer a constraint, the priority shifts to wanting stability in home life requiring mom to secure a job with a guaranteed paycheck.

## The COVID-19 pandemic impact on business revenue and/or profits



The impact of COVID-19 continues to be a general market challenge. The past year has forced a large number of business owners to pivot their organization's practices to survive the pandemic. 41% indicated that the COVID-19 pandemic decreased their profits over the past year, while 11% of respondents indicated that they experienced a revenue increase. 18% noted that the pandemic had no impact on their revenue or profits. With Black women business owners already being at a disadvantage, this forced transition is expanding the equity gap.

## **FOCUS GROUP INSIGHTS: BARRIERS TO FINDING AND ACCESSING CAPITAL**

Based on the findings from the quantitative survey, it was evident that access to capital was a challenge for many Black women entrepreneurs, an in-depth qualitative analysis was needed to better understand how to close these gaps. This is significant given that more than 89% of FoundHers participants indicated their completion of post-secondary education. Research shows (Fain, 2015) that lending to post-secondary school graduates is significantly lower risk than lending to those who failed to complete their post-secondary education. That, combined with the education received from post-secondary institutions, should result in skills to help navigating generating revenue, achieving financial stability and identifying viable investment ideas.

Across the focus groups, there was an overall reluctance around seeking or accessing capital from financial institutions or government-funded programs and a positive tendency toward seeking support from programs that exist to help entrepreneurs with improving financial literacy and other professional development tools (i.e., confidence building, business upskilling, mentorship, networking). Programs mentioned include Futurpreneur, Groupe 3737, Women Entrepreneurship Fund, SheEO). This data correlates with a joint 2017 BDC and Ottawa Telfer Business School study on financial literacy which arrived at similar conclusions based on self-assessments of entrepreneurs and tests which examined their knowledge of different business financial concepts.

### **Intersectionality - Impact of Race and Gender on Entrepreneurs**

Most respondents felt that their lived experiences and intersecting identities of being Black and women come with unique obstacles which significantly impact their ability to effectively participate in the Canadian business ecosystem as entrepreneurs.

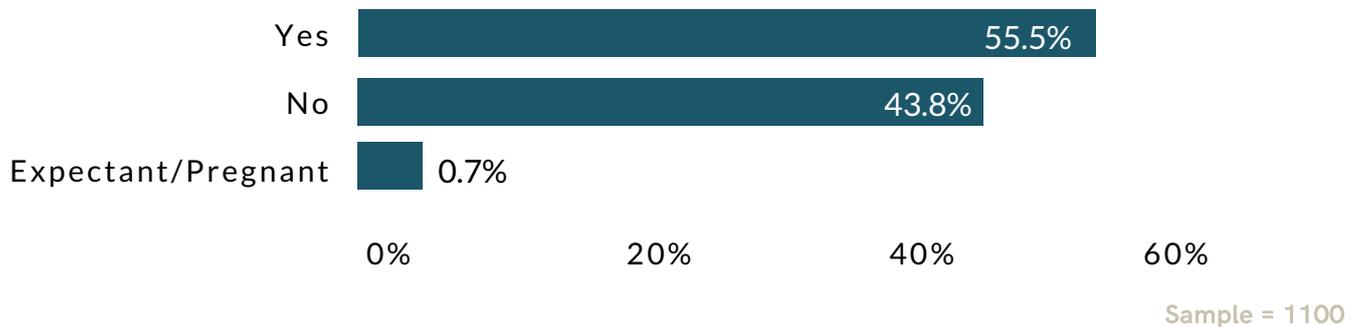
The most commonly cited issues across groups were the impacts of underrepresentation and customer bias. Underrepresentation was referred to across the focus groups as the Black women feeling as though others are surprised that they were the owner of their businesses. That surprise led to prospective clients feeling threatened or clients requiring entrepreneurs to justify their qualifications and prove their value for some women. Customer bias was also referred to across groups as the ongoing stigma that exists against supporting Black businesses.

Based on the findings from the quantitative survey, it was evident that access to capital was a challenge for many Black women entrepreneurs, an in-depth qualitative analysis was needed to better understand how to close these gaps.

## BLACK MOTHERHOOD AND ENTREPRENEURSHIP

The concept of Black motherhood as it relates to entrepreneurship is rapidly shifting. The qualitative investigation found that for Black women entrepreneurs, managing home and work is complicated, especially now that the two are connected more than ever due to the global Covid-19 pandemic. These insights come from our Mompreneur focus group, but they are vital insights as at least 56% of this study's respondents are mothers.

### Do you have at least one child?



We asked the group about balancing work life with family life and heard overwhelmingly from the group that there is no balancing of work life with family life. They are two different things, and one must make time to focus on work when required and also make time to focus on family when required. In terms of how this is achieved, one of the women expressed that she lives by lists and schedules. She shared that she wants her son to see her work but also wants him to know that he is a priority to her.



# 56%

of this study's  
respondents  
are mothers.

We also asked the women whether being a mother impacted their experiences with clients and customers. One of the participants shared that she recently had a client ask her about whether she would be able to balance her deliverables to him as well as her responsibilities as a mother. She shared with the group (not with the client) that she felt it was an awkward and inappropriate question that she does not feel would have been asked of a man running his business.

Whether the women felt motherhood impacted their careers as entrepreneurs, the group was divided, and it perhaps has a lot to do with the industry. For instance, one of the participants shared that motherhood has had no impact because if she did not have a babysitter to watch her kids, she would bring them to meetings/events or skip them. This may not be an option for women in another industry.

While these insights are as applicable to Black mothers as they are to all parents, one of our participants shared an experience specific to Black mothers in Canada. This participant shared that her child was experiencing discrimination at school and the amount of time required for her to support her child in resolving the matter was significant. This experience of parents having to be involved in protecting their children from Anti-Black racism should be investigated in future research.



# NON PROFIT (CHARITIES AND NOT FOR PROFITS)

led by and serving Black women



Demographic Overview



Location, Industry, and Workforce



Access to Capital and Grant Funding



Social Finance Awareness and Investment Readiness



Focus Group Insights

## II: NON-PROFIT OVERVIEW

Non Profit (Charities and Not for Profits) led by and serving Black women

- Demographic Overview
- Location, Industry, and Workforce
- Access to Capital and Grant Funding
- Social Finance Awareness and Investment Readiness
- Focus Group Insights

FoundHers national market survey and qualitative focus group discussions included participating organizations from the NPO sector, with nearly 10% of 1,545 respondents registered as NPO and/or charitable organizations led by and/or primarily serving Black women and gender-diverse people.

The survey and focus group similarly gauged the experiences of Black women who are founding executives or leads of the NPO's or registered charities. Disaggregated race-based data collection across many sectors and industries in Canada is extremely limited and therefore challenging to quantify the percentage of Black women and gender-diverse people who are founders, owners or executive leads of NPO's and/or charitable organizations. FoundHers market research study provides a significant leap forward in contributing to the pool of nationally available data, and points to the need for more comprehensive research and disaggregated data collection in the NPO's and philanthropic sectors.

The charitable and NPO sector in Canada accounts for over \$189 billion of the nation's economic activity, representing 8.7% of Canada's gross domestic product (GDP). There are over 85,000 charities and 170,000 recognized NPO/charitable organizations in Canada in which women account for 60% of NPO board seat members. Moreover, the NPO sector in Ontario is women-majority in that 80% of the workforce is women, especially Black, immigrant, and Indigenous women, women with disabilities, and women from the 2SLGBTQI+ community who have unequal outcomes.

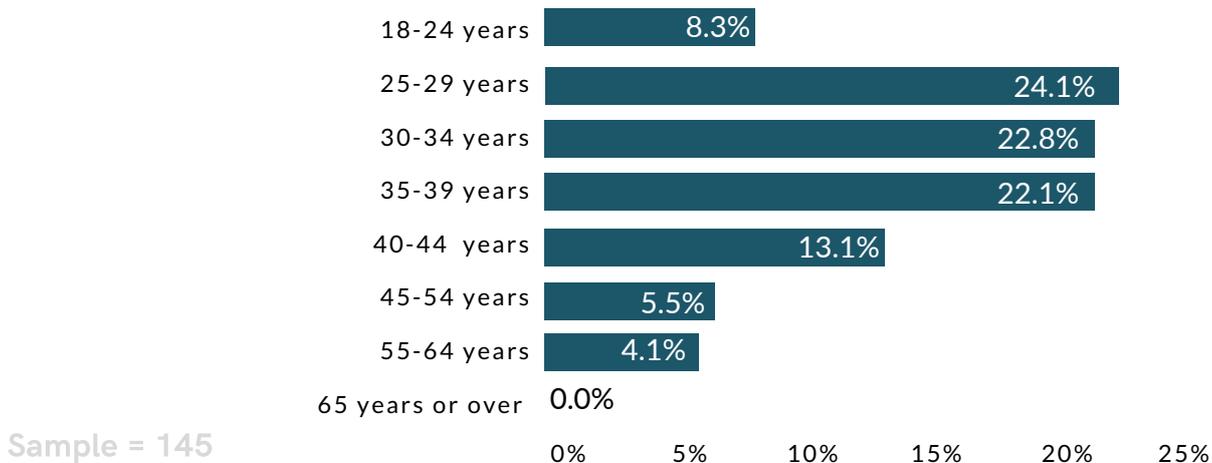
While the sector has more women in leadership positions than the public and for-profit sectors, the large employment share is not reflected at the leadership level. Women are underrepresented in senior leadership positions, and men are overrepresented. Women are more likely to lead smaller NPO's, and smaller organizations make up a large portion of the sector. The figures are even smaller when looking at Black women at the helm of these organizations.



## DEMOGRAPHIC OVERVIEW

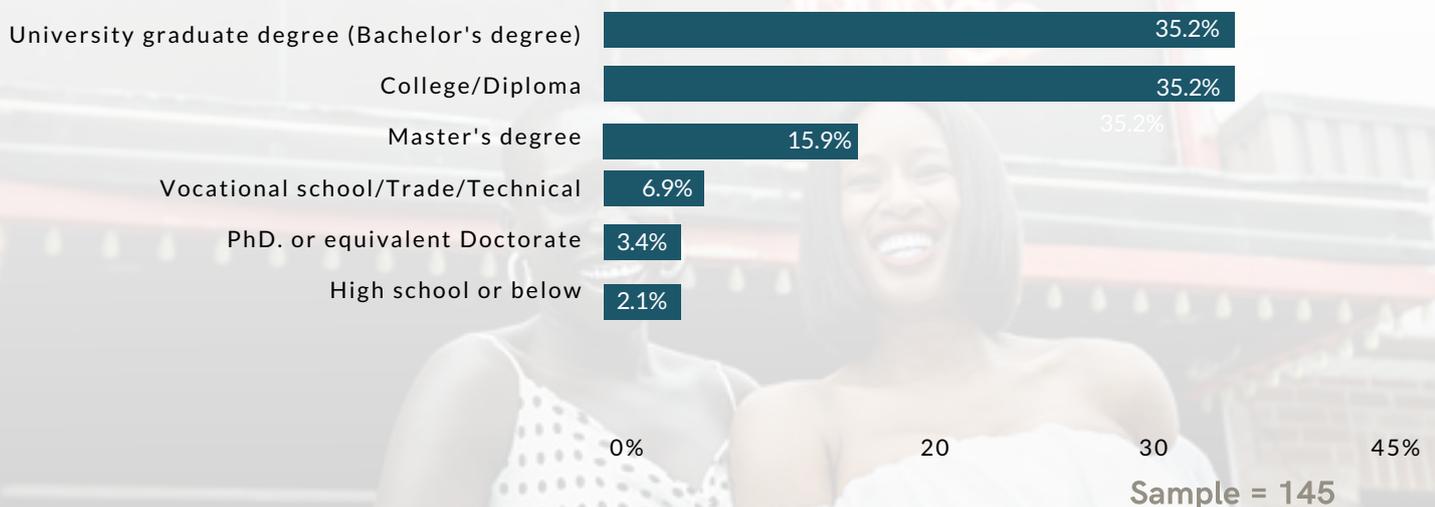
69% of respondents are between the ages of 25 to 39 years old. Black women in the NPO sector are highly educated, with over 89% reporting having a college diploma or Bachelor's degree.

### In which of the following age categories do you belong?



Study findings suggest that the numbers are almost equal regarding relationship status, as many Black women NPO founders reported they are either married/common-law or single. Additionally, a large number of sample respondents reported having at least one child.

### What is the highest level of education that you have completed?



## LOCATION, INDUSTRY, AND WORKFORCE OVERVIEW

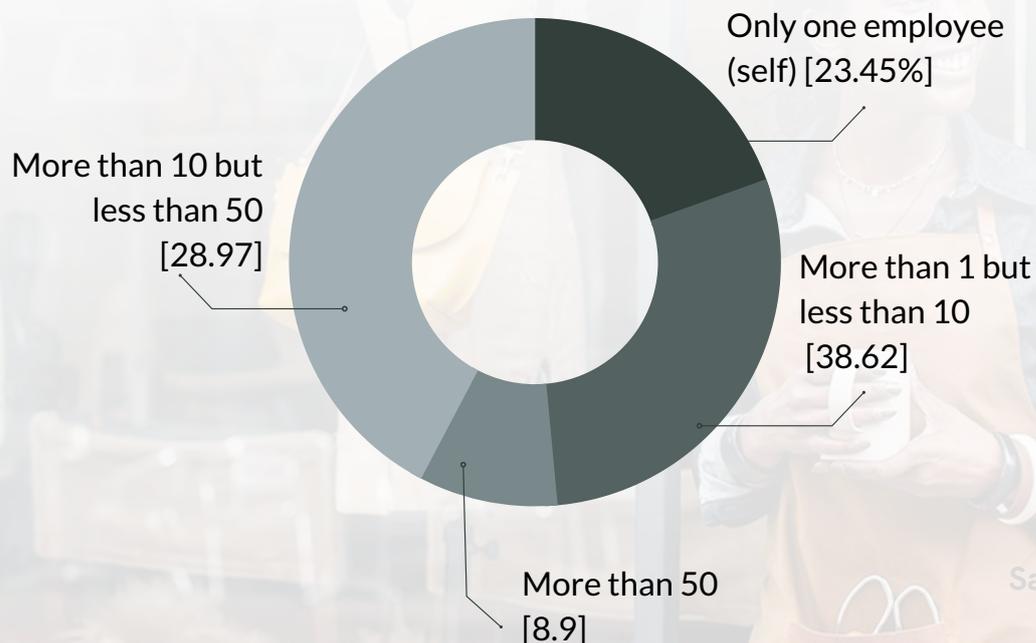


The top three provinces that most respondents reported from are Ontario, Quebec, and British Columbia, with the majority stating that their team size is either more than one but less than ten or more than ten but less than 50. This indicates that Black women founders of NPOs can scale with a team at a higher capacity than the for-profit business owners. Almost 31% of founders operate their NPO with a member of their family.

### In which province/territory is your company/business based?

Field	Percentage
Ontario	42.8%
Quebec	17.9%
British Columbia	13.8%
National	5.5%
Other	20.1%

### How many people are employed (full-time, part-time, contract) by your company/business?



## PURPOSE DRIVEN INITIATIVES

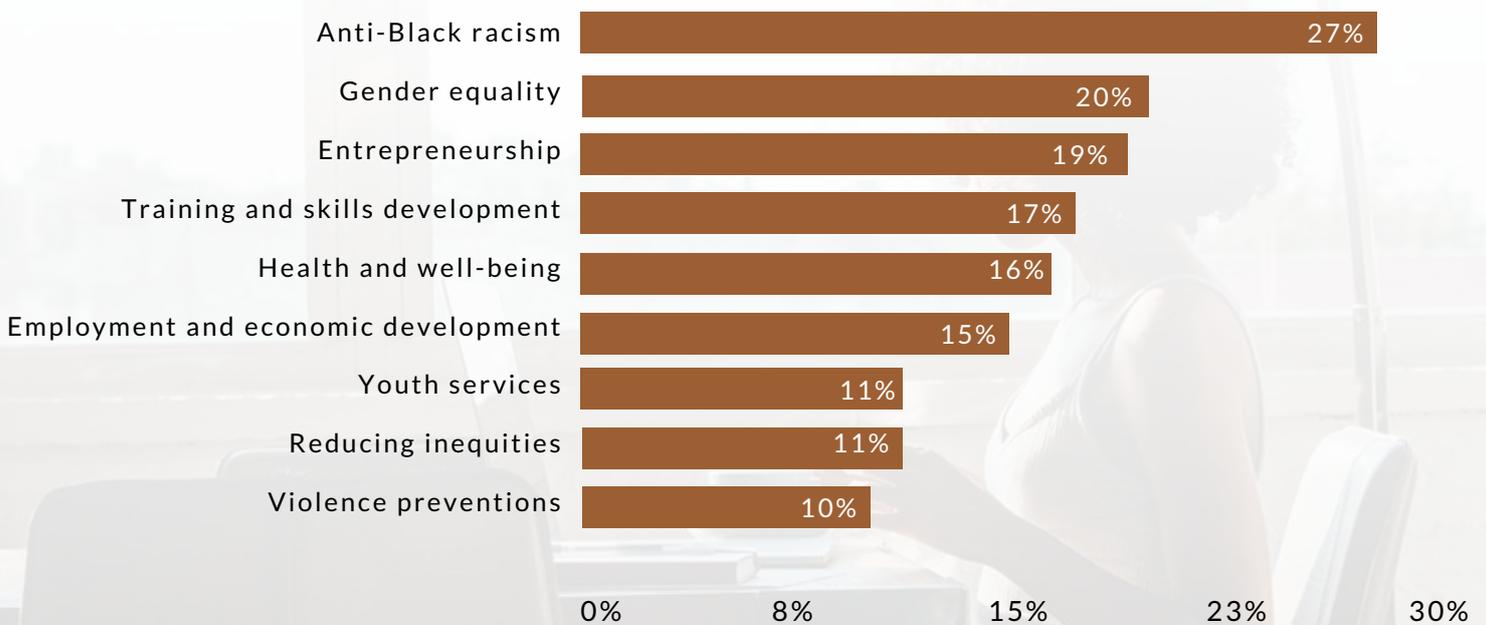
The quantitative survey gave us insight into who NPO's primarily serve and the top three groups identified are Black people, gender-diverse people and children and youth, respectively.

While community-focused organizations represent 17% of the overall sector, NPO business institutions account for over 10%, contrarily, respondents of Black women founders from the NPO sectors identified that 79% of their organizations were community focused while 19% of their organizations were business and finance based.

Respondents were asked to identify the social issues their NPO is addressing. The top commonly cited social issues include, anti-Black racism (27%), gender equality (20%), and entrepreneurship (19%).

The most critical issues that these organizations find themselves focusing on to remain relevant are finding capital/investments, partnerships/networks, and personal development & mentorship.

### Which social issues is your company working to address?



## ACCESS TO CAPITAL AND GRANT FUNDING



Accessing capital was the number one issue reported by NPO survey respondents, they feel additional barriers prevent them from the ability to operate and scale sustainable organizations. However, many respondents also felt that other operational barriers impeded their ability to scale, including their inability to generate sufficient revenue and uncertainty about the organization's financial health, which taken as a collective, is a hindrance to seeking necessary capital.

Grant funding barriers included: not meeting eligibility requirements for funding opportunities, a lack of awareness and information for grant funding opportunities, and onerous time commitments to completing long and extensive applications.

Respondents were asked to identify significant barriers to pursuing funding. The top three commonly cited barriers were company is not generating enough revenue (24%), uncertainty around organization finances (20%), and no viable investment ideas to generate revenue (16%).

During the focus group discussions, we inquired more about charity and NPO's finances, and we found that an overwhelming number (44%) of respondents indicated that the total revenue of their organization in the last 12 months was less than \$25,000. Since COVID-19, many NPO founders have had to reduce their costs, optimize technology and enhance service and program offerings to remain in operation. They have also had to use personal savings, donations, and personal or commercial loans to stay afloat.

## SOCIAL FINANCE AND INVESTMENT READINESS

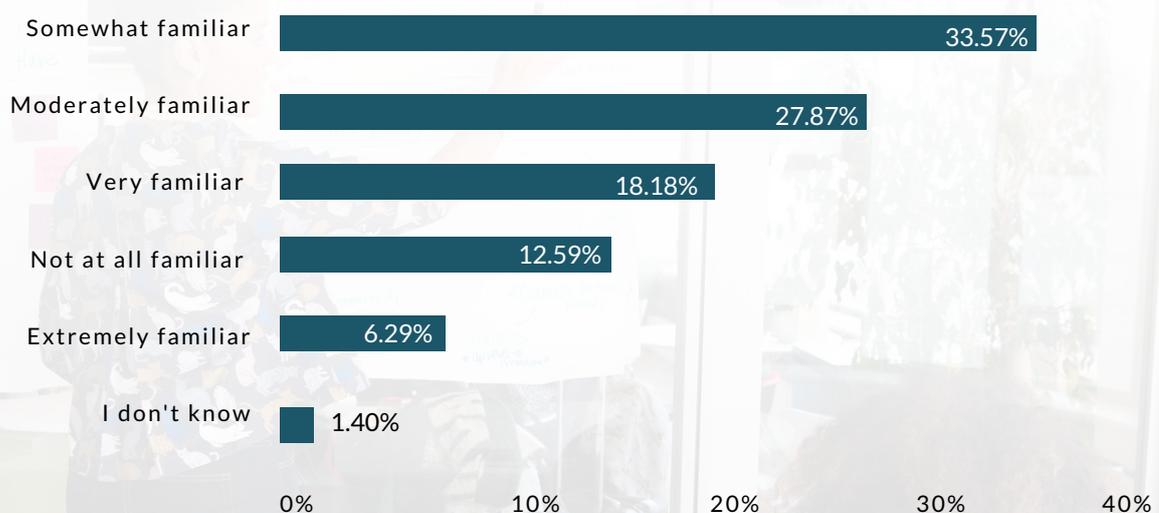
An increasing number of NPO's and charitable organizations in Canada are supplementing traditional charity models driven by fundraising, grant funding and philanthropic funding, with revenue-generating social business operations to stabilize and grow the impact of their organization's mission. To better understand this expanding model, FoundHers explored the social financing and investment preparedness needs of NPO's and charitable organizations led by Black women and gender-diverse people.

The FoundHers national survey and focus group discussions centred in two key areas:

- Awareness of Social Finance
- Investment Readiness Needs

The concept of social finance in the NPO sector is fairly new and respondents either have high or low awareness of social finance. More than 85% of Black women founders of NPOs are familiar with social finance, 42% feel they are ready to take on investment capital and 46% agree that social finance is likely to significantly improve their organization's financial sustainability. On the positive side, less than 15% of founders have little or low awareness of social finance.

### Overall, how familiar would you say you are with the concept of social finance?



Sample = 143



## INVESTMENT READINESS

A large focus of this study was in examining the investment readiness of Black women-led and serving organizations. To better understand whether or not they were to take on repayable social financing, the research methodology included a strength/weakness selection chart which identified high-level insights.

Only 36% of respondents indicated that they have the ability to accurately evaluate the return on investment/cost-effectiveness of their organizations. One third of respondents feel neutral about their ability to communicate the financial value of their organizations which speaks to the familiarity of social finance or how unclear this respondent community is towards social finance and how it could either positively or negatively impact their organizations. Over half of the respondents indicate that they are well equipped to recruit, train and develop staff while 64% pride themselves on their ability to try out new ideas, develop activities and rigorously test whether new systems work.

Overall, Black women-led NPO and charities rated their organizations to have significant strength with regards to understanding the entire social and environmental impacts of their organization. This is a key indicator of the investment readiness of these NPO's and charities.

### Strengths and Weaknesses of Organizational Capabilities

Percentage for "not applicable" responses are not shown

Field	Significant Weakness	Slight Weakness	Neutral	Slight Strength	Significant Strength
Ability to accurately evaluate the return on investment/cost-effectiveness of your organization	9%	18%	33%	19%	17%
Ability to assess and communicate the full social and/or environmental impacts of your Organization	6%	14%	32%	24%	20%
Ability to produce and communicate the financial value of your Organization to funders and supporters	6%	15%	31%	24%	22%
Ability to try out new ideas, develop activities and rigorously test whether they work.	5%	13%	29%	24%	26%
Ability to raise unrestricted funds from individuals, foundations and business and draw on a diverse range of revenue sources	6%	13%	29%	24%	25%
Ability to recruit, retain and develop staff with the experience, skills and qualifications needed and effectively guide staff/volunteers in their day-to-day work.	6%	12%	29%	24%	24%



## Social Finance Findings

1. Pride in Innovation
2. Uncertainty Around Finance
3. Confidence Around Repayment

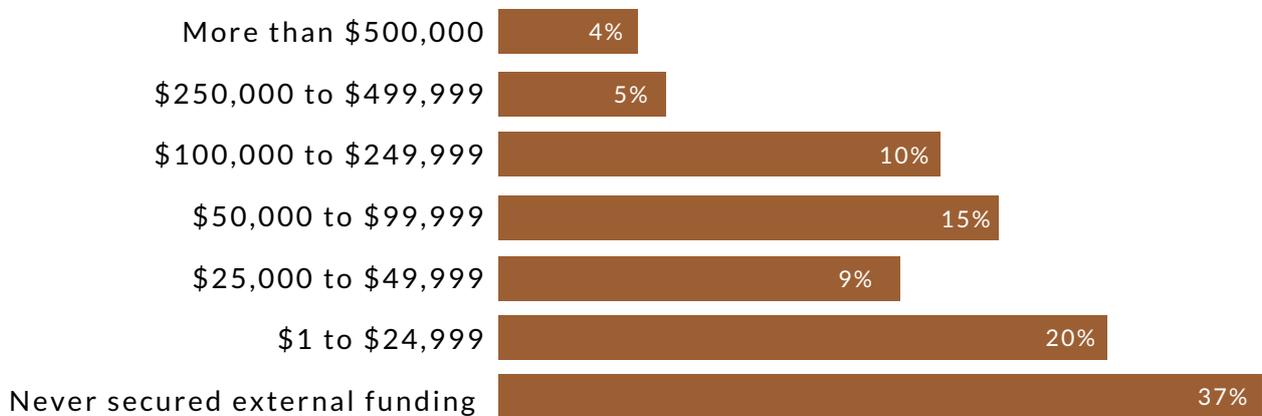
There is even split in terms of awareness of social finance. More than 50% of respondents are very or moderately familiar with social finance (51%) and half are not at all or somewhat (47%) familiar. Similarly, 47% of respondents rated their ability to communicate the financial value of their organizations to funders and investors as a strength, and similarly, half rated this as a weakness or neutral, which may point to some unfamiliarity of the nuances or implications of social finance in their organization. Black women-led non-profits and charities feel positively about their internal organizational capacity, as 64% pride themselves on their ability to try out new ideas, develop activities and rigorously test whether new systems work, and over half of the respondents indicate that they are well equipped to recruit, train and develop staff.

Imagine Canada's 2021 report that surveyed 1,000 charities across Canada, showed that 66% of respondents have a low awareness of social finance. This report indicates that Black women founders of NPO's are more aware than the average not for profit and charity of social finance. However, we must take into account the smaller sample size of NPO's in the FoundHers study compared to Imagine Canada's study.

Of all the investment readiness markers, the most significant weakness reported by respondents is in the area of financial capacity. A quarter (25%) of respondents rated their ability to raise unrestricted funds from individuals, foundations and businesses or their ability to draw on a diverse range of revenue sources as slightly or significantly weak. This finding points to both the need to strengthen the financial readiness of NPOs and the importance of addressing the systemic lack of access to diverse capital and funding options of NPOs led by Black women.

The study found that almost 40% of the respondents have never received external funding from grants or investment capital for their NPO's, while 44% indicated that they had received less than \$100,000. These findings reflect the 2021 study, *The Unfunded: Black Communities Overlooked By Canadian Philanthropy* report which outlines Black-led organizations were funded less than \$0.07 to every \$100 dispersed to NPO's led by white founders. This signifies that Canadian Black-led NPO's on average generate less than 1% in grant funding despite making significant contributions to Canada's philanthropic sector through social services and employment.

### How much have you secured through external financing or debt obligations?

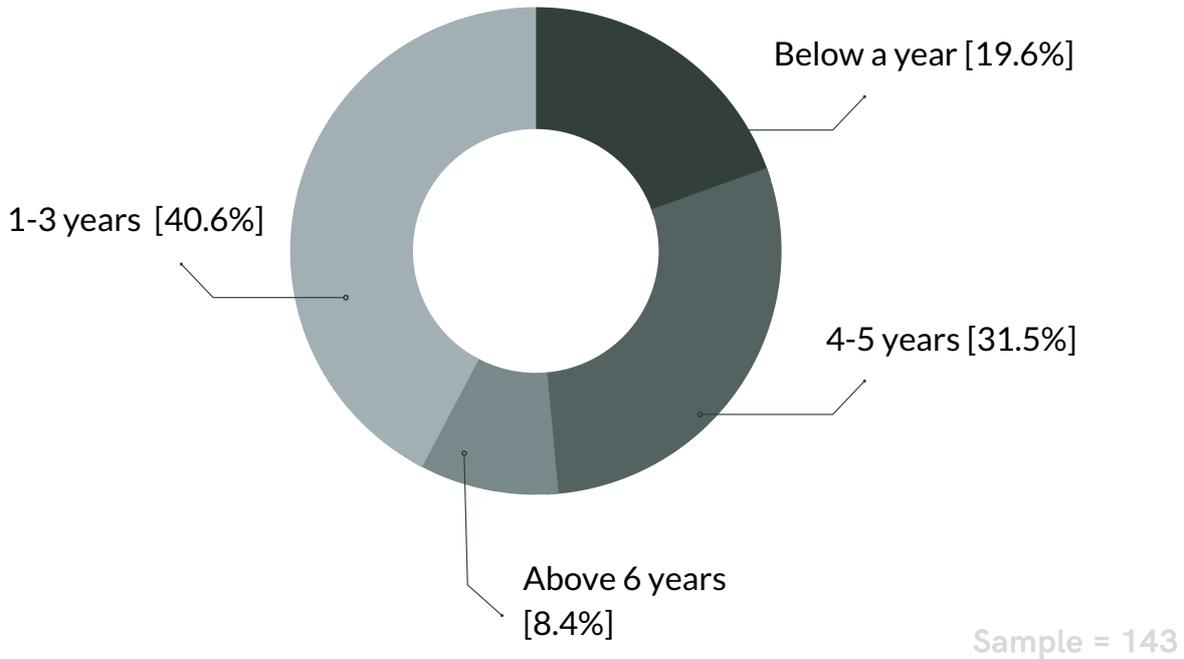


Sample = 143

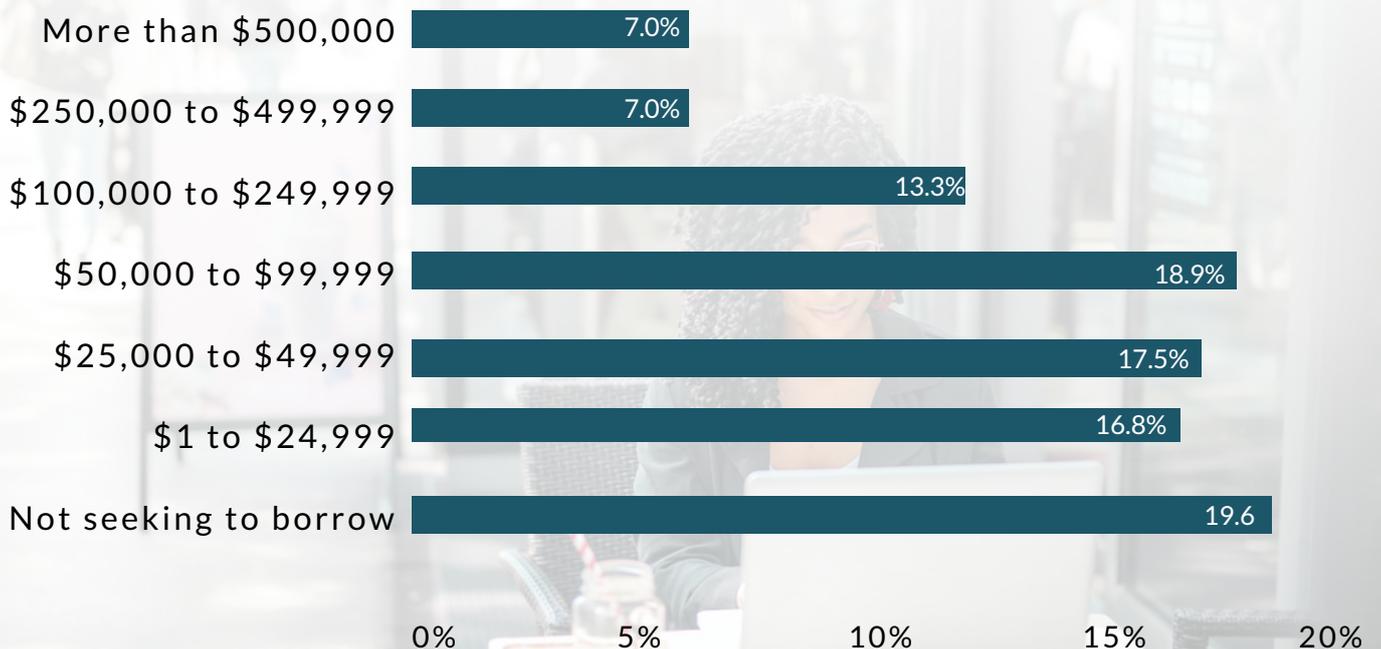


72% of Black women, NPO founders believe they can repay social finance loans in less than 5 years. Suggesting they are capable of meeting standard loan agreements. More awareness, capital, resources and knowledge-sharing are required to support NPO organizations' social financing and investment readiness needs.

### Roughly how long do you think it would take your organization to repay the type of financing referenced above?



### Assuming a repayable loan were to be available, hypothetically, about how much money would your company/business be seeking to borrow?



Sample = 143



## FOCUS GROUP INSIGHTS

To garner even more insights into the NPO community of Black women entrepreneurs, the FoundHers team held a summit with focus groups on April 12, 2021. There, we asked even deeper qualitative questions to understand the motivations behind these founders' decisions to survive the entrepreneurial ecosystem in Canada. These women felt comfortable discussing their business journey with our facilitators, and here are some of the things we learned from them:

- Black women founders of NPO's feel like that stigma and discrimination are impacting organizational growth as a Black person and as a women.
- When it comes to achieving financial freedom, many women measure this differently and require different tools to get them there. These women listed structure in their organization, sustainability, sponsorship and grants, volunteer committee, investment in the future, and budgeting and paying off debt as the main tools needed to achieve financial success.
- Survey results indicated that Black women are uncomfortable with taking on funding due to reporting requirements to their funders and too many hurdles to jump through just to get a small amount of money for their NPO
- We were able to dig deeper into the significant industries that these NPO's operate in, and they are technology and entrepreneurship, service provider NPO, sports and recreation, education, food, professional services (business and corporate), education employment and professional mentorship, and lastly, the mental health sector.

# RECOMMENDATIONS

## GOVERNMENT



Government-administered grants and other funding agencies should update policies to be equitable to Black entrepreneurs and consider various nuanced challenges.

Government must create an inclusive environment with transparent practices for information and opportunity sharing. Transparency, information sharing with more targeted incentives.



Data indicates that many Black women founders operate as solopreneurs. There needs to be government supplemented community based programs to empower companies to hire diverse skills, abilities and resources from within and outside their communities.

There must be a direct effort to ensure Black women entrepreneurs are aware of development and financing opportunities without favouritism or connections.

## ECO-SYSTEM



Incubators and accelerators (service providers) must create targeted information channels along with long-term and short-term networking and access opportunities that offer follow-up programming for Black women entrepreneurs.

Service providers should enhance and maintain access to technology, human development and skills training. There must be a targeted approach to developing awareness so that Black entrepreneurs can access skill diversification opportunities.

## COMMUNITY



Service providers must develop targeted programs to support Black mompreneurs directly.

Black women must be supported in the development and growth of external social networks.

## INDIVIDUALS



Black women entrepreneurs and their businesses need to be open to broader visions, that exceed short-term outcomes. There must be support mechanisms for developing clear missions, visions, and strategy.

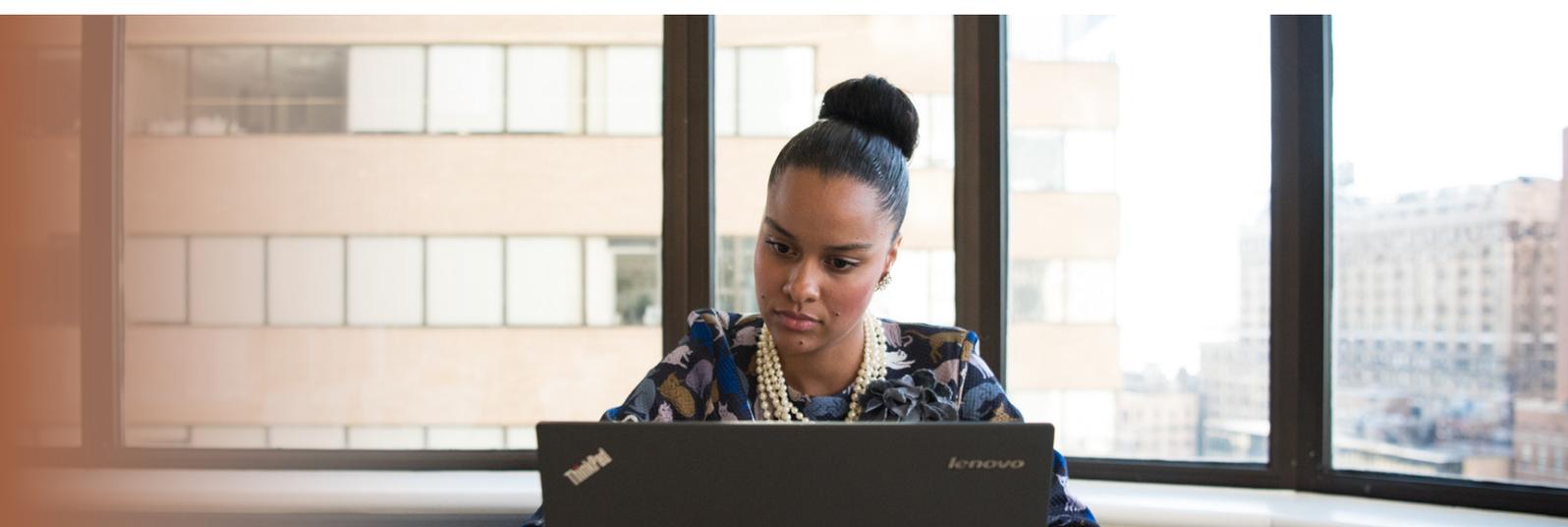
Black women entrepreneurs should actively seek out mentors with diverse backgrounds, skillsets and lived experiences to enhance their networking and access opportunities.

# FUTURE MARKET RESEARCH

This report is the first in a series of research studies that will further examine the topic of Black women-led businesses. A 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 women entrepreneurship ecosystem. Through this study, we worked to highlight the different barriers affecting growth in Black women-led organizations.

## There is a need for more research in key areas, such as:

- 1 Funding accessibility based on the intersections of gender, sexual orientation, ability, socioeconomic class, status, religion and race
- 2 The Causal Relationship between Education Levels and Women Entrepreneurship
- 3 Black Women-Led High-Growth and Scalable Companies
- 4 Motherhood, Primary Caregivers and Entrepreneurship
- 5 Formation of NPO's based on Social Experiences in Womanhood
- 6 Anti-Black Racism and Entrepreneurship





*See Us, Hear Us*

# CONCLUSION

The ventures of Black women founders face significantly more barriers to success because Black women's lived experiences are impacted by multiple (at least two) marginalized identities. In addition to being marginalized on the basis of race and gender, many FoundHers respondents were also immigrants, newcomers, refugees and/or identified as 2SLGBTQI+

Based on the six personas we developed, informed by the research findings, many (about half) of the Black women involved in our study were managing a full-time job in addition to their founded venture. Our sample was heavily skewed to Black women founders who started their businesses within the last 5 years, representing 50% of our sample. Given recent labour market trends that show this group being more educated, while earning less, entrepreneurship seems to be a natural solution for Black women in Canada.

The more systemic issue at play here is that although Black women have the human capital (education, work experience, skills & training) needed to start great businesses, the gaps observed by the sample are more closely tied to social capital (personal development, mentorship, finding capital) with 62% of our participants claiming to be actively seeking investment. This lack of social capital and financial investment is not limited to for profit enterprises, more than 80% of NPO's also found it challenging to access grants.

The barriers to finding capital is significant since 44% of the sample identified their organization as being in its growth phase, a do-or-die phase where the enterprise needs finances to keep up with the market.

This report helps to fill the gap to understanding the intricacies and nuances of Black women's entrepreneurship journey in Canada, more investment in the collection and dissemination of these experiences is needed to move the dial. In support of the recommendations outlined above, we recommend the Government of Canada support and fund the creation of a Black Women's Eco-System Knowledge Institute led by and for Black women. The Government of Canada should also conduct evaluations on diversity, equity, inclusion and access on existing federally-funded national entrepreneurship knowledge-sharing programs intended for all women such as the Women's Entrepreneurship Knowledge Hub etc.

The findings in this report are substantial, but they still represent the tip of the iceberg of socio-economic issues facing Black women entrepreneurs. Our future research will revisit the data for an in-depth drilldown analysis on the many socio-economic dimensions captured in this report. We plan to provide deeper cross-sectional insights by business categories, education level, industry sectors and funding related factors.



**62%**

of FoundHers' survey respondents are actively seeking investment capital to scale their businesses.

# SPECIAL ACKNOWLEDGMENTS

This report was made possible with the academic research mentorship and support of Anteneh Ayanso, PhD, Professor of Information Systems, Director of Centre for Business Analytics and Princely Ifinedo, PhD; Associate Professor of Information Systems, Brock University.

## RESEARCH

### **AMOYE HENRY**

Director, Research & Data  
Pitch Better Inc

### **PATIENCE ADAMU, PHD**

Research Associate  
Ryerson University

### **CHANTELLE QUOW, MBA**

Principal, CQ Business Inc.

### **STELLA IGWEAMAKA, MBA**

Research Facilitator, FoundHers

### **BRIAN MOKAYA, MSC**

Microsoft Inc.

### **ZELALEM FANTAHUN**

Data Scientist

### **FIYIN OBAYAN**

Engagement Facilitator

### **NATAIZYA MUKWAVI**

Engagement Facilitator

## OUTREACH

### **ADEELA CARTER-CHARLES**

Director, Marketing &  
Communications, Pitch Better Inc.

### **ALICIA SMITH**

Community Manager  
Pitch Better Inc

### **ABBIGALE COMFORT**

Brand and Website Designer,  
Be Of Good Comfort Designs Inc.

### **NANA MOORE**

Social Media and Launch  
Strategist, OPS Collective

### **NICOLE ANTOINE**

Marketing Specialist

### **KARLENA WAUGH**

Small Medium Biz Consultant

### **VIVIAN KAYE**

Engagement Facilitator

### **TANYA HAYLES**

Engagement Facilitator

## OPERATIONS

### **SARAH JUMA**

Strategic Human Resources  
Juma Management

### **RACHAEL BAPTISTE**

Operations Coordinator,  
Crown Management

### **ZAMANI THOMAS**

Attorney, Zamani Thomas Law

### **NATASHA SMITH**

Partner, Miller Thomson

### **CARLA BEAUVAIS**

Francophone Translator &  
Community Network Engagement

## SPECIAL THANKS

Sagal Dualeh  
Joanne Photiades  
Claudette McGowan  
Vickie Joseph  
Jodi Kovitz  
Jennifer Laidlaw  
Danielle Graham  
Cleo Ellis  
Catriona Smart  
Stachen Frederick

Meryl Afrika  
Sacha Carter  
Tenisha Yonge  
Tricia Kanhai  
Karlyn Percil  
Ugochi Wo  
Shannae Ingleton  
Treaasa Leigh Brown  
Vanessa Smithers  
Liz Coucean

Zubair Patel  
Tia Tariq  
Shelley Kuipers  
Courtney Roberts  
Cassy Isabella  
Tisha Reid  
Tiffany Gordon  
Irena Brooks  
Nerissa Allen  
Victor Beausoliel

Dwayne Matthews  
Tyrone Edwards  
Nicole McFarlane  
Ann Divine  
Lameia Reddick  
Tara Wood  
Ariadni Athanassiadis  
Daniel Grubb



## ALLY

Someone who makes the commitment and effort to recognize their privilege (based on gender, class, race, sexual identity, etc.) and work in solidarity with oppressed groups in the struggle for justice. Allies understand that it is in their own interest to end all forms of oppression, even those from which they may benefit in concrete ways.

OpenSource Leadership Strategies, “The Dynamic System of Power, Privilege, and Oppression” (2008)

## BLACK CANADIANS

Generally includes diverse individuals, populations, and communities in Canada that identify as having African or Caribbean ancestry. This category includes persons who gave a mark-in response of "Black" only or "Black" and "White" only. This category also includes persons with no mark-in responses who gave a write-in response classified as “Black.”

## BLACK-LED

A Black-led organization is an organization with leadership positions (Director, Founders, etc.) primarily occupied by people who self-identify as Black (minimum two-thirds) and a governance structure (advisory board, eldership circle, volunteer committee, etc.) primarily composed on people who identify as Black (minimum two-thirds)

Source: Canada.ca

## BLACK-FOCUSED

An organization with a mandate that supports members of the Black community.

Source: Canada.ca

## BUSINESS

The practice of making one's living by engaging in commerce a commercial operation or company.

## CHARITY

A registered charity refers to a charitable organization, public foundation, or private foundation registered with the Canada Revenue Agency. A registered charity is issued a Registration Number once approved. It is exempt from paying income tax, and can issue tax receipts for donations it receives.

Source Canada.ca

## CULTURE

A social system of meaning and custom that is developed by a group of people to assure its adaptation and survival. These groups are distinguished by a set of unspoken rules that shape values, beliefs, habits, patterns of thinking, behaviors and styles of communication.

SOURCE: Institute for Democratic Renewal and Project Change Anti-Racism Initiative, A Community Builder's Tool Kit, Appendix I (2000)



## DIASPORA

Diaspora is “the voluntary or forcible movement of peoples from their homelands into new regions ...” There is “a common element in all forms of diaspora; these are people who live outside their natal (or imagined natal) territories and recognize that their traditional homelands are reflected deeply in the languages they speak, religions they adopt, and the cultures they produce.”

SOURCE: Leong Yew, “The Culture of Diasporas in the Postcolonial Web” (quoting Ashcroft et al., Key Concepts in Post-Colonial Studies, and Cohen, Global Diasporas: An Introduction).

## DISCRIMINATION

The unequal treatment of members of various groups based on race, gender, social class, sexual orientation, physical ability, religion and other categories.

Source: Institute for Democratic Renewal and Project Change Anti-Racism Initiative, A Community Builder's Tool Kit, Appendix I (2000)

## DIVERSITY

Diversity includes all the ways in which people differ, and it encompasses all the different characteristics that make one individual or group different from another. It is all-inclusive and recognizes everyone and every group as part of the diversity that should be valued. A broad definition includes not only race, ethnicity, and gender—the groups that most often come to mind when the term “diversity” is used—but also age, national origin, religion, disability, sexual orientation, socioeconomic status, education, marital status, language, and physical appearance. It also involves different ideas, perspectives, and values.

SOURCE: UC Berkeley Center for Equity, Inclusion and Diversity, “Glossary of Terms” (page 34 in 2009 Strategic Plan). Baltimore Racial Justice Action, “Our Definitions” (2018).

## ENTITY

Means a company, business, corporation, partnership, institution, or any other organization that has a separately identifiable existence and which is distinguished from individuals.

## ENTREPRENEUR

A person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do so. “many entrepreneurs see potential in this market”

Source Webster's Dictionary

## ENTREPRENEURSHIP

Is a process that starts with someone — the entrepreneur — recognizing an opportunity to create something new.

Source Stats Canada

## ENTREPRENEURIAL ACTIVITY

Is “enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets

Source Stats Canada



## ESTABLISHMENT

Refers to the level in the statistical hierarchy below the company in the Business Register statistical hierarchy, and at which the accounting data required to measure production are available (principal inputs, revenues, salaries and wages). The establishment is defined as the most homogeneous unit of production for which the business maintains accounting records. From these records, it is possible to assemble all the data elements required to compile the gross value of production (total sales or shipments, and inventories), the cost of materials and services, and labour and capital used in production.

## ETHNICITY

A social construct that divides people into smaller social groups based on characteristics such as shared sense of group membership, values, behavioral patterns, language, political and economic interests, history, and ancestral geographical base.

Examples of different ethnic groups are: Cape Verdean, Haitian, African American (Black); Chinese, Korean, Vietnamese (Asian); Cherokee, Mohawk, Navaho (Native American); Cuban, Mexican, Puerto Rican (Latino); Polish, Irish, and Swedish (White).

SOURCE: [Teaching for Diversity and Social Justice: A Sourcebook](#), edited by Maurianne Adams, Lee Anne Bell, and Pat Griffin, Routledge, 1997.

## FOUNDER

A person who establishes an institution or settlement.

Source Webster's Dictionary

## GENDER

Refers to the gender that a person internally feels ('gender identity' along the gender spectrum) and/or the gender a person publicly expresses ('gender expression') in their daily life, including at work, while shopping or accessing other services, in their housing environment or in the broader community. A person's current gender may differ from the sex a person was assigned at birth (male or female) and may differ from what is indicated on their current legal documents. A person's gender may change over time.

## INCLUSION

Authentically bringing traditionally excluded individuals and/or groups into processes, activities, and decision/policy making in a way that shares power.

SOURCE: OpenSource Leadership Strategies

## INDUSTRY

Refers to a generally homogeneous group of economic producing units, primarily engaged in a specific set of activities. An activity is a particular method of combining goods and services inputs, labour and capital to produce one or more goods and/or services (products). In most cases, the activities that define an industry are homogeneous with respect to the production processes used.



## NON-BINARY

denoting or relating to a gender or sexual identity that is not defined in terms of traditional binary oppositions such as male and female or homosexual and heterosexual. "nonbinary people are vastly underrepresented in the media"

Source Webster's Dictionary

## NOT FOR PROFIT

A non-profit corporation is a legal entity separate from its members and directors formed for purposes other than generating a profit to be distributed to its members, directors or officers. While a non-profit corporation can earn a profit, the profit must be used to further the goals of the corporation rather than to pay dividends to its membership.

## MENTORS

A person who establishes an institution or settlement.

Source Webster's Dictionary

## RACE

Race is based primarily upon genetically imparted physiognomical features among which skin colour is a dominant, but not the sole, attribute. Nevertheless, it is possible for a person to be of mixed races, some of which, such as the mestizo of Latin America, have become recognized as evolved races in their own right. Furthermore, terminology may be ambiguous.

## RACE (CON')

Scholars may prefer to use the term caucasian rather than white but the former may not be well understood by many respondents. Other terminology evolves over time such as the evolution in America of Afro-Americans from black and earlier from negro. There may also be terminology very much in usage in the common lexicon which is actually offensive to a group in question. For example, the reference to the Inuit as Eskimo.

Source: Stats Canada

## SELF EMPLOYMENT

Self-employment is often considered as an indicator of entrepreneurship. However, not all self-employed individuals innovate or intend to innovate, nor do they grow or intend to grow their business (Hurst and Pugsley, 2010). Thus, not all self-employed are "entrepreneurs" In rural and small town areas, self-employed individuals generally operate small(er) enterprises. Most are unincorporated but some are incorporated. These small(er) self-employment enterprises typically provide important services in rural and small town areas. Examples range from general stores to hair styling salons to plumbing and electrician enterprises to dentists.

## SOCIAL FINANCE

Social finance is an investment that seeks a measurable social, cultural, and/or environmental impact as well as a financial return for an investor.

Source Stats Canada

## REFERENCES

Addo, P-A. (2017). 'Is It Entrepreneurship, or Is It Survival?': Gender, Community, and Innovation in Boston's Black Immigrant Micro-Enterprise Spaces. *Societies*. 2017; 7(3):20

African women entrepreneur: Problems, challenges and future opportunities." *International Journal of Managerial Studies and Research* 2.5 (2014): 17-22.

Akinkugbe, O. (2016). *A Qualitative Hermeneutic Phenomenological Study: Small Business Administration Funding Reductions Influence Black-owned Small Businesses* (Doctoral dissertation, University of Phoenix).

Bajpai, G. C. (2014). African women entrepreneur: Problems, challenges and future opportunities. *International Journal of Managerial Studies and Research*, 2(5), 17-22.

Black Business and Professional Association (BBPA) (April 2021). *Rise Up, A Study of 700 Black Women Entrepreneurs*.

Business Development Bank of Canada (BDC) Financial literacy among Canadian entrepreneurs and business owners (December 2021) Telfer School of Business at the University of Ottawa

Brière, S., Tremblay, M., & Daou, A. (2014). Entrepreneurship in South Africa: looking beyond funding. *Development and Learning in Organizations*.

Canadian Chamber of Commerce. (2020). *Building Black Businesses in Canada: Personas, Perceptions & Experiences*.

Digitalundivided. (2018). *Project Diane 2018: The State of Black Women Founders*. Published by digital undivided.

Dvouletý, O., & Orel, M. (2020). What drives female Entrepreneurship in African developing Countries? *Enterprising Africa: Transformation through Entrepreneurship*.

Fairlie, R. W., & Robb, A. M. (2007). Why are black-owned businesses less successful than white-owned businesses? The role of families, inheritances, and business human capital. *Journal of Labor Economics*, 25(2), 289-323

Fairlie, R. W., Robb, A., and Robinson, D.T. (2017). *Black and White: Access to Capital Among Minority Owned Start-Ups*. NBER Working Paper No. 28154

## REFERENCES

- Howard, T. (2019). The State of Black Entrepreneurship in America: Evaluating the Relationship between Immigration and Minority Business Ownership. Center for Policy Analysis and Research. Accessed online at <https://www.cbcbfinc.org/wp-content/uploads/2019/05/CPAR-Report-Black-Entrepreneurship-in-America.pdf>
- Hwang, V., Desai, S., and Baird, R. (2019) "Access to Capital for Entrepreneurs: Removing Barriers," Ewing Marion Kauffman Foundation: Kansas City.
- Katshunga, J. and Massaquoi, N. (2020). Confronting Anti-Black Racism Unit, City of Toronto; Ontario Council of Agencies Serving Immigrants (OCASI); and Justine Wallace.
- Nhlapo, T. S. (2008). Black economic empowerment funding efficiency: a South African perspective (Doctoral dissertation, North-West University).
- Nziku, D. M., & Struthers, J. J. (2018). Female entrepreneurship in Africa: Strength of weak ties in mitigating principal-agent problems. *Journal of Small Business and Enterprise Development*.
- Pereira, R., Abokor, L., Ahmad, F., (2021) *Unfunded: Black Communities Overlooked by Canadian Philanthropy*. Network for the Advancement of Black Communities and Carleton University's Philanthropy and Nonprofit Leadership program.
- Pope and Sydnor (2011) *What's In a Picture? Evidence of Discrimination from Prosper.com*.
- Preisendoerfer, P., Bitz, A., & Bezuidenhout, F. J. (2014). Black entrepreneurship: A case study on entrepreneurial activities and ambitions in a South African township. *Journal of Enterprising Communities: People and places in the global economy*.
- Singh, R. P., & Gibbs, S. R. (2013). Opportunity recognition processes of black entrepreneurs. *Journal of Small Business & Entrepreneurship*, 26(6), 643-659.
- Tambunan, T. (2009). Women entrepreneurship in Asian developing countries: Their development and main constraints. *Journal of Development and Agricultural Economics*, 1(2), 027-040.
- Vorobeva, E. (2019). *Black African Entrepreneurs in Finland: Structural Barriers*. (Master's Thesis, University of Turku)

<https://www.univcan.ca/facts-and-stats/stats/58-of-canadian-entrepreneurs-are-university-students-or-graduates/>



**Brought to you by Pitch Better Inc.**

[www.foundhers.ca](http://www.foundhers.ca) | [www.pitchbetter.ca](http://www.pitchbetter.ca)