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IBPOC

REPRESENTATION IN BUSINESS

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April 2025

Social Indicators of Disparity for Indigenous, Black and People of Colour (IBPOC): Representation in Business

Prepared for the Canadian Network of Equity and Racial Justice

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Executive Summary

Canada has a strong entrepreneurial culture and a history of successful business creation. However, Indigenous, Black, and People of Colour (IBPOC) entrepreneurs continue to face persistent barriers that limit their full participation and success. These challenges include restricted access to financial capital, limited business networks, and unequal access to skill development. When layered with intersectional factors such as gender, disability, immigration status, and geographic location, these barriers compound, making it difficult for IBPOC entrepreneurs to scale and sustain their businesses.

As part of the Canadian Network for Equity and Racial Justice's (CNERJ) broader commitment to dismantling systemic racial inequities, this report uses a disaggregated and intersectional lens to explore the landscape of IBPOC business ownership in Canada. It examines key indicators such as business ownership rates, revenue performance, business formation trends, regional and sectoral representation, and barriers to success.

Three key questions are addressed;

- What is the current state of IBPOC businesses in Canada?
- What challenges are IBPOC entrepreneurs facing?
- How can IBPOC businesses be better supported to thrive?

To answer these questions, we explored a range of academic and non-academic literature and quantitative data from Statistics Canada's Census Population, the Business Ownership Diversity Dashboard, the Survey on Financing and Growth of Small and Medium Enterprises and other public datasets.

Key Findings

- **Disproportionate Representation:** IBPOC entrepreneurs own 28.2% of businesses in Canada, which appears proportional to their population share of 31.6%. However, this aggregate masks disparities across the ethnic and racial subgroups. Disaggregated data reveals a significant underrepresentation, particularly for Black, Filipino, Indigenous, Latin American, and Japanese entrepreneurs. They own fewer businesses than their population shares, highlighting the need for targeted interventions rather than one-size-fits-all solutions.
- **Growth Without Equity:** IBPOC business ownership increased by 12.1% between 2019 and 2021, outpacing non-IBPOC growth. Nevertheless, most IBPOC-owned businesses remain small and concentrated in lower-revenue sectors such as transportation, warehousing, and accommodation, with the majority generating under \$30,000 in annual revenue.
- **Intersecting Identities Compound Challenges:** Women and disabled IBPOC entrepreneurs face compounded challenges due to intersecting identities. These groups of entrepreneurs are less likely to own businesses.
- **Financial and Network Barriers:** One of the biggest challenges IBPOC entrepreneurs face is gaining access to financing, which is closely followed by limited opportunities for business networking and skill development. Over 80% of IBPOC entrepreneurs rely on personal funds, with only 1% accessing venture capital or angel investors. This lack of external funding and restricted access to business networks and development resources create a significant barrier to growth and long-term sustainability.

While the private sector primarily drives business formation and growth, public policy fosters entrepreneurship. Targeted policy interventions must address the unique challenges faced by IBPOC entrepreneurs. Our recommendations are structured around four pillars: capital access, business networks, skill development, and inclusive policy reform.

Recommendations

1. Expand Equitable Access to Financial Capital:

- **Enhance Targeted Loan Programs:** Scale up initiatives such as the Black Entrepreneurship Loan Fund (BELF) and Indigenous Growth Fund (IGF) to provide flexible, low-interest loans with reduced collateral requirements.
- **Recognize Informal Credit Practices:** Incorporate alternative credit assessments based on informal lending traditions common in immigrant communities.
- **Improve Financial Literacy:** Offer culturally relevant financial education to increase readiness and confidence in engaging with formal lending systems.
- **Simplify Application Processes:** Reduce administrative burdens in accessing government-backed financing, with particular attention to women, disabled, and newcomer entrepreneurs.
- **Incentivize Private Sector Partnerships:** Encourage banks and investors to support IBPOC-owned businesses through government-backed incentives and accountability mechanisms.

2. Invest in Community-Based Business Networks

- **Support IBPOC Led Business Organizations:** Increase funding for business chambers, incubators, and accelerators led by IBPOC communities.
- **Facilitate Strategic Networking Opportunities:** Organize industry-specific events and mentorship programs to connect IBPOC entrepreneurs with experienced investors and advisors.
- **Develop Digital Ecosystems:** Build accessible online platforms that serve as hubs for peer learning, collaboration, and capital access.
- **Promote Intersectional Programming:** Establish tailored initiatives for IBPOC women, disabled entrepreneurs, and immigrants to address unique networking barriers.

3. Strengthen Access to Entrepreneurial Skills Development

- **Expand Inclusive Training Programs:** Invest in community-based education focused on core business skills, digital transformation, and leadership development.
- **Localize Outreach and Delivery:** Use multilingual and culturally competent communication strategies to build trust and increase program participation.
- **Prioritize Support for Small and Medium-Sized Enterprises:** Ensure government training initiatives serve IBPOC-led small and medium-sized enterprises, not just large firms or tech startups.

4. Reform Policies and Leverage Disaggregated Data for Equity

- **Remove Structural Barriers:** Reform eligibility requirements that exclude non-citizen entrepreneurs, especially permanent residents and refugees.
- **Institutionalize Equity Metrics:** Mandate the collection of disaggregated race-based and intersectional data to guide funding decisions and track progress.
- **Embed Equity into Program Design:** Ensure all government and institutional entrepreneurship supports are co-designed with IBPOC communities and evaluated for equitable outcomes.

Introduction

Entrepreneurship is a fundamental component of economic growth. The establishment of businesses by individuals from IBPOC populations contributes to job creation and thus, promotes economic advancement.¹ However, the pathway to entrepreneurship is often difficult for IBPOC communities due to socioeconomic challenges. Low wages, employment precarity, and the racial wealth gap significantly limit the capacity of IBPOC entrepreneurs to gather the initial capital needed to start a business.² Without intergenerational wealth or financial safety nets, most IBPOC individuals cannot undertake the risks typically associated with business formation. For example, it is well documented that Black and minority-owned businesses fail at higher rates than those owned by their white peers.³ This situation creates a substantial disadvantage compared to non-IBPOC counterparts, who are more likely to benefit from existing wealth and institutional support. Other common barriers to business ownership outside finance include lack of access to business development resources and weaker support networks. When these barriers intersect with other identities, including gender, disability, immigration status, and sexual orientation, the issue becomes compounded. For instance, Indigenous women entrepreneurs represent only 14.2% of Indigenous-owned businesses, compared to 82.8% owned by Indigenous men.⁴

While IBPOC individuals comprise 31.6% of Canada's population, they represent 28.2% of business ownership—a modest disparity at the aggregate level. However, this aggregate figure conceals more significant and persistent disparities within IBPOC communities themselves. When disaggregated by race and ethnicity, stark differences emerge in the types of businesses owned, access to capital, revenue generation, and representation in high-growth sectors, revealing deeper systemic barriers that impact specific groups more acutely than others.

Furthermore, non-IBPOC individuals own 70.5% of businesses, closely aligning with their 69.8% population share. The disparities between IBPOC and non-IBPOC become more apparent when considering revenue. Most businesses owned by the IBPOC population operate in low-profit margin sectors, generating less than \$30,000 in annual gross revenue. In contrast, the opposite holds true for non-IBPOC-owned businesses, where a higher percentage earn \$30,000 or more.

Despite these disparities, IBPOC contributions to Canada's entrepreneurial growth are significant and promising. Between 2019 and 2021, business ownership among IBPOC individuals increased by 12%, while non-IBPOC individuals' businesses declined by 1.3%. This finding aligns with similar trends in the U.S.; the Kauffman Foundation found that the proportion of racialized individuals among new entrepreneurs grew from 22.9% in 1996 to 42% by 2019, creating over nine million employment opportunities.⁵

¹ Joyce A Klein, "How Business Ownership Can Help Close the Racial Wealth Gap," *Aspen Institute*, 2017, 5, <https://www.aspeninstitute.org/publications/bridging-divide-business-ownership-can-help-close-racial-wealth-gap/>.

² Danyelle Solomon, Connor Maxwell, and Abril Castro, "Systematic Inequality and Economic Opportunity," *American Progress*, January 15, 2025, <https://www.americanprogress.org/article/systematic-inequality-economic-opportunity/>.

³ Teresa Kroeger and Graham Wright, "Entrepreneurship and the Racial Wealth Gap: The Impact of Entrepreneurial Success or Failure on the Wealth Mobility of Black and White Families," *Journal of Economics, Race, and Policy* 4, no. 3 (2021): 183–95, <https://link.springer.com/article/10.1007/s41996-021-00081-6>.

⁴ Statistics Canada Government of Canada, "Ownership Characteristics of Small and Medium Enterprises," March 2, 2022, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3310045901>.

⁵ Melissa Bradley, "Investing in Minority Entrepreneurs: An Economic Imperative for the U.S. – *Ewing Marion Kauffman Foundation* | Kauffman.Org," February 14, 2025, <https://www.kauffman.org/currents/investing-in-minority-entrepreneurs-an-economic-imperative-for-the-us/>.

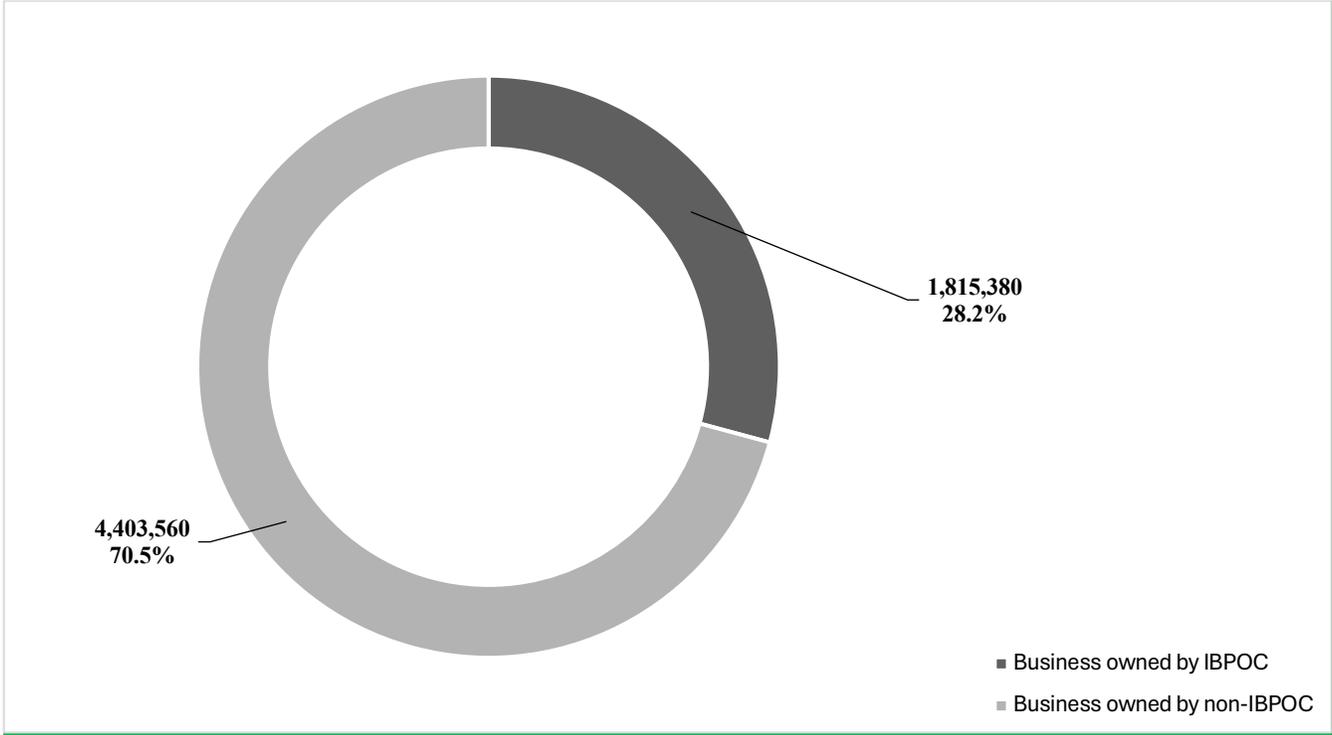
Although the private sector drives business formation and growth, policies and programs continue to address market and institutional failures that obstruct equal opportunities in IBPOC entrepreneurship. However, it is essential to implement evidence-informed policies that accurately reflect the unique challenges and lived experiences of the IBPOC entrepreneurs.

THE BUSINESS LANDSCAPE

Who Owns Businesses in Canada?

Figure 1 illustrates the breakdown of IBPOC and non-IBPOC business ownership as a share of all businesses in Canada, based on data from the Business Ownership Diversity Dashboard. In 2021, IBPOC groups owned over 1.8 million businesses in Canada, accounting for 29% of all businesses nationwide. Non-IBPOC (White) business owners dominate Canada’s business landscape, owning 4.4 million (71%) businesses. This gap highlights a significant disparity in business ownership between IBPOC and non-IBPOC communities.

Figure 1. IBPOC and Non-IBPOC Business Ownership.

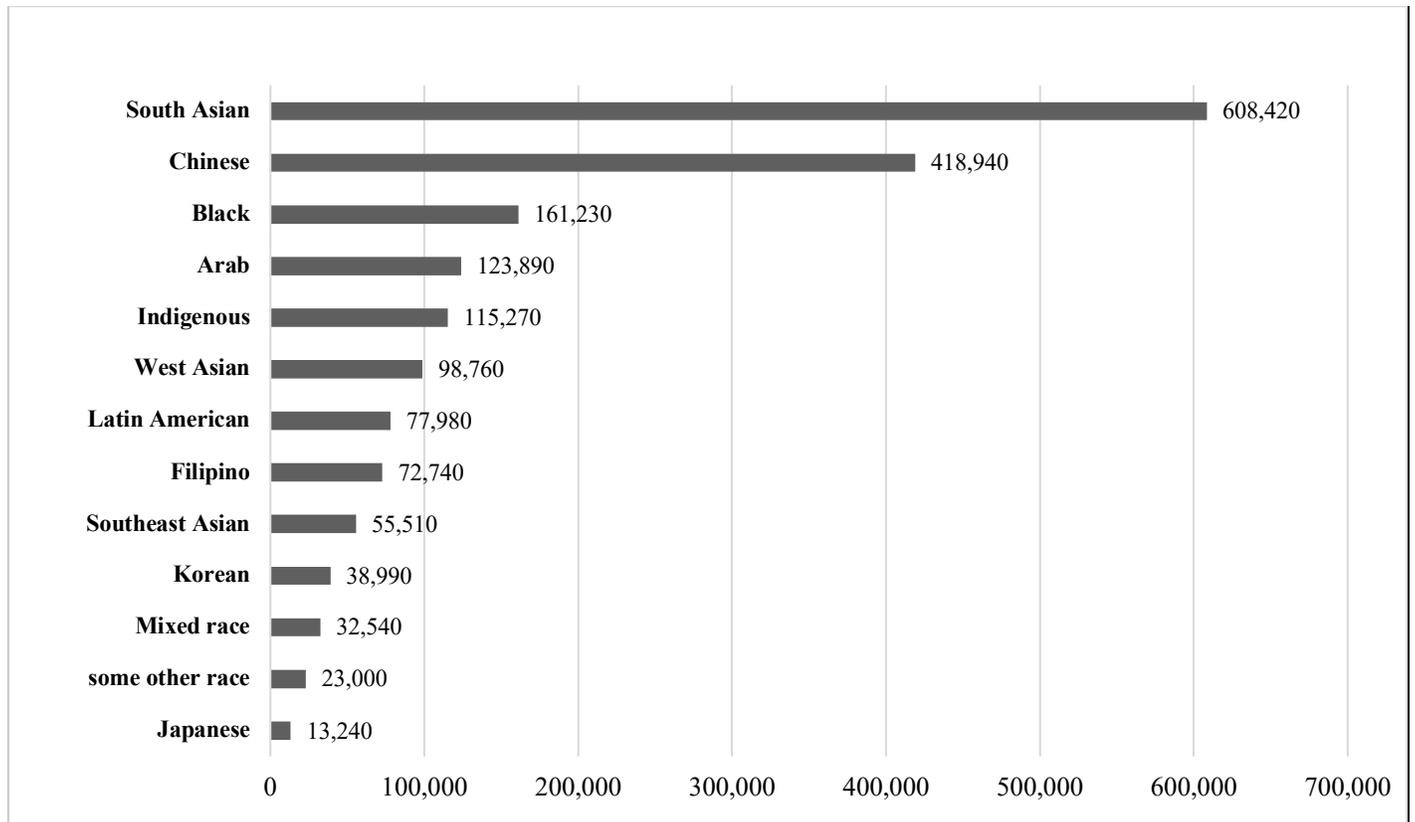


Source: Statistics Canada. Table 33-10-0848-01 Number of enterprises in Canada by enterprise size and visible minority status of owner

Which ethnic/racial groups own the most businesses?

While the classifications of IBPOC and non-IBPOC businesses help highlight general trends, examining the unique experiences of each group within the IBPOC population is essential. We disaggregated business ownership by race and ethnicity (Figure 2). At over 600,000 businesses, South Asians own the most businesses, followed by Chinese (418,940), Black (161,230), Arab (123,890), Indigenous entrepreneurs (115,270), and lastly, the Japanese (13,240) own the fewest businesses in Canada.

Figure 2. Business Ownership by Race and Ethnicity 2021.



Source: Statistics Canada. Table 33-10-0848-01 Number of enterprises in Canada by enterprise size and visible minority status of owner

THE REPRESENTATION GAP AND GROWTH

Business Ownership vs. Population Share

To better understand the gap in business ownership seen in Figures 1 and 2, we analyze the representation gap—the difference between a group's share of businesses and its population share. This analysis highlights how closely business ownership aligns with population size and enables comparisons across groups.⁶

In Table 1, the IBPOC population makes up 28.2% of the businesses in Canada while representing 31.6% of the population. When broken down by race and ethnicity, South Asians (including Indian, Pakistani, and Sri Lankan-owned businesses) own a larger share of businesses (9.7%) compared to their population share (7.1%). Similarly, Chinese own 6.7% of businesses, surpassing their 4.7% population share. Conversely, Black Canadians represent 4.3% of Canada's population, yet they own only 1.5% of businesses. Likewise, Indigenous Canadians, who comprise 5% of the population, own less than half that proportion in businesses (1.8%).

This disparity between the share of business ownership and the population of certain IBPOC groups reflects barriers to entrepreneurship, which restrict business activity in Canada. Scholarly

⁶ Marwa Abdou, "A Portrait of Small Business in Canada: Adaption, Agility, All At Once." Canadian Chamber of Commerce, (January 2024), <https://chamber.ca/news/a-portrait-of-small-business-in-canada-adaption-agility-all-at-once/>.

evidence finds three key factors shaping minority business participation: business formation, growth, and failure. When low business formation rates coincide with high failure rates, overall participation remains disproportionately low.⁷ Although certain groups, such as the South Asian and Chinese businesses, are overrepresented, this trend has long been associated with strong community networks, access to informal lending circles (e.g., Rotating Savings and Credit Associations), and a cultural emphasis on entrepreneurship.⁸ These factors contribute to higher business formation rates and lower failure rates,⁹ reinforcing disparities in entrepreneurial opportunities across racial and ethnic groups. Likewise, non-IBPOC businesses are overrepresented, comprising 70.5% of Canada’s total businesses and 69.8% of the Canadian population. The overrepresentation of non-IBPOC entrepreneurs suggests greater business stability driven by easier access to capital, well-established professional networks, and reduced exposure to systemic discrimination.¹⁰

Table 1. Representation Gap in Business Ownership*

	Number of Businesses Owned	Share of Business by Majority Ownership (%)	Share of Population (%)	Business Ownership Representation Gap (Percentage points)*
All businesses in Canada	6,244,080	100.0	-	-
Non-IBPOC Business	4,403,560	70.5	69.8	-0.7
IBPOC Businesses	1,840,420	28.2	31.6	3.4
South Asian	608,420	9.7	7.1	-2.6
Chinese	418,940	6.7	4.7	-2.0
West Asian	98,760	1.6	1.0	-0.6
Arab	123,890	2.0	1.9	-0.1
Korean	38,990	0.6	0.6	0.0
Japanese	13,240	0.2	0.3	0.1
Some Other Race	23,000	0.4	0.5	0.1
Southeast Asian	55,510	0.9	1.1	0.2
Mixed Race	32,450	0.5	0.9	0.4
Latin American	77,980	1.2	1.6	0.4
Filipino	72,740	1.2	2.6	1.4
Black	161,230	2.6	4.3	1.7
Indigenous	115,270	1.8	5.0	3.2

*Based on the 2021 census data, a positive percentage point in the representation gap signifies that IBPOC entrepreneurs fall below their proportional share.

The Use of Disaggregated Data Highlights Stark Underrepresentation

Despite instances of overrepresentation and proportional representation among certain IBPOC groups, the overall representation gap of 3.4 percentage points indicates underrepresentation. This situation highlights a critical issue. Aggregating diverse IBPOC communities for research and statistical purposes may obscure significant disparities. Each group faces unique challenges, the

⁷ Okori Uneke, “Ethnicity And Small Business Ownership: Contrasts Between Blacks And Chinese In Toronto,” *Work, Employment & Society* 10, no. 3 (1996): 529–48. <http://www.jstor.org/stable/23746649>.

⁸ Alicia M. Robb and Robert W. Fairlie, “Determinants of Business Success: An Examination of Asian-Owned Businesses in the USA,” *Journal of Population Economics* 22, no. 4 (2009): 827–58, <https://www.jstor.org/stable/40344759>.

⁹ Robert W. Fairlie and Alicia M. Robb, “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, no. 2 (2007): 289–323, <https://doi.org/10.1086/510763>.

¹⁰ Robert W. Fairlie, “Recent Trends in Ethnic and Racial Business Ownership,” *Small Business Economics* 23, no. 3 (October 2004): 203–18, <https://doi.org/10.1023/B:SBEJ.0000032031.28403.31>.

use of aggregated data can render them invisible in decision-making, whether in policy design, resource allocation, program design, or implementation.

IBPOC Business Growth

Despite overall underrepresentation, IBPOC individuals are establishing businesses. Figure 3 illustrates notable growth in the form of business formation. Between 2019 and 2021, IBPOC business ownership increased by 12.1%, with Black entrepreneurs experiencing the highest growth at 19.8%, followed by South Asian entrepreneurs at 18.5%. Other groups, such as West Asian (13.41%) and Arab (12.2%) entrepreneurs, also demonstrated considerable growth. Conversely, Indigenous business ownership grew at a markedly lower rate of only 1.55%, underscoring uneven progress among IBPOC populations. Partial explanations for the increase in business formation include the increase in part-time self-employment to supplement income from traditional jobs¹¹ and growth in entrepreneurship among newcomers. Over half of all Black entrepreneurs are immigrants and there is a higher rate of entrepreneurship among first-generation immigrants in Canada, who bring considerable business-related skills and networks and entrepreneurial motivations.¹²

In addition, the impact of the COVID-19 pandemic on the unemployment rate resulted in an increase in business formation. For reference, during the pandemic, the unemployment rate among Black Canadians (13.1%) was about 70% higher than that among non-IBPOC Canadians (7.7%).¹³ This prompted Black individuals and other IBPOC groups to seek entrepreneurship as an alternative income source. While these businesses reflect resilience, it is important to note that certain enterprises were established out of necessity rather than in response to strategic opportunities. As a result, they often lack foundational business structures, such as formal business planning, adequate financing for growth, effective entrepreneurship networks, and long-term strategies.¹⁴ Although these businesses may succeed in the short term, they often struggle when scaling or transitioning into more profitable sectors.

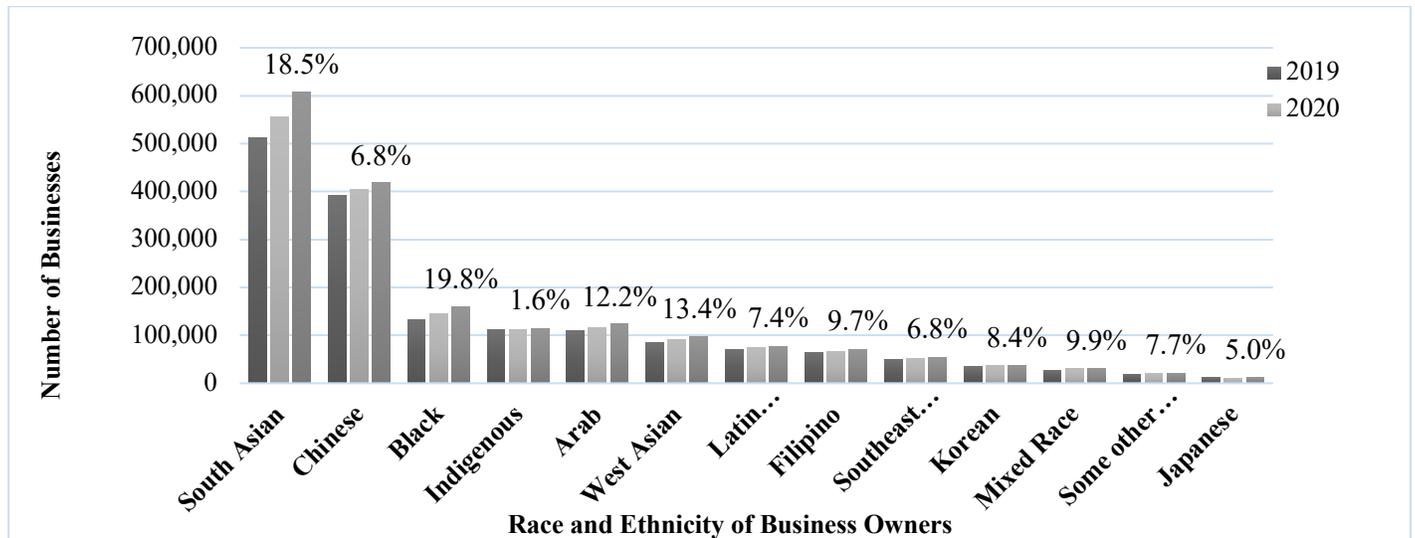
¹¹ “Common Challenges for Immigrant and Systemically Marginalized Business Owners”, Rutgers, accessed April 16, 2025, https://smlr.rutgers.edu/sites/default/files/Documents/Centers/WJL/MN_SBChallenges.pdf.

¹² “Environmental Scan of Entrepreneurs with Disabilities.” accessed April 17, 2025, <https://www.srdc.org/wp-content/uploads/2023/02/Environmental-Scan-of-Entrepreneurs-with-Disabilities-Project-Report-Final-26-Oct-23.pdf>.

¹³ Statistics Canada Government of Canada, “The Daily — Study: A Labour Market Snapshot of Black Canadians during the Pandemic,” February 24, 2021, <https://www150.statcan.gc.ca/n1/daily-quotidien/210224/dq210224b-eng.htm>.

¹⁴ Rutgers, “Common Challenges.”

Figure 3. Number of Businesses by Race and Ethnicity 2019 – 2021.



Source: Statistics Canada. Table 33-10-0848-01 Number of enterprises in Canada, by enterprise size and visible minority status of owner

EMPLOYER AND NONEMPLOYER BUSINESSES

Employer and nonemployer business ownership by racial and ethnic groups

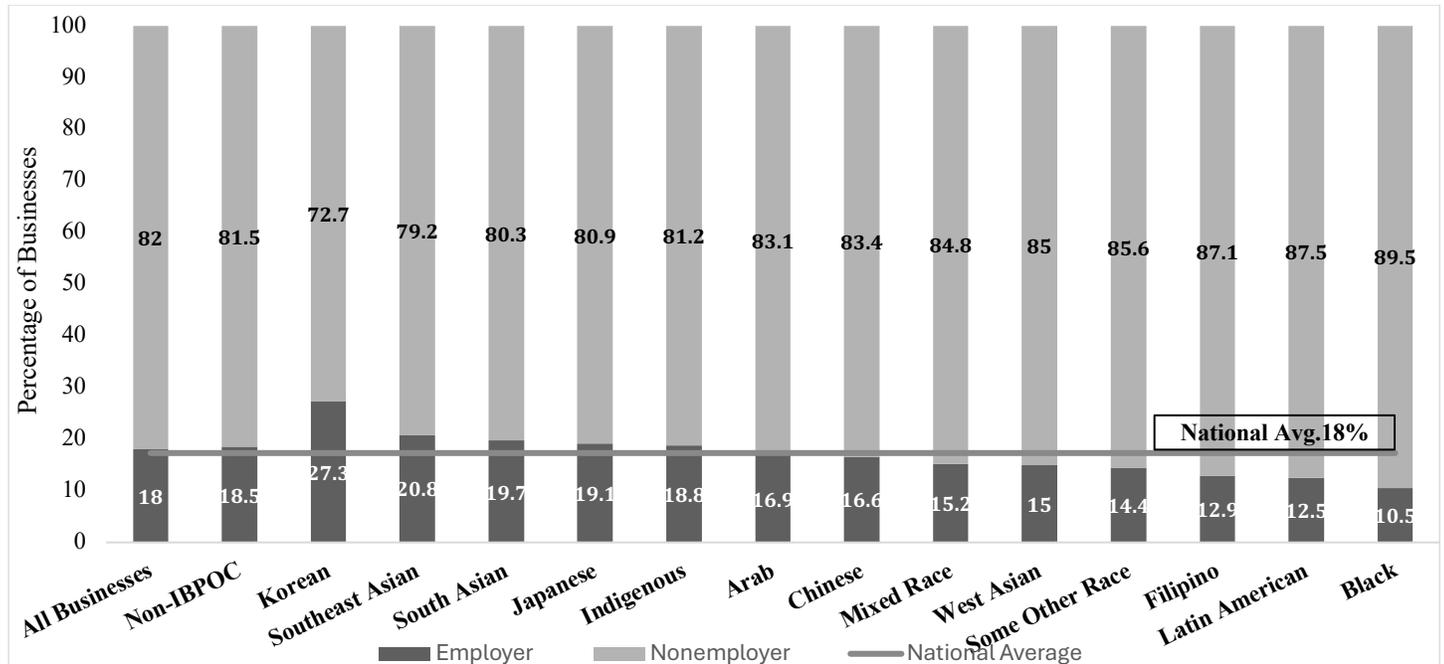
Knowing whether a business is an employer or nonemployer firm is essential when considering business ownership. Employer businesses have paid employees, while nonemployers are sole proprietorships or partnerships that do not employ paid workers. While employer firms represent the typical idea of business and comprise most sales and traditional employment, nonemployers comprise a much larger share of total businesses in the economy. For reference, 18% of all businesses in Canada are employers, while the nonemployer businesses make up 82%. Nonemployer businesses are key for the growth of entrepreneurship, though they typically have a smaller economic footprint.¹⁵

As indicated in Figure 4, IBPOC businesses are more prominent in the nonemployer category and less prominent in the employer category. For the employer share, Korean (27.3%), Southeast Asian (20.8%), and South Asian (19.7%) firms exceed the national average of 18%. Other groups, including Latin American (12.5%), Filipino (12.9%), and West Asian (15.0%), reflect lower-than-average employer shares. In comparison, Black entrepreneurs exhibit the lowest employer share of 10.5%, meaning more than 85% of Black owned businesses in Canada are solo ventures.

The most frequently cited reasons for differences in employer and nonemployer ownership are owners' preferences, cultural emphasis on ownership, and, most importantly, systemic inequities such as the lack of finances or generational wealth. However, these types of businesses may offer limited potential for sustained growth, job creation, and wealth accumulation. Overall, the prominence of nonemployer businesses among IBPOC entrepreneurs illustrates a constrained pathway to economic mobility.

¹⁵ Mary McDermott and Tessa Conroy, "Nonemployer Businesses & Diversity" *Windicators* 4, no. 1 (2021). <https://economicdevelopment.extension.wisc.edu/articles/windicators-volume-4-number-2-nonemployer-businesses-diversity/>

Figure 4. Distribution of Employer and Nonemployer businesses by Race and Ethnicity 2021.



Source: Statistics Canada. Table 33-10-0848-01 Number of enterprises in Canada, by enterprise size and visible minority status of owner

SECTOR AND REVENUE

Sectoral Distribution

The industries in which IBPOC entrepreneurs are most active offer critical insight into the pattern of representation and systemic barriers they continue to face. Sectoral composition plays a role in determining average sales, the amount of financial and human capital necessary to surpass barriers to entry, the employment opportunities the businesses offer, and the risk level of each industry.¹⁶ Considering the importance of industry in business ownership, we compared the sectoral distribution of IBPOC and non-IBPOC businesses for the different types of businesses—employers and nonemployers (See Appendix A).

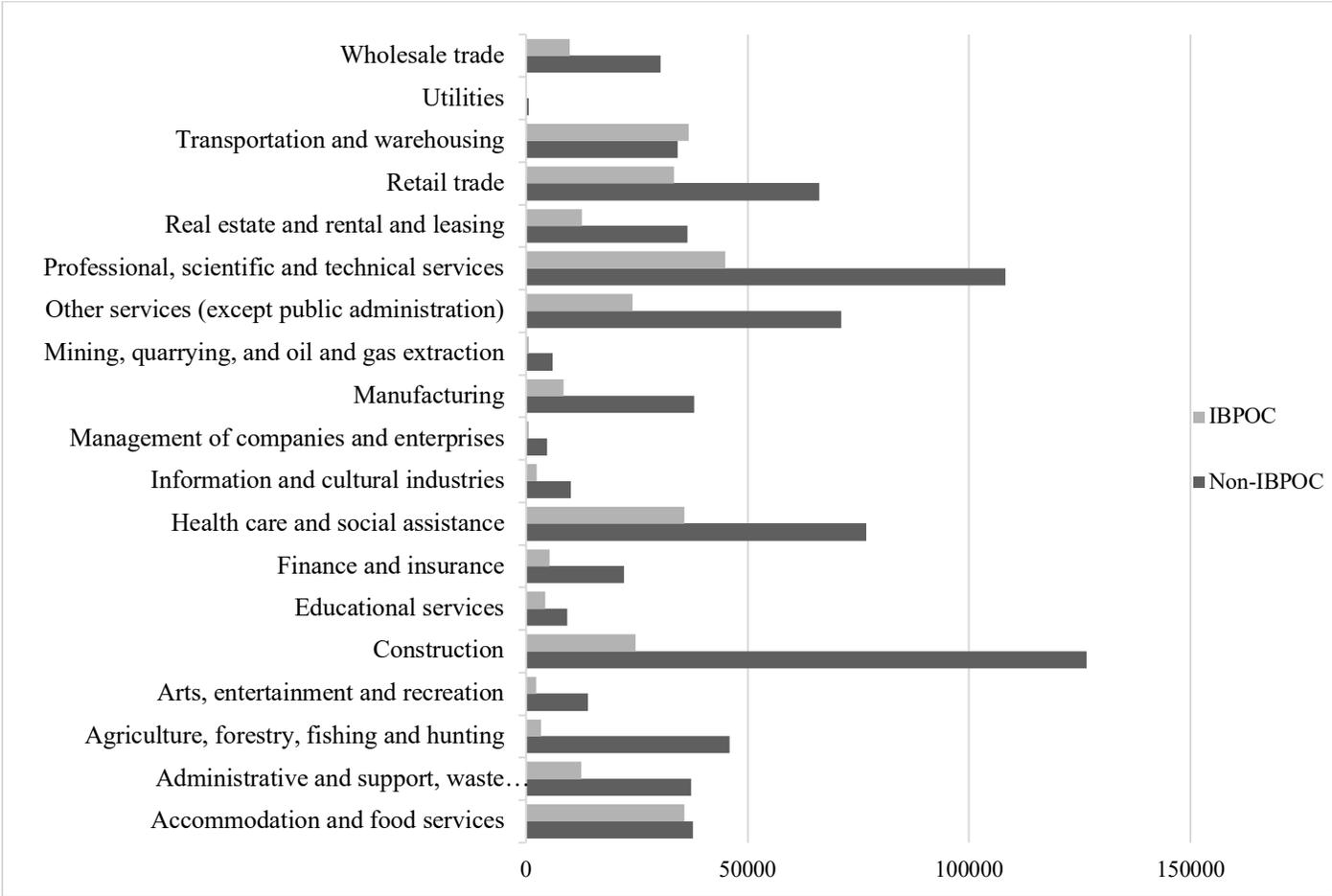
Focusing on the employer category (Figure 5), the sectors where IBPOC entrepreneurs demonstrate a significant presence become even more insightful. IBPOC-owned employer businesses notably lead in the transportation and warehousing sector (36,680 employers), slightly ahead of non-IBPOC owned employer businesses (34,210), underscoring their ability to establish businesses and create job opportunities. Additionally, substantial IBPOC employer representation appeared in sectors like professional, scientific, and technical services (44,930 employers), health care and social assistance (35,740 employers), retail trade (33,450 employers), and accommodation and food services (35,770 employers). This pattern indicates that IBPOC entrepreneurs are active participants and significant contributors to local economies through job creation and economic growth. Furthermore, this data illustrates the entrepreneurial strategic

¹⁶ Baboolall, D., Cook, K., Noel, N., Stewart, S., & Yancy, N., “Building Supportive Ecosystems for Black Owned US Businesses.” McKinsey Company, 2020. <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/building-supportive-ecosystems-for-black-owned-us-businesses/>.

alignment with sectors that enable them to leverage personal expertise and community-oriented opportunities. However, while these sectors offer accessible entry points, they rarely provide the same opportunities for sustained growth and wealth creation as capital-intensive industries. These sectors often feature higher vulnerability to economic disruptions and greater overall financial instability.¹⁷ As a result, IBPOC entrepreneurs often find themselves confined to cycles of limited economic mobility.

On the other hand, IBPOC entrepreneurs are underrepresented in high-profit, capital-intensive sectors, typically dominated by non-IBPOC entrepreneurs. Sectors such as construction, manufacturing, finance, real estate and agriculture reflect this disparity. This dominance suggests that IBPOC entrepreneurs may face systemic barriers such as limited access to capital, fewer networking opportunities, and historical exclusion, which restrict their participation in these lucrative sectors.

Figure 5. Distribution of Employer Businesses by Industry Sector 2021.



Source: Table 33-10-0848-01 Number of enterprises in Canada, by enterprise size and visible minority status of owner

¹⁷ Vincenzo Quadri, "Entrepreneurship, Saving and Social Mobility," *Review of Economic Dynamics* 3, no. 1 (2000): 1–40, <https://ideas.repec.org/a/red/issued/v3y2000i1p1-40.html>.

Business Size & Revenue Disparities

A critical aspect of business ownership is the size of the business.¹⁸ At first glance in Figure 4, both IBPOC and non-IBPOC entrepreneurs show a similar overall pattern, with a higher number of nonemployer businesses than employer businesses, indicating a general trend toward smaller business establishments that have 1 to 99 paid employees across the board. However, a deeper look into the employer category reveals crucial differences: IBPOC businesses tend to remain small-scale employers, concentrated in sectors requiring lower startup capital and generating smaller revenues, such as retail trade, transportation, accommodation, and food Services.

To support this observation with data (Table 2), IBPOC-owned businesses are concentrated in the small employer category (5.042%), with significantly lower representation in the medium (0.020%) and large (0.003%) employer categories. Conversely, non-IBPOC owned businesses show higher representation across all employer sizes, especially within small employers (12.894%), with a notably higher presence in medium (0.153%) and large (0.032%) enterprise categories compared to IBPOC-owned businesses. This highlights a pronounced underrepresentation of IBPOC-owned businesses as employer size increases. However, the differences highlight systemic inequities limiting IBPOC entrepreneurs' access or ability to scale into larger, more capital-intensive enterprises.

Qualitative studies have captured the experiences of IBPOC entrepreneurs, highlighting that limited access to formal credit significantly hinders their ability to grow and scale their businesses. Again, this situation creates a vicious cycle where limited revenue restricts reinvestment in business growth, perpetuating the economic disparity between IBPOC and non-IBPOC enterprises.

Table 2. Distribution of Businesses by Employer Size and Ownership 2021.

Ownership	Small Employer (1 to 99 employees)	Medium Employer (100 to 499 employees)	Large employer (500 + employees)
IBPOC Owned Business	5.042%	0.020%	0.003%
Non-IBPOC Owned Business	12.894%	0.153%	0.032%

Source: Statistics Canada. [Table 33-10-0848-01 Number of enterprises in Canada, by enterprise size and visible minority status of owner](#)

Revenue Gaps & Financial Constraints

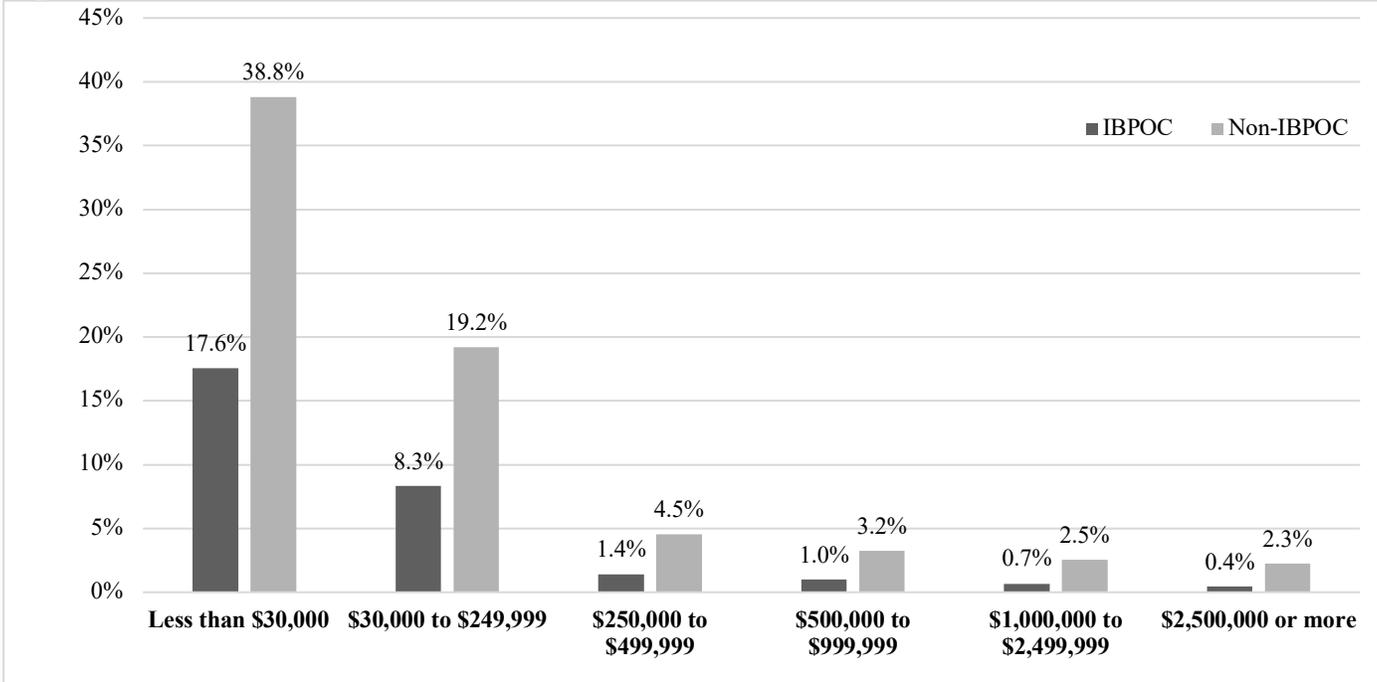
The revenue distribution depicted in Figure 6 provides compelling evidence of the economic disparities between IBPOC and non-IBPOC-owned employer businesses. The data reveals that 17.6% of IBPOC entrepreneurs operate in lower revenue brackets, generating annual revenues of less than \$30,000, compared to 38.8% of non-IBPOC businesses. While this might suggest a higher vulnerability across both groups in lower revenue tiers, the deeper issue emerges clearly in the higher revenue segments. As revenues increase, IBPOC representation declines. Only a marginal proportion, less than 1% of IBPOC-owned businesses, achieve annual revenues between \$1 million and \$2.5 million. In contrast, more than 2% of non-IBPOC businesses occupy this revenue bracket, highlighting economic disparity in financial capacity and scaling potential. This disparity reflects systemic challenges IBPOC entrepreneurs face, including limited access to capital, restrictive lending practices and fewer opportunities for lucrative business contracts.

¹⁸ Klein, "How Business Ownership Can Help Close the Racial Wealth Gap,"

Although Chinese and South Asian entrepreneurs in the nonemployer category reported a higher proportion of businesses earning above the \$30,000 threshold (see Appendix B), this does not negate the systemic barriers that IBPOC entrepreneurs face. The revenue gaps among IBPOC businesses are not simply a reflection of market performance but also an indicator of deeper, systemic challenges that suppress profitability and growth.¹⁹

Moreover, these revenue constraints have broader implications, restricting individual wealth accumulation and the potential economic impact of IBPOC businesses on the broader Canadian economy. IBPOC businesses could significantly boost local economies, enhance employment opportunities, and foster inclusive economic growth. In the UK, ethnic minority-led businesses contributed an estimated £25 billion to the country’s Gross Value Added in 2018. Similarly, in the United States, businesses owned by ethnic minorities generated \$1.4 trillion in payroll across 2.8 million enterprises in 2018. Likewise, in Canada, Indigenous businesses contributed 2.4% of the gross domestic income in 2021.²⁰

Figure 6. Annual Gross Revenue 2021.



Source: Statistics Canada. Table 33-10-0843-01 Number of enterprises in Canada, by revenue group and visible minority status of owner

Regional Distribution of IBPOC Businesses

The distribution of IBPOC-owned businesses varies widely across Canada, with a notable concentration in more populous and economically active provinces. Ontario and British Columbia have the highest numbers of IBPOC entrepreneurs, followed by Alberta and Quebec. In contrast,

¹⁹ “Closing The Gap: Impact & Representation of Indigenous, Black, and People of Colour Live Music Workers in Canada,” Ontario Creates, accessed April 18, 2025, <https://www.ontariocreates.ca/assets/images/research/closing-the-gap-final.pdf>.

²⁰ Lily Alameh “The Growing Contribution of Indigenous People to the Canadian Economy,” Business Development Canada, September 24, 2024, <https://www.bdc.ca/en/articles-tools/blog/growing-contribution-of-indigenous-peoples-to-canadian-economy>.

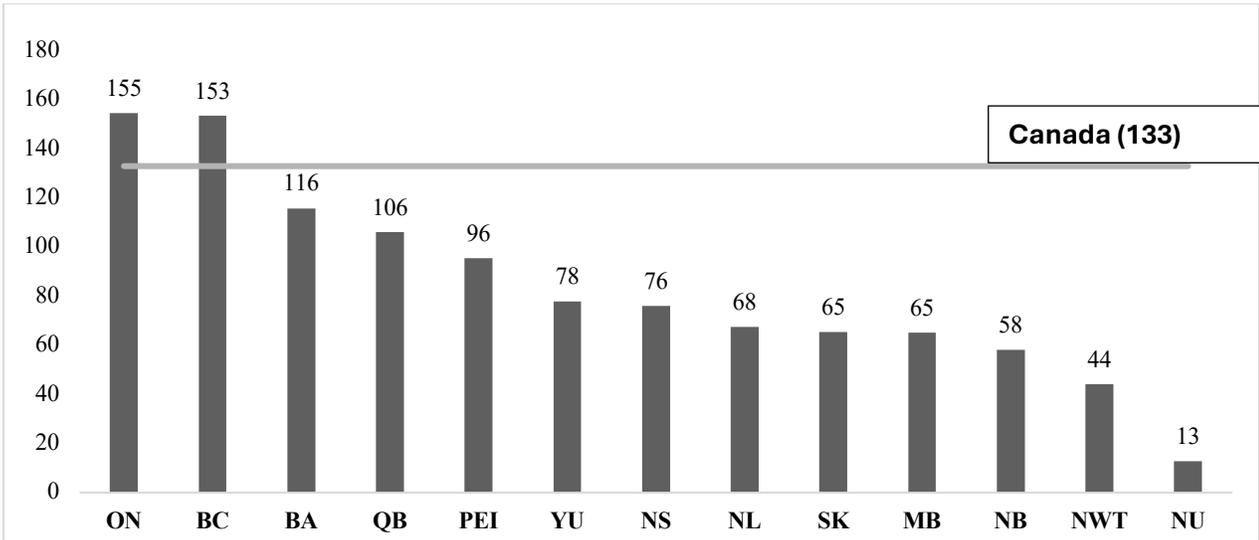
the Atlantic provinces and the Prairies, particularly Saskatchewan and Manitoba, show lower representation.

Figure 7 highlights the distribution of nonemployer IBPOC businesses, revealing that Ontario (155) and British Columbia (153) exceed the national average of 133 businesses per 1,000 residents. Alberta (116) and Quebec (106) fall slightly below this benchmark, while the lowest concentrations are in Nunavut (13), the Northwest Territories (44), and New Brunswick (58).

The national average for employer IBPOC-owned businesses (See Appendix C) is twenty-eight businesses per 1,000 people. Prince Edward Island (40) and British Columbia (34) report the highest concentrations, while Nunavut (5), Manitoba (15), and the Northwest Territories (16) lag significantly. Larger provinces, such as Ontario and Alberta, align more closely with the national average (30 businesses per 1,000 people), while Quebec (18.87) and Saskatchewan (18.11) fall below it.

IBPOC entrepreneurs located in remote Indigenous communities and northern territories face particularly steep challenges that impact their ability to start, sustain, and scale their businesses. Geographic isolation, harsh weather conditions, and limited infrastructure, including unreliable internet access, inadequate transportation networks, and sparse supply chains, compound the business's difficulties. Many communities also have unresolved land claims, small or dispersed customer bases, and a lack of financial institutions or economic development support tailored to their realities. These structural barriers not only limit the formation of new businesses in these regions but also suppress the growth potential of existing ones. Addressing geographic disparities in IBPOC business ownership requires place-based strategies that invest in digital and physical infrastructure, expand access to business support services, and improve connectivity between remote entrepreneurs and broader markets.

Figure 7. Number of Nonemployer Businesses Per 1,000 Residents, 2021.



Source: Statistics Canada. Table 33-10-0838-01 Number of enterprises in Canada, by geography and visible minority status of owner

INTERSECTIONALITY

Women Entrepreneurs

Race and gender play a key role in understanding the challenges and opportunities associated with entrepreneurship in Canada. Women continue to be significantly underrepresented in business ownership across racial and ethnic communities. Within the IBPOC population, there exists a gender gap (Figure 8); Indigenous men make up 82.8% of small and medium business owners, while Indigenous women account for only 14.2%. Similarly, men from Black and other racialized groups own 68.6% of SMEs compared to just 18.8% owned by women. Furthermore, aggregate data hides the layered inequities faced by IBPOC women. For instance, groups such as Arabs appear proportionately represented in overall business ownership (Table 1), yet Arab women comprise only 0.5% of small business owners (Figure 9), the lowest among IBPOC women. This highlights the importance of applying an intersectional lens to business ownership data, as aggregate figures often obscure these inequities.

Moreover, the gender gap in IBPOC business ownership is not just persistent—it is widening over time. From 2017 to 2020, Indigenous women's representation in the small-medium business category dropped from 25.5% to 14.2%, while Black and other racialized women experienced a similar decline, from 23.5% to 18.8%.²¹ These trends show that even as IBPOC entrepreneurship increases, women are not advancing at the same rate. However, Southeast Asian (46.2%), Black (33.4%), Korean (20%), and Chinese (18.4%) women show comparatively higher ownership rates among IBPOC women. Nonetheless, these figures should not be mistaken as indicators of equality, because IBPOC women entrepreneurs continue to experience gendered barriers to capital, mentorship, and scalability.

In addition to broader structural challenges, IBPOC women encounter unique hurdles related to racial discrimination. Black entrepreneurs, particularly newcomers, are more likely to turn to self-employment due to exclusion from the labour market, yet they experience difficulties accessing funding to start a new business.²² Traditional lending requirements, like minimum income levels, credit histories, and asset-backed collateral, often do not reflect the realities of IBPOC women who may run microbusinesses or community-focused initiatives. These business models rarely fit into typical frameworks that emphasize profit over social impact and scalability over sustainability. For example, numerous businesses led by Indigenous women prioritize sustainability and align with the Seventh Generation Principle, an Indigenous philosophy advocating that actions should ensure a thriving world seven generations ahead.²³ Therefore, supporting Indigenous women's entrepreneurship is vital for efforts in Truth and Reconciliation and for creating a brighter future for Canada as it upholds Indigenous values.²⁴

Social capital also plays a crucial role in business success. However, inadequate access to influential networks and insufficient representation in leadership roles and business accelerators leads to a scarcity of role models and advocates to champion IBPOC women's ideas and validate

²¹ Lyming Huang and Patrice Rivard. "Financing of Women-Owned Small and Medium-Sized Enterprises in Canada" (Ottawa, ON: Innovation, Science and Economic Development Canada, 2021), <https://ised-isde.canada.ca/site/sme-research-statistics/en/research-reports/financing-women-owned-small-and-medium-sized-enterprises-canada>.

²² Statistics Canada Government of Canada, "Black Business Owners in Canada," February 22, 2023, <https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2023001-eng.htm>.

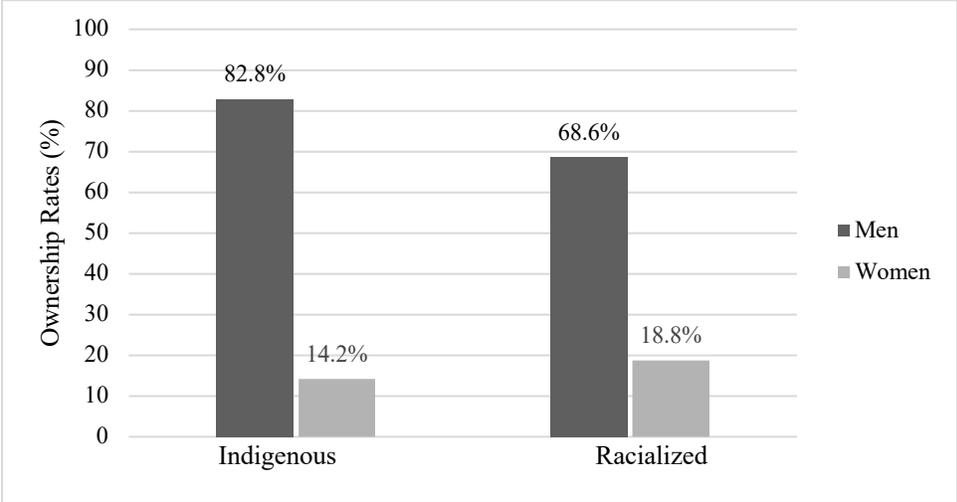
²³ The State of Women's Entrepreneurship in Canada 2020. Women Entrepreneurship Knowledge Hub (2020). Diversity Institute, Ryerson University. Accessed 15, January 2025. https://wekh.ca/wp-content/uploads/2020/10/WEKH_State_of_Womens_Entrepreneurship_in_Canada_2020_EN-1.pdf

²⁴ National Collaborating Centre for Indigenous Health. (2020). "Economic development as a social determinant of First Nations, Inuit and Métis health." [Economic development as a social determinant of First Nations, Inuit and Métis health](#)

their potential. Additionally, balancing entrepreneurship with caregiving and domestic responsibilities results in time deprivation, adversely affecting productivity and long-term growth. Limited access to subsidized childcare, elder care, or parental leave often forces IBPOC women to shape their business growth around their caregiving roles—an invisible burden that their male counterparts are less likely to face.

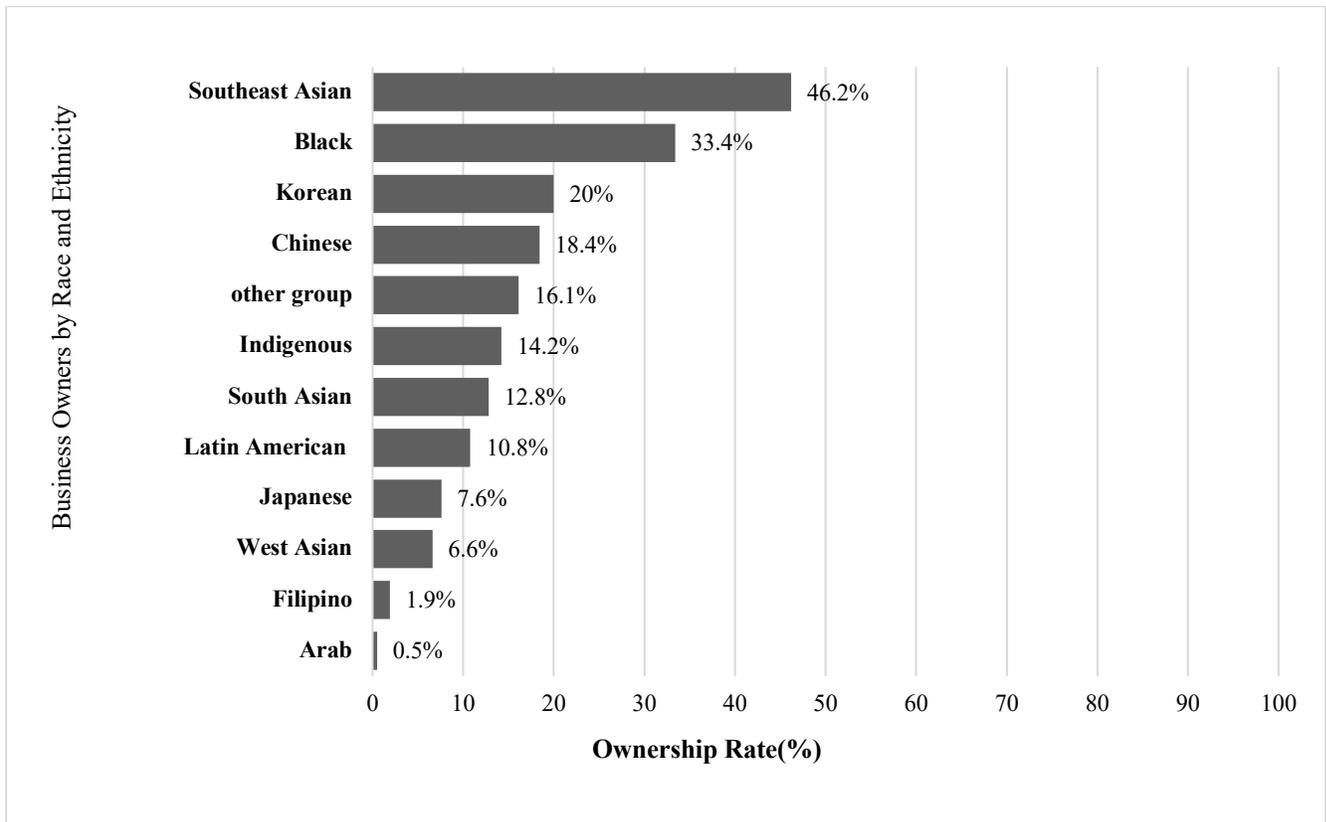
Addressing these challenges requires a shift in our perception of entrepreneurial success. This involves rethinking support systems to include equity-based funding models, culturally affirming mentorship, and flexible financing options for women.

Figure 8. Gender Breakdown of IBPOC Employer Businesses 2021.



Source: Statistics Canada. Table 33-10-0459-01 Ownership characteristics of small and medium enterprises. (Black owners and People of Colour are categorized into racialized groups).

Figure 9. IBPOC Women-Owned Small and Medium Enterprises, 2020.



Source: Statistics Canada. Table 33-10-0459-01 Ownership characteristics of small and medium enterprises

Disabled IBPOC Entrepreneurs: The Most Overlooked Business Owners

Entrepreneurship is a pathway to economic empowerment and independence, yet for disabled IBPOC individuals, this path is fraught with exclusion. Even though 22% of Canadians identify as having a disability,²⁵ only 0.6% of small-medium business owners live with disabilities.²⁶ When filtered through the lens of race and ethnicity, these numbers drop even further—just 0.5% of racialized individuals with disabilities own small-medium businesses, and Indigenous persons with disabilities own a mere 0.2%.²⁷ This contrasts slightly with evidence in the United States and in Europe, where higher self-employment rates were found among persons with disabilities.²⁸ Nevertheless, such studies have found that persons with disabilities face specific barriers to entrepreneurship, including difficulties accessing capital and a lack of appropriate and sensitive business support or advice.²⁹

There have been few Canadian studies on business owners with disabilities using a disaggregated approach, because of the lack of available data on this group of individuals. The Survey on

²⁵ Women Entrepreneurship Knowledge Hub. "State of Women Entrepreneurship in Canada, 2020."

²⁶ Innovation Government of Canada, "SME Profile: Ownership Demographics Statistics 2022," (Innovation, Science and Economic Development Canada, August 10, 2022), <https://ised-isde.canada.ca/site/sme-research-statistics/en/research-reports/sme-profile-ownership-demographics-statistics-2022>.

²⁷ Statistics Canada, Government of Canada, "Ownership Characteristics of Small and Medium Enterprises."

²⁸ John. Kitching, "Entrepreneurship and Self-Employment by People with Disabilities.," *OECD*, 2014, https://www.researchgate.net/publication/266137166_

²⁹ Kate Caldwell, Sarah Parker Harris, and Maija Renko, "Social Entrepreneurs with Disabilities: Exploring Motivational and Attitudinal Factors," *Canadian Journal of Disability Studies* 5, no. 1 (2016): 211–44, <https://doi.org/10.15353/cjds.v5i1.255>.

Financing and Growth of Small and Medium Enterprises collects information on small and medium-sized enterprises that are majority-owned by persons with disabilities. Still, this survey is infrequent (i.e., every three years) and is limited in scope (e.g., there are limits to intersectional analysis).³⁰

The intersectionality of disability with other social identities, including race, gender, religion, and culture, exacerbates challenges for IBPOC entrepreneurs. For instance, disabled Black Muslim women facing intersectional discrimination often find themselves pressured to mask aspects of their identity to fit into dominant business cultures,³¹ or are self-directed towards non-profit sectors.³² This trend restricts their exposure to more lucrative market opportunities and limits overall business growth potential. These discriminatory norms are associated with socio-economic barriers that limit the potential to establish and expand businesses successfully as a disabled IBPOC individual. Financial instability, inadequate credit histories, and constrained access to loans and financial services pose significant hurdles, severely limiting business creation and growth opportunities. This financial precarity makes it exceptionally challenging for disabled IBPOC entrepreneurs to sustain viable enterprises.

Additionally, disabled IBPOC entrepreneurs face substantial social exclusion and limited access to essential networks and mentorship opportunities, which are pivotal for entrepreneurial success.³³ Their frequent exclusion from mainstream educational and professional environments curtails the formation of crucial social capital necessary for business growth. In addition, they have limited access to adaptive technologies, affordable workspaces, and inclusive education or training tailored to their disability and cultural context.

The lack of robust, disaggregated data makes advocating for targeted resources or policy interventions challenging. Without comprehensive statistics on the intersection of race, disability, and entrepreneurship, policymakers and support organizations are left to work with incomplete pictures, leading to gaps in service and unaddressed needs. Unlocking the potential of disabled IBPOC entrepreneurs requires more than accessibility checklists. It calls for a radical reimagining of entrepreneurial support that centers intersectionality, invests in inclusive infrastructure, and builds trust within historically marginalized communities.

Common Challenges

Financing for IBPOC Business Owners

Over 80% of IBPOC business owners rely on personal savings and informal support networks to launch their businesses, which limits their capacity to scale (Figure 10). Among the IBPOC population, Black business owners (83%) are the most likely to use personal financing, followed by other racialized groups (82%) and Indigenous entrepreneurs (80%). Indigenous entrepreneurs report comparatively higher access to financial institutions; 32% have accessed credit from these institutions, compared to only 22% of other racialized entrepreneurs and 17% of Black entrepreneurs. Additionally, venture capital remains inaccessible for Black and other racialized

³⁰ Statistics Canada Government of Canada, "Business Ownership among Persons with Disabilities in Canada," January 18, 2022, <https://www150.statcan.gc.ca/n1/pub/36-28-0001/2021012/article/00004-eng.htm>.

³¹ Alnamakani, Amani. "A Qualitative Study Exploring the Lives of Disabled Muslim Women in the UK" (PhD diss., Cardiff University, 2022). 10.13140/RG.2.2.21288.14082.

³² Anna Laura Hidegh et al., "The Intersectional Identity Work of Entrepreneurs with Disabilities: Constructing Difference through Disability, Gender, and Entrepreneurship," *Culture and Organization* 29, no. 3 (May 4, 2023): 226–41, <https://doi.org/10.1080/14759551.2023.2201006>.

³³ Drakopoulou Dodd S. *Disabled Entrepreneurs: Rewarding Work, Challenging Barriers, Building Support*. University of Strathclyde, 2015. 8 p. (*International Public Policy Institute Policy Brief*). https://pure.strath.ac.uk/ws/portalfiles/portal/43354405/Drakopoulou_DoddS_IPPI_2015_Disabled_entrepreneurs_rewarding_work_challenging_barriers_building_support.pdf

groups, with participation rates below 1% for Indigenous groups, highlighting underrepresentation in investor circles. Lastly, the data shows low utilization of government funds, aligning with evidence that found 54% of Black entrepreneurs surveyed by the Black Entrepreneurship Knowledge Hub were unaware of government funding programs.³⁴ Even when approved, IBPOC entrepreneurs receive smaller loans and pay higher interest rates.

The difference in self-financing reflects wealth disparities among IBPOC groups. IBPOC families, on average, possess significantly less wealth than White families. Although Asians have a higher net worth than Black and Indigenous Canadians, they still hold a lower net worth compared to White Canadians.³⁵ With fewer assets and less wealth, IBPOC firms may lack the collateral needed for traditional financing.³⁶ Nonetheless, the increased access of Indigenous groups to financial institutions is attributed to several targeted policy efforts and financial programs, such as Indigenous Financial Institutions (IFIs) funded by the National Aboriginal Capital Corporations Association (NACCA), which manage business financing and support specifically for First Nations, Métis, and Inuit businesses across Canada.³⁷ However, even with improved access, disparities persist in how effectively this support translates into long-term business success.

Historical exclusion and structural inequities shape the gaps in access to startup financing. Traditional financial systems favour applicants with strong credit histories, collateral, and business networks resources that are less accessible to IBPOC individuals. For instance, complex credit access affects immigrant entrepreneurs who come from countries where formal credit systems are either inaccessible or culturally avoided.³⁸ As a result, they may arrive in Canada without traditional credit histories or familiarity with institutional lending processes. These entrepreneurs often depend on informal lending systems, such as community pooling, rotating savings clubs, or family-based financing, which are trusted, flexible, and embedded in their home cultures. However, Canadian financial institutions rarely recognize or understand these financial frameworks. Such practices can disadvantage capable entrepreneurs who operate outside conventional norms but offer valuable insights into their communities' needs. The COVID-19 pandemic further exposed the gaps in IBPOC financing. Relief programs like the Canadian Emergency Business Account (CEBA)³⁹ and the Paycheck Protection Program (PPP)⁴⁰ in the U.S. favoured businesses with pre-existing banking ties, leaving IBPOC entrepreneurs behind. Even when approved, IBPOC businesses received smaller loan amounts, reinforcing systemic exclusion. Additionally, these programs often require rigid documentation and time-intensive applications, which can discourage or disqualify otherwise viable applicants. Geographic isolation and digital divides further exacerbate these barriers. IBPOC entrepreneurs in remote or underserved areas often lack access to local financial institutions, digital skills, or reliable internet necessary to complete online applications or connect with funders.

³⁴ Government of Canada, "Black Business Owners in Canada."

³⁵ Dettling, Lisa J., et al., "Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances," FEDS Notes. Washington: Board of Governors of the Federal Reserve System, September 27, 2017, <https://doi.org/10.17016/2380-7172.2083>.

³⁶ Robert W. Fairlie and Alicia M. Robb. *Race and Entrepreneurial Success: Black-, Asian-, and White-Owned Businesses in the United States* (The MIT Press, 2008), <https://doi.org/10.7551/mitpress/7961.001.0001>.

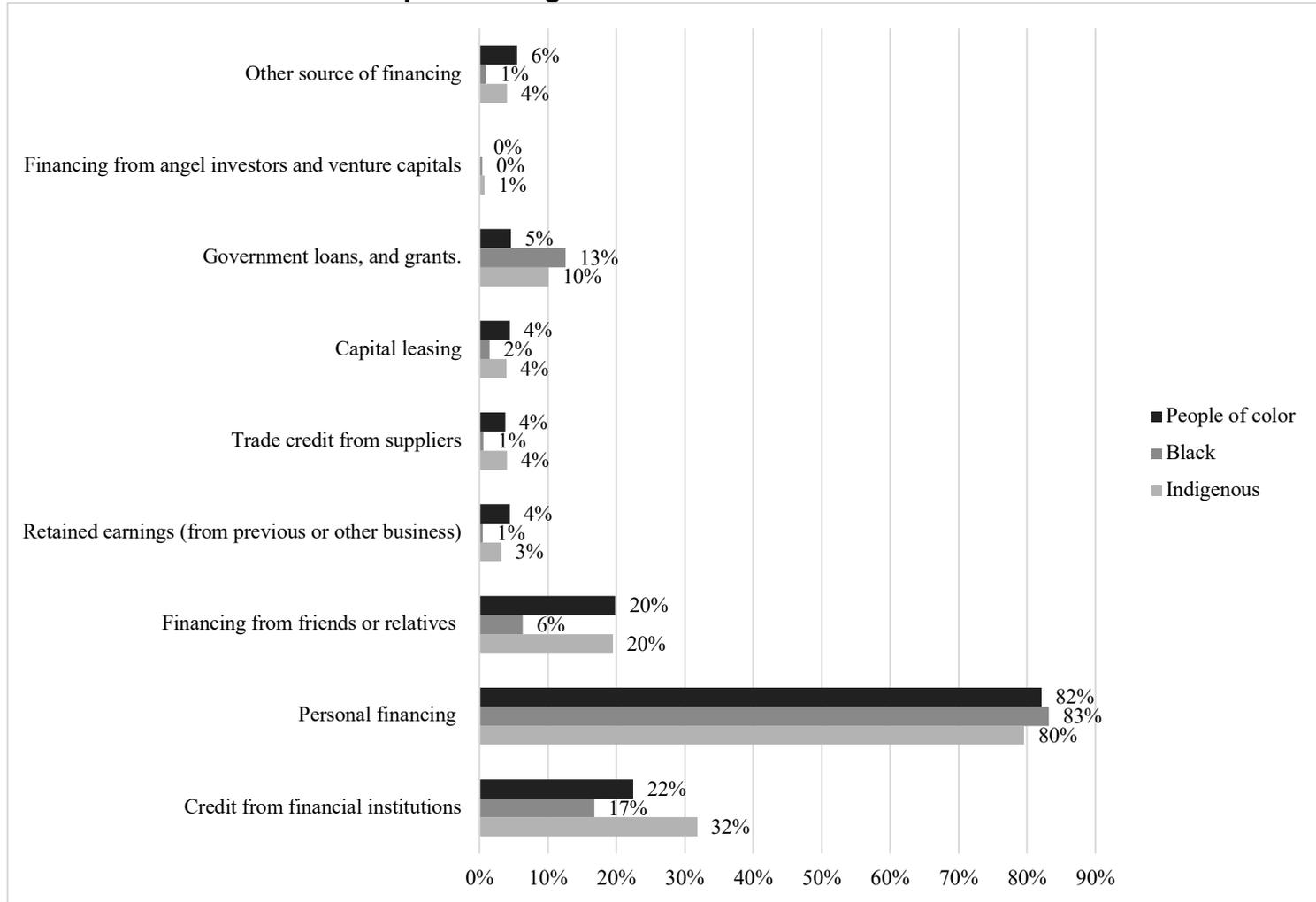
³⁷ Holly Atjecoutay "Addressing the Funding Gap for Indigenous Entrepreneurs in Canada," Policy Options, accessed April 28, 2025, <https://policyoptions.irpp.org/magazines/march-2024/indigenous-entrepreneurs/>.

³⁸ David Green et al., "Immigration, Business Ownership and Employment in Canada," March 21, 2016, <https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2016375-eng.htm>.

³⁹ "Falling through the Cracks," Canadian Women Chamber of Commerce and Dream Legacy Foundation, May 2020. [Falling-through-the-Cracks_CanWCC_May2020.pdf](#)

⁴⁰ Sifan Liu and Joseph Parilla, "New Data Shows Small Businesses in Communities of Color Had Unequal Access to Federal COVID-19 Relief," September 17, 2020, <https://policycommons.net/artifacts/4140943/new-data-shows-small-businesses-in-communities-of-color-had-unequal-access-to-federal-covid-19-relief/4949735/>.

FIGURE 10. Sources of Startup Financing*



Source: Statistics Canada. Table 33-10-0444-01 Sources of financing used to start up business by small and medium enterprises *Certain ethnic groups amongst the people of colour were excluded because Statistics Canada stated that data were less dependable. (Data included only for Chinese, Arab, Latin American and South Asian).

Limited Access to Business Networks

A critical yet often overlooked barrier to IBPOC business growth is the limited access to established business networks. These networks, comprising of mentors, investors, suppliers, and peer entrepreneurs, are vital in sharing knowledge, opening doors to partnerships, and facilitating funding opportunities. For IBPOC entrepreneurs, especially first-generation business owners or newcomers to Canada, these connections are not readily available. Business ecosystems tend to be insular, often based on long-standing relationships built on trust, shared cultural capital, or industry reputation—factors from which IBPOC entrepreneurs are systematically excluded. As a result, they miss key resources that help businesses grow beyond the startup phase.

Mentorship and training are also inconsistently available. While mentorship is a proven driver of business success, IBPOC entrepreneurs report difficulty in finding mentors who share their lived experiences or understand the unique challenges they face. The lack of representation in leadership, advisory boards, and incubator programs compounds the sense of exclusion, limiting access to growth-oriented guidance and strategic business advice.

Skills Gaps and Unequal Access to Entrepreneurial Training

IBPOC entrepreneurs also face barriers related to gaps in business and technical skills, which stem from historical inequities in education, employment, access to professional development, and challenges rooted in cultural unfamiliarity and regulatory complexity, particularly for those who are immigrants or refugees.⁴¹ Language barriers further complicate this process, making it difficult for them to engage with training materials, government resources, or professional service providers. These factors combine to place immigrant and refugee entrepreneurs within the IBPOC population at a marked disadvantage compared to their non-IBPOC counterparts. Traditional entrepreneurship training programs often fail to account for the lived realities and economic constraints of IBPOC communities. These programs may rely on inaccessible language, outdated case studies, or rigid curricula that do not reflect culturally diverse business models. Additionally, these programs assume a baseline of digital literacy, marketing expertise, or financial skills that may not have been equitably taught or acquired.

While entrepreneurship has increasingly become a policy priority, publicly funded business support services often lack culturally competent outreach strategies. This limits the likelihood that IBPOC entrepreneurs will even be aware of the programs available to them. Even when they are, time constraints, caregiving responsibilities, and a lack of wraparound support like transportation or childcare can make participation unfeasible.

Way Forward

This report highlights that while IBPOC entrepreneurship in Canada grows, structural and systemic barriers continue to limit its potential. The persistence of disparities in financing, representation, mentorship, and skill development suggests the need for a holistic and equity-centred approach to foster meaningful change.

To move forward, three key shifts are necessary:

- 1. Expand Equitable Access to Financial Capital:** IBPOC entrepreneurs require more than access; they need equitable tools and resources. To bridge this gap, culturally responsive financial tools, trust-based lending practices, and grassroots investment networks are all essential to ensure that IBPOC entrepreneurs can access capital on their own terms. Existing initiatives offer financing options with favorable terms designed to support Black and Indigenous entrepreneurs in Canada. such as the Black Entrepreneurship Loan Fund (BELF) and Indigenous Growth Fund (IGF) should expand their provision of flexible low-interest loans with reduced requirements. Equally important is the role of policy in reimagining how funding decisions integrate community voices, diversify review panels, and track equity outcomes to hold institutions accountable, including exploring alternative pathways to creditworthiness. Financial institutions should consider understanding and integrating informal credit histories and culturally relevant financial behaviours into their assessments.⁴² Equally critical is improving financial literacy through culturally relevant

⁴¹ Wendy Cukier, et al., “Racialized Canadians and Newcomers, Functional and Transferable Skills” August 2023, <https://www.torontomu.ca/content/dam/diversity/research/racialized-canadians-and-newcomers-foundational-and-transferrable-skills-9-23.pdf>.

⁴² Usha George, Veronica Escobar Olivo, and Tearney McDermott, “Understanding Immigrant Entrepreneurship Activities in the Greater Toronto Area,” in *Immigrant Entrepreneurship: Challenges and Opportunities*. (Cham: Springer Nature Switzerland, 2024), 127–50, https://doi.org/10.1007/978-3-031-69642-8_6.

financial education to boost confidence in navigating formal lending systems. Simplifying application processes and reducing administrative barriers, especially for women, disabled individuals, and newcomer entrepreneurs, will significantly ease access to government-backed financing. Moreover, incentivizing private sector partnerships through government-backed incentives and accountability measures can further mobilize capital toward IBPOC-owned businesses.

2. **Building Community Centred Ecosystems:** Strengthening IBPOC entrepreneurship requires significant investment in community-centred business networks. Increased funding for IBPOC-led business chambers, incubators, and accelerators will provide crucial infrastructure for growth. Facilitating strategic networking opportunities through industry-specific events and targeted mentorship programs will help IBPOC entrepreneurs establish valuable connections with experienced investors and advisors. Additionally, developing digital ecosystems—accessible online platforms dedicated to peer learning, collaboration, and capital access—will reduce isolation and promote inclusivity. Intersectional programming tailored specifically to IBPOC women, disabled entrepreneurs, and immigrants is essential for addressing the unique barriers these groups face.
3. **Strengthen Access to Entrepreneurial Skills Development:** Closing the entrepreneurial skills gap for IBPOC communities necessitates expanded and inclusive training programs. Investing in community-based education initiatives focused on core business skills, digital transformation, and leadership development will foster greater business proficiency. Localized outreach using multilingual and culturally competent communication strategies will build trust, ensuring increased participation and engagement. Training initiatives should explicitly prioritize support for IBPOC-led small and medium-sized enterprises (SMEs), moving beyond current biases toward large firms or technology startups. Providing accessible options such as flexible schedules, childcare support, and language assistance will further enhance participation and effectiveness.
4. **Reform Policies and Leverage Disaggregated Data for Equity:** Systemic policy reforms are essential to removing structural barriers for IBPOC entrepreneurs. Eligibility requirements that exclude non-citizen entrepreneurs, particularly permanent residents and refugees, must be revised to ensure broader inclusivity. Institutionalizing equity metrics by mandating the collection and utilization of disaggregated race-based and intersectional data will significantly enhance policy responsiveness. Embedding equity considerations into program design, including co-design processes with IBPOC communities and thorough evaluation for equitable outcomes, is crucial for sustained impact. These measures will collectively contribute to a more inclusive and equitable entrepreneurial landscape, ensuring meaningful progress and accountability.

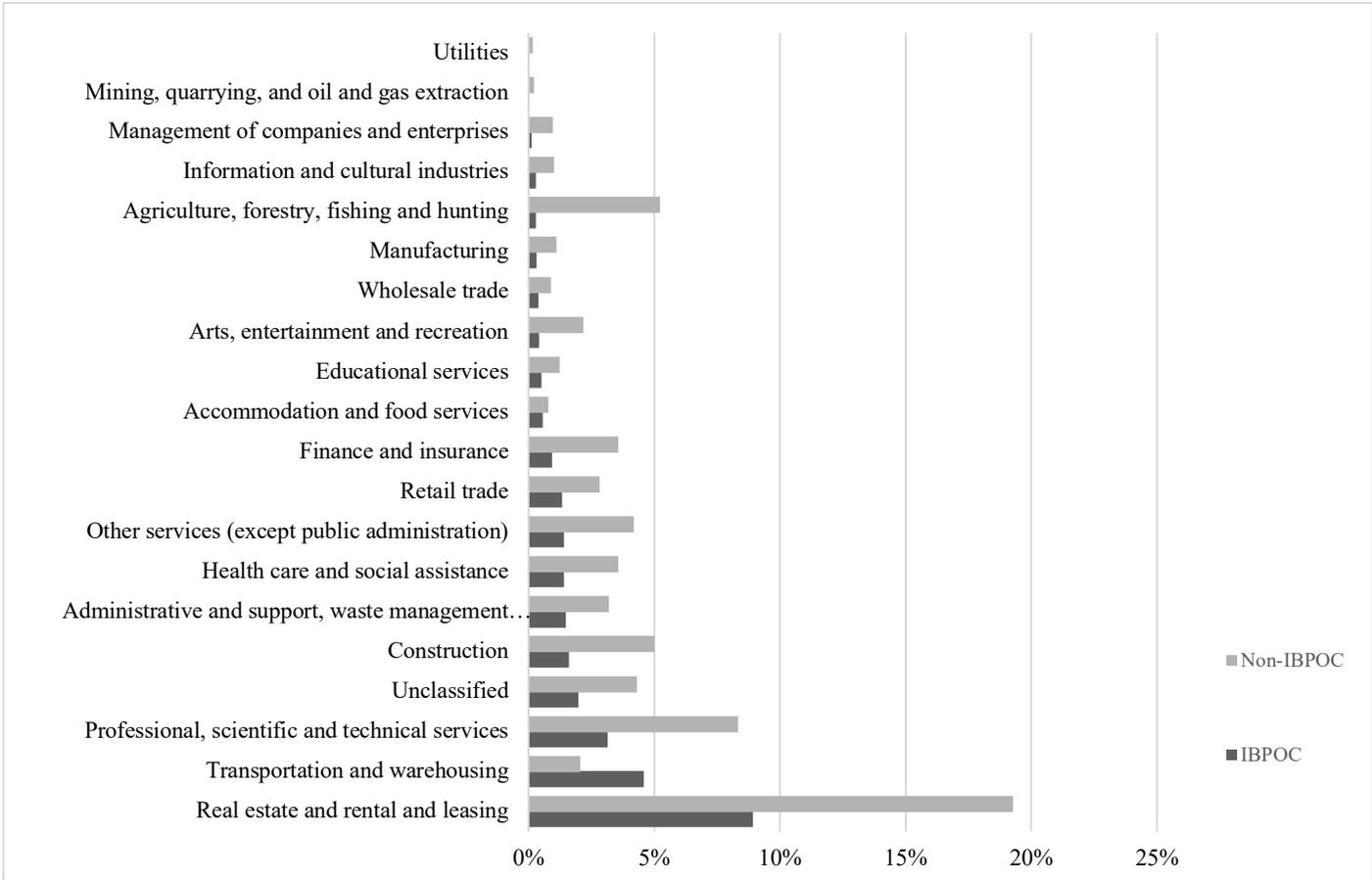
Conclusion

It is crucial to understand the unique challenges that IBPOC owned businesses face to develop pertinent, targeted policy solutions. The IBPOC population demonstrates a growing presence in business ownership, particularly in the nonemployer category and small business sector, indicating they are creating jobs and fueling economic growth. Nevertheless, significant disparities persist in the representation of IBPOC entrepreneurs, especially among Black and Indigenous groups. These gaps are primarily due to obstacles in securing startup and growth capital, building networks, accessing mentorship, and developing entrepreneurship skills. Intersecting identities, including gender, disability, religion, and socioeconomic status, exacerbate these barriers.

Systemic inequities, such as lower wealth levels, influence how IBPOC entrepreneurs initiate, maintain, and expand their businesses. IBPOC enterprises are often more prevalent in sectors that require low initial investment; however, these sectors are also the most vulnerable to economic disruptions, experiencing lower revenues and increased financial instability. Our analysis of the financing avenues available to IBPOC entrepreneurs indicates a strong dependence on personal funds, particularly among Black business owners. To bridge the gaps in business ownership, Canada must implement equity-focused reforms that acknowledge the varied experiences of IBPOC communities. This involves rethinking financial systems to incorporate culturally appropriate practices, dismantling policy impediments for immigrant and refugee entrepreneurs, and investing in sustained capacity building through inclusive education and mentorship initiatives. Most importantly, data collection and policy execution should be informed by those who have lived the experience. IBPOC entrepreneurs are vital to the economy as cultural innovators, community builders, and leaders who create social impact. Supporting their success extends beyond mere economic inclusion; it is a strategic necessity for Canada's collective future.

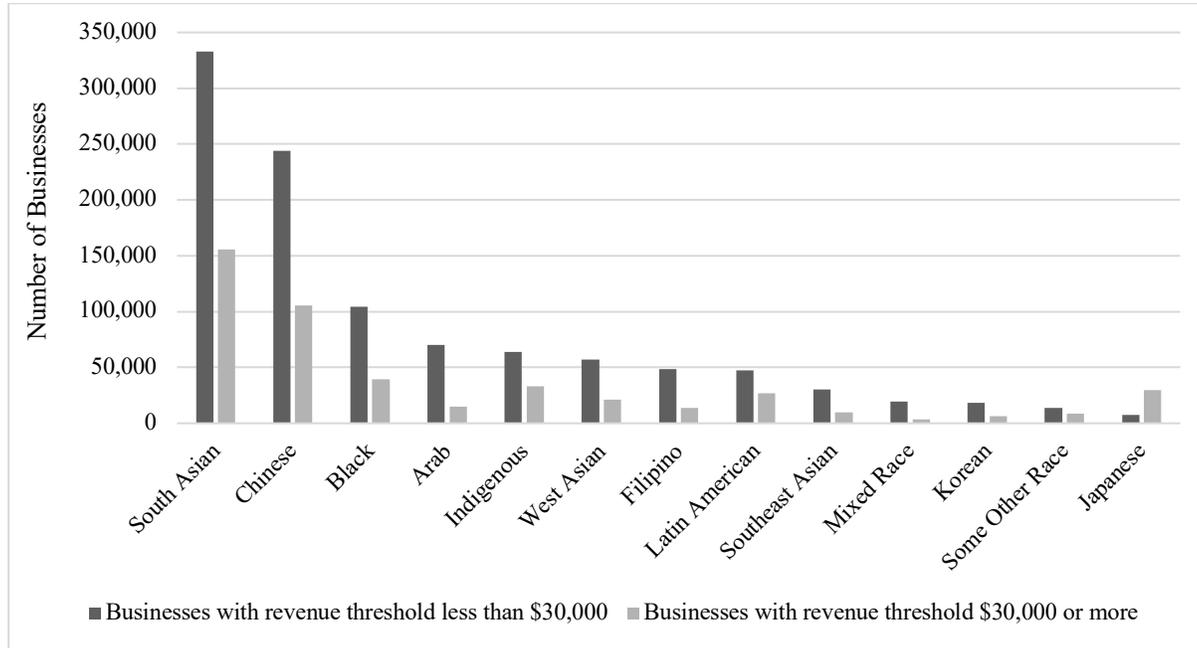
APPENDIX

APPENDIX A | Distribution of Nonemployer Businesses by Industry Sector 2021.



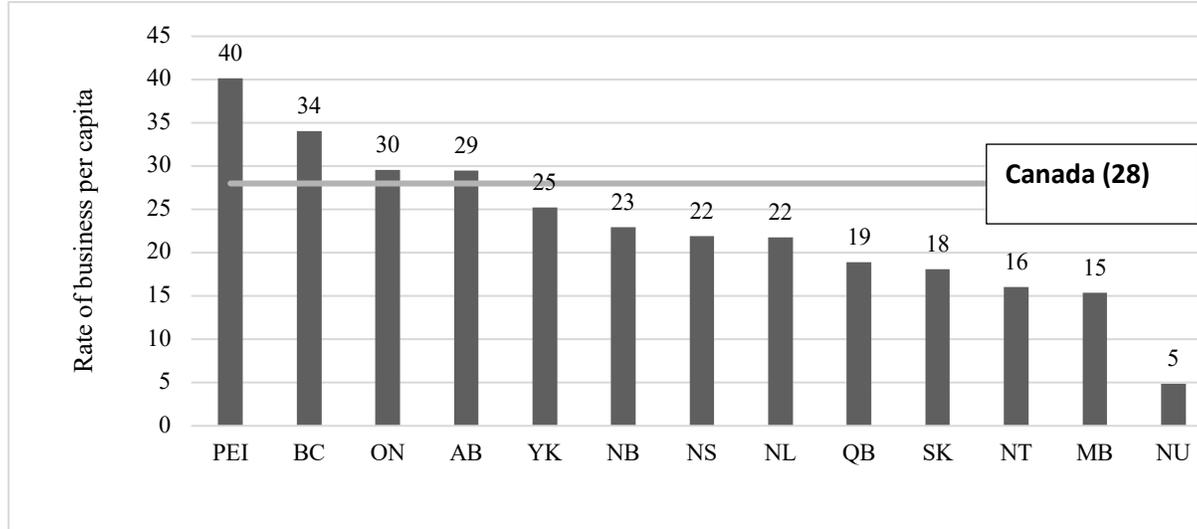
Source: Table 33-10-0848-01 Number of enterprises in Canada, by enterprise size and visible minority status of owner

APPENDIX B | Distribution of IBPOC Nonemployer Businesses by Gross Revenue 2021.



Source: Statistics Canada. Table 33-10-0843-01 Number of enterprises in Canada, by revenue group and visible minority status of owner

APPENDIX C | Employer Businesses Per 1,000 Residents 2021.



Source: Statistics Canada. Table 33-10-0838-01 Number of enterprises in Canada, by geography and visible minority status of owner

Note

The term "business" is used interchangeably with the term "enterprise."

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