

She-Covery for Women's Enterprise: PARO Business Recovery Survey 2022

Introduction

PARO Centre for Women's Enterprise (PARO) provides a myriad of business supports including access to funding for women entrepreneurs living in Ontario.

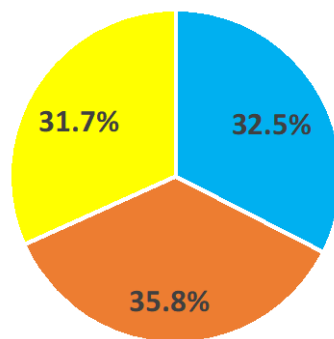
Founded in 1995, PARO, best known for its renowned Peer Lending Network for Women (<https://paro.ca/paro-circles/>), is credited to be the largest in North America, supporting more than 190 Lending Circles across Ontario. Recently, PARO completed a pandemic recovery survey in follow up to two previous surveys used to track, evaluate, and analyze the effects that the Covid-19 pandemic had on women entrepreneurs and their businesses.

As we enter the third year of the global pandemic, the results of this survey, anecdotal conversations, and formal and informal interviews with PARO clients indicate that the global challenges related to Covid-19 acutely and disproportionately affected women. In the business world, this statement rang true for women entrepreneurs as they continue to navigate staffing challenges, access and accessibility restrictions, and government support restrictions among many other ongoing challenges.

Issued in both English and French over a three-week period, this report outlines the survey responses of a sample of 122 women entrepreneurs across Ontario. Of the respondents, 71.29% lived in Northern, Remote and Rural Ontario. Among the rest, most respondents lived in the Eastern Corridor (Ottawa and along the St. Lawrence River) and in Western Ontario (Hamilton/Niagara region, London, Windsor, Kitchener/Waterloo, Stratford, and the Bruce Peninsula).



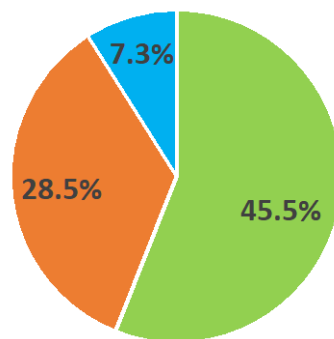
Respondents from Ontario



■ Northeastern Ontario ■ Northwestern Ontario ■ Eastern Corridor & Western Ontario

Of the respondents, 43.53% resided in Metropolitan areas (with a population of 100,000+ and a downtown core of 50,000 or more); 28.46% from a rural area; 7.32% from Indigenous communities.

Population proportion



■ Metropolitan areas ■ Rural areas ■ Indigenous communities

We received responses from women-owned businesses from a wide diversity of sectors. While a large majority of women entrepreneurs own businesses in the healthcare/social assistance sectors, arts/entertainment/recreation sectors and personal care/pet care/home services sectors, many more reported from sectors such as accommodation and food services, business and administrative supports, educational and training services, digital and tech services, and retail.

This report provides a high-level overview of the results of this survey. PARO will use the information as data sources to inform our recommendations for policy, program and protocol change in support of women entrepreneurs living in Ontario. In addition, this information supports:

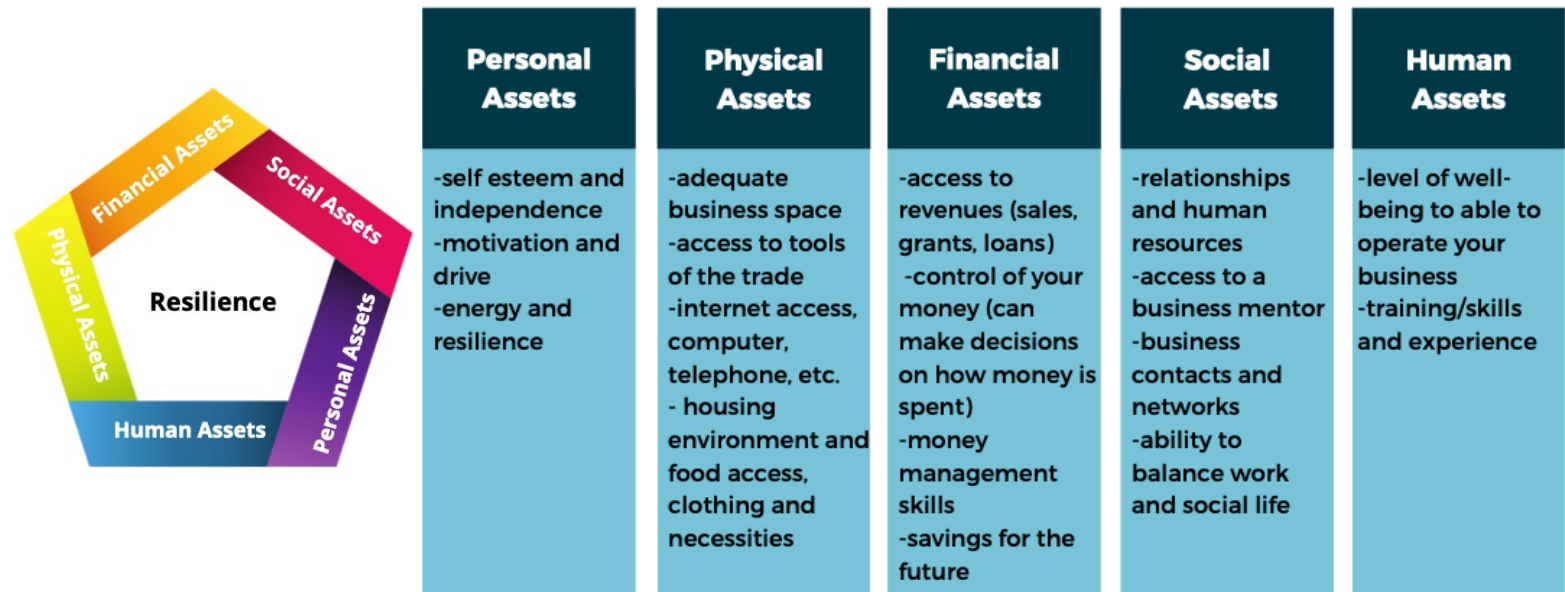
- Design and development of programs, including PARO’s Cluster Innovation Tables (CITs),
- As an information-sharing tool among our partners and associates who seek to better support women entrepreneurs in their transition to recovery in a post-pandemic business culture.

Some of the work provided in this report can be linked to the United Nations' Sustainable Development Goals (SDGs). Goals 5 and 10 stand out in particular for their importance and strong connection to achieving gender equality, empowering all women and girls, and reducing inequities within (and between) countries.

Business Recovery Check-in Survey Results

Sustainable Livelihoods Model: An Evaluation of Resilience

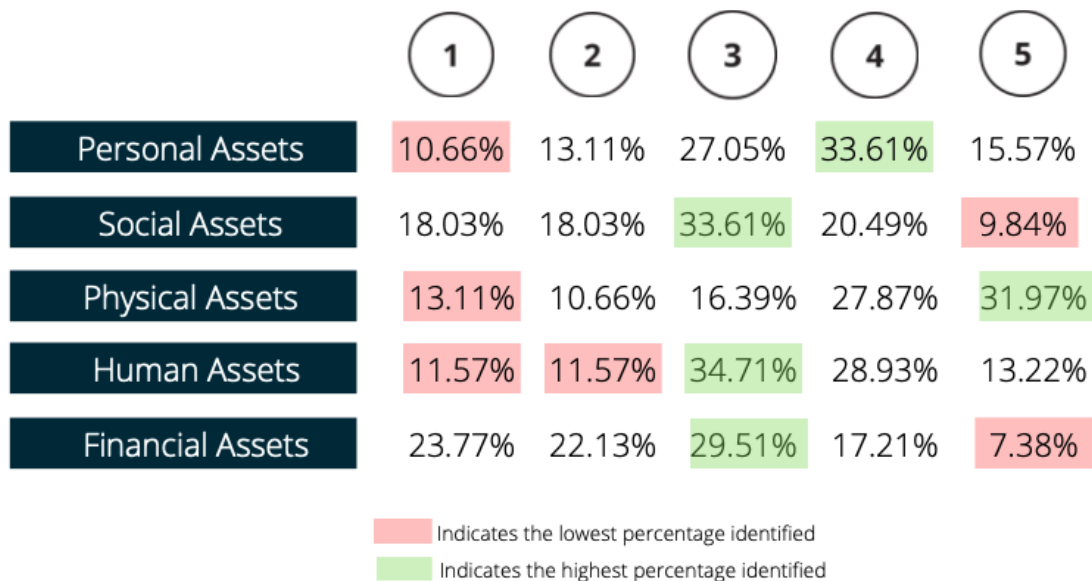
The Sustainable Livelihoods Model is a tool adopted by PARO to guide women in navigating strength-based assets and gaps. Additionally, the model guides holistic program development. For the purposes of this survey, respondents evaluated their assets on a one-to-five (1-5) scale, one (1) being the least, which requires significant work to strengthen this area, and five (5) being the highest, meaning little to no work must be done to achieve highest-level resiliency. The five (5) asset areas are as follows:



While the most consistent average weighed in between 2.5 and 3.5 in all asset areas, there was a particularly strong indication for gaps in Financial and Social Assets. Of the 100% of respondents to this question, 7.4% reported a solid 5 in Financial Assets, where 29.5% reported a 3, indicating that **financial support is a glaring gap for women in business moving through to recovery from the impact of the pandemic.**

Conversely, 33.6% of respondents rated their Personal Assets strength as 4, indicating that their feelings of empowerment are strong with slight room for improvement.

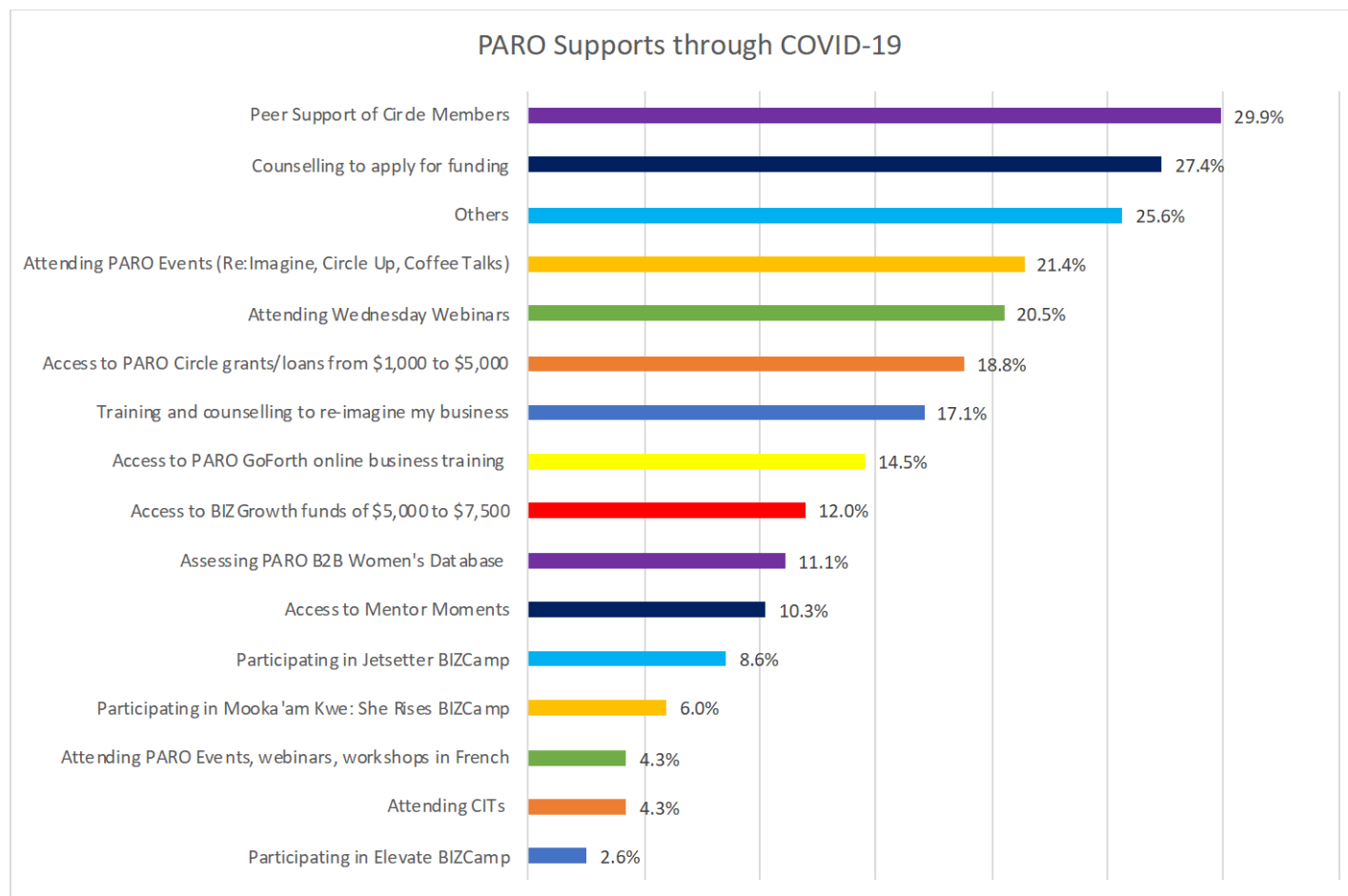
For Human Assets, respondents averaged around 35% at 3, indicating neutrality, suggesting room for improvement in these asset areas, but they consider these gaps as not extensively prohibitive to the success of the respondents' businesses. The high 31.97% for Physical Assets may be reflective of those women who received support to purchase equipment and other tools of trade through funding programs like PARO BIZGrowth and other government sponsored programs.



PARO Supports through Covid-19

When asked to evaluate the supports/services provided through PARO, respondents indicated that ***Peer Support from their Circles, Support to Apply for Funding, Attending Wednesday Webinars, and Training and Counselling to Re-Imagine their Business*** were among the most effective supports through the pandemic.

Respondents reported the following:



Of the 95 respondents to this question (79% of all survey respondents), 87% reported satisfaction or “very satisfied” with services provided.

Notable comments from Survey Respondents

- I value regular meetings with my PARO counsellor, and appreciate the support always provided in any funding applications*
- PARO grants and loans are invaluable*
- Attending virtual conferences and making connections*

Challenges to Access: Working with Organizations through Covid-19

Respondents reported on experience when accessing agency supports through government programs, financial institutions, or business support organizations that supported both men and women. Of the 13 survey response options, **respondents reported that limited access to services (20.2%), psychological/mental health challenges (23%), the costs of these services (25.75) and taking extensive time away from family to gain access to these supports (29.3%)** were among the most challenging. Importantly, 27.27% of respondents reported that a **lack of internet access/internet reliability issued a particular challenge.**

Other challenges included physical health and safety concerns related to Covid-19, lack of online service options, linguistic barriers, lack of caregiving/child and elder care supports.

Notable comments:

- the criteria for [many programs] was very exclusionary. For example, Digital Mainstreet grants were not available to home-based businesses, which are mostly women-owned and who suffered equally if not more through Covid-19*
- Time is always an issue*
- My business is often not eligible for any funding as part of my business is a restaurant*
- Many organizations do not understand the needs of women*
- The internet is spotty; especially in a house with five people using it for school and work*

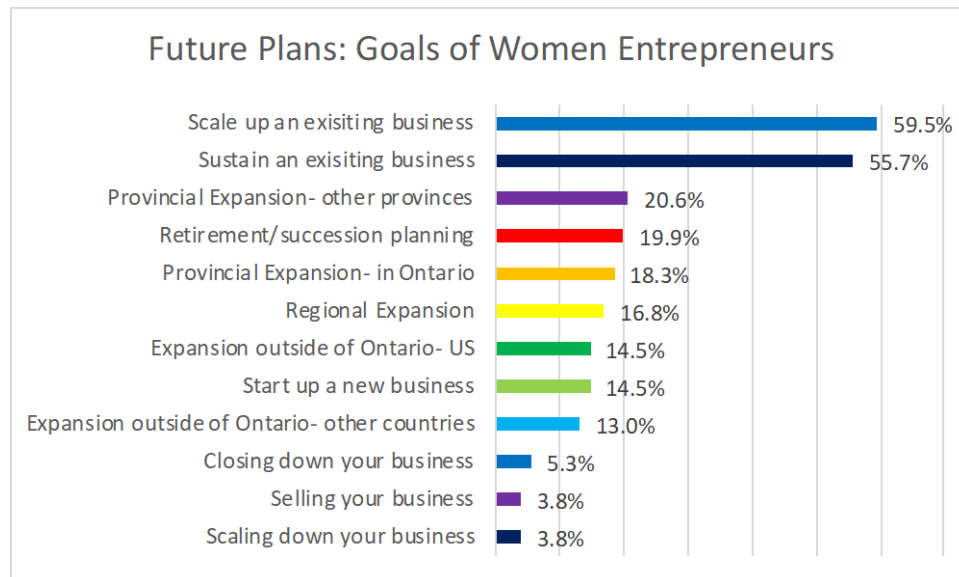
Evaluating Barriers: What are the Biggest Challenges in Achieving Economic Security?

This question gave respondents a vital opportunity to report, in their own words, the most challenging barriers to achieve economic success while starting, scaling or growing business in this stage of the Covid-19 pandemic. Here is an outline of some of the most common responses:

- **Procuring funding and investment dollars** – many investment strategies focus on high-tech or otherwise large-scale return businesses, which often leave women-led businesses in the margins if considered at all.
- **Many businesses are not easy to “digitalize”** – many challenges around pivoting the sale of certain products such as visual arts, crafts, or services like interior design became particularly challenging for women-owned businesses.
- **Emotional/mental well-being and a lack of support for mental health** – many women reported feeling “burn out” from juggling countless responsibilities that became more complicated through the pandemic (child and elder care, home life); several respondents also reported feeling overwhelmed by Covid-19 fatigue in general and felt unable to maintain their mental health in a world of uncertainty.
- **Heightened cost of materials** – the pandemic caused (and continues to) an increase in the cost of goods. Many women found the inflated prices prohibitive when it came to mark ups and wholesale purchasing.
- **Exporting dynamics became complicated** – with borders closing and international travel stalled, women who conducted trade in North America experienced challenges related to cross-border travel.
- **Cultural barriers, especially experienced by Indigenous women** – Indigenous respondents experienced barriers through Covid-19 as they relate to geographical isolation, systemic racism, and a lack of access to networking contacts as priorities shifted through the pandemic; others (Indigenous and non-Indigenous) reported experiencing marginalization through more insidious methods such as a lack of ability/time to participate in male-dominated sectors that often hold “pitch meetings” or conversations at inconvenient times.
- **Poverty-related challenges** – several respondents reported being unable to focus on their business due to a constant need to choose between providing for their families through a survival job or focusing on their business.
- **Inability to create long-term strategic or financial plans** – due to the uncertainty of government-imposed Covid-19 limits, firms are unable to forecast projections or create long-term strategies.

Future Plans: Goals of Women Entrepreneurs

Respondents also identified the following goals for their businesses:



It is very encouraging to see that almost 60% of the respondents have goals to “**sustain their existing business**” or to “**scale up an existing business**” while others plan for regional, provincial, national, and international expansion. Others have goals of exporting. In comparison, only approximately 9% were considering closing or scaling down their businesses.

One might interpret this as validation that there were many vital supports provided during the last two pandemic years, allowing women entrepreneurs to maintain hope and resiliency. However, we must recognize that the 40% of women who did not wish to grow or scale their businesses (nor the 13% who considered closing or selling altogether) were faced with these decisions at the onset of the pandemic, and were unlikely to be forced to do so if the pandemic did not affect small business across the world. The effects of Covid-19 were and continue to be extremely challenging for enterprising women; while the challenges faced by women in business are always present, the diverse negative effects of the pandemic have rendered these statistics particularly harrowing. Despite routine barriers, the pandemic exacerbated existing challenges and imposed new barriers for women in business in Ontario. As notable progress is made, the government must work closely with women-centered organizations to ensure that now – perhaps more than ever – a women-centered approach to community economic development is vital to the ongoing success of women-led and women-owned businesses in Ontario.

The results of this survey also demonstrate the persistence and courage of women entrepreneurs and their tremendous efforts towards sustaining and growing their business despite many challenges.

To achieve the business goals outlined above, survey respondents highlighted fourteen (14) supports required to reach their goals over a six-to-twelve-month period. In order of highest to lowest percentages reported, respondents identified the following supports:

- Grants/loans and other funding sources, including PARO grants and loans **(55.37%)**
- Marketing **(51.24%)**
- Financial management support (i.e., Cash flow, bookkeeping, etc.) **(45.45%)**
- Digital skills and supports to use digital tools more productively **(31.40%)**
- Networking with potential clients **(29.75%)**
- Help to pivot or reimagine your business **(23.97%)**
- Networking with other people in my field/community/affinity group(s), including PARO Circle Members **(22.3%)**
- Navigating government regulations/programs **(21.49%)**
- Connecting with a business mentor/coach **(21.49%)**
- Expansion or exporting **(17.36%)**
- Business development (i.e., business plans, start-up advice, etc.) **(19.01%)**
- Skills development (i.e., Problem-solving, self-management, working with people, etc.) **(14.05%)**
- Business continuity planning and crisis management **(11.57%)**
- HR policy/protocol development and hiring **(9.09%)**

When asked specifically about supports suggested to the Ontario Government as part of **Ontario's Fall 2021 Economic Statement** (see: <https://occ.ca/oer2021/>) to address ongoing provincial labour shortages in Budget 2022 (see: <https://www.canada.ca/en/employment-social-development/news/2022/04/government-of-canada-takes-further-action-to-address-labour-shortages-in-quebec.html>), respondents suggested the following priorities:

Suggestion	Percentage of Respondents Affirming
Reach an agreement with the federal government to implement the Canadian-Wide Early Learning and Child Care System as a critical component of economic recovery and women's participation in the labour force	53.15%
Provide new immigrants with more information upon arrival about employment opportunities in smaller communities where there are jobs relevant to their skills	32.53%
Extend regional immigration pilots to bring more economic immigrants to rural and remote communities	23.42%
Work with other provinces and territories to remove barriers to interprovincial labour mobility and trade	23.42%

Ensure the new service delivery model for skilled trades is streamlined, client-facing, and equitable, as outlined in the OCC's submission to the Skilled Trades Panel Consultation ¹	23.42%
Require app-based platforms to contribute to flexible benefit funds	16.22%
Re-establish a Universal Basic Income pilot to understand the viability and impact a program would have in Ontario, as outlined in <i>Growing a More Resilient Food Supply Chain in Ontario</i> ²	15.32%

Analysis & Policy Recommendations

Effective change occurs when culture strategies and policy work together. **When asked to report on policy recommendations for decision-makers to consider, the survey respondents considered the state of Universal Child Care strategies, mental health supports, access to resources and supports for Indigenous women, support for home-based businesses, non-profit long-term care home subsidisation strategies, and non-repayable portion funding for women-led businesses among the top concerns.**

Below is a breakdown of **the top five policy considerations** to implement to better support the economic sustainability of Ontario as proposed based on first-hand experiences of women in business across the province:

1. More diverse and accessible funding opportunities for women-owned businesses, including Non-Repayable Portions (NRPs) on grant/loan programs

Despite the validity of every report that exposed current financing strategies as exclusionary for women while urging financial institutions to do better, many financial support programs continue to systemically keep women from full access to low-interest financing options. **Loans paired with NRPs are an effective way to provide women with high-level capital** in the form of loans, with the relief that comes with NRPs.

2. Universal Childcare Supports

According to the Canadian Government's *Budget 2021: A Canada-wide Early Learning and Child Care Plan* (See: <https://www.canada.ca/en/departement-finance/news/2021/04/budget-2021-a-canada-wide-early-learning-and-child-care-plan.html>), childcare is an economic issue as much as it is a social issue. Childcare is essential social infrastructure. Domestic work is the foundation of our economy. Just as roads and transit support our economic growth, so too does childcare.

¹ See: <https://www.ontario.ca/page/skilled-trades-panel-consultations>

² See: <https://occ.ca/wp-content/uploads/COVID19-Policy-Brief-Food-Supply-Chain-final.pdf>

The Canadian Government must prioritize programs that invest in early learning and childcare to provide jobs for workers, the majority of whom are women, and enable parents, particularly mothers, to achieve their full economic potential.

We are optimistic that there will be change in this area, as on March 28, 2022, the Ontario government signed a \$13.2 billion deal with the federal government. The aim is to reduce childcare costs to an average of \$10 a day by September 2025. Ontario families will see a reduction of fees up to 25% or to a minimum of \$12 a day effective April 1, 2022.

3. Digital Presence Support

In a precarious post-Covid world, digitalized components of business are quickly becoming a major key to the success of our global economy on a macro and micro level. This recommendation urges decision makers to **consider ways to support women in business in gaining access to education around and funding for the implementation of high-level, digitalized processes to enhance their business development and sales/marketing strategies.** This support would help equalize the playing field for women entrepreneurs. Importantly, **this consideration should also include clauses related to stable and reliable internet access.**

4. Supplier Diversity Policies

In traditionally male-dominated sectors such as mining, forestry, construction, and finance, diversity policies create a necessary urgency for procurement offices to consider purchasing from minority-owned (BIPOC, women, 2SLGBTQ, etc.) businesses. **Diversity policies must be established to ensure accountability. Diversity policies make space for minority-identified business owners and creates opportunities for these businesses to “have a chance”** in procuring large contracts to launch their businesses to new heights, while strengthening the economy.

5. Enhanced and Decolonized Support for Enterprising Indigenous Women

Decolonizing policies and procedures around support for Indigenous entrepreneurs is a lynchpin strategy in creating an economic landscape that creates space for participation for Indigenous people.

As Canada’s fastest growing population, Indigenous people have the potential to contribute up to \$7B to the Canadian economy (*Indigenomics, 2018*). **As a population, Indigenous people face particularly insidious and challenging barriers: systemic racism, poverty, and poor access to healthy money management education, among many others.** Indigenous women in particular face heavy barriers when attempting to access traditionally western finance institutions, as they are often unable to meet basic criteria due to systemic exclusion.

Additionally, it is vital that non-profit organizations, that support women, and in particular Indigenous women, have government supports to provide grants and loans (preferably non-repayable). These programs must be supported in a way that is mindful of women-centred challenges.

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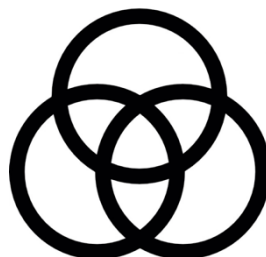
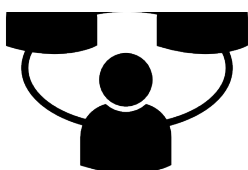
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PARO Centre: Our Contributions



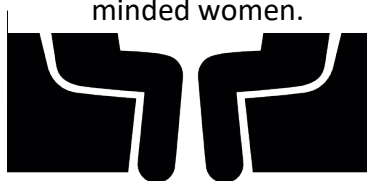
PARO WOMEN'S B2B VENDOR DATABASE

Provides access to contact development for women in business to connect with industry, contract potentials and each other.



PEER LENDING CIRCLES

With access to up to \$5000 in funding, Circle members benefit from peer support with like-minded women.



PARO BIZCAMPS

Tailored to meet the needs to women, PARO BizCamps arm women entrepreneurs with the tools they need to success in their businesses with up to \$5,000 in BIZGrowth non-repayable portions/grants/loans.

