



SPOTLIGHT REPORT

Women Entrepreneurs & Business Owners

THIS IS A SECTION OF A LARGER REPORT. READ THE FULL REPORT AT [WOMENOUTOFWORK.CA](https://womenoutofwork.ca)



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Whether serving as a sole entrepreneur or owner/co-owner of a small- to medium-business (SME) with employees, self-employed individuals face their own unique sets of challenges when it comes to employment within the pandemic.

Historically, research has shown that Canadian women-owned businesses predominantly operate in the service sector and are overrepresented in female-dominated industries such as retail, food service and hospitality. They also often see reduced access to financing, support and resources, and are less likely to be incorporated.¹⁹

Recognizing that many women business owners may be operating in sectors identified as being negatively impacted by COVID-19 shutdowns, we wanted to better understand the extent to which the pandemic has affected the health of their business and what supports (if any) would be helpful to aid their recovery and growth.

To achieve this, the January 2021 survey included a subset of questions tailored to self-employed women WITH employees or contractors, and self-employed women WITHOUT employees or contractors. We also spoke to several business owners via a series of focus group discussions.

Of the 129 women who responded to the survey that identified themselves as self-employed without employees/contractors, 55.5% indicated that their business is struggling due to COVID-19, and 26% indicated that their businesses are unlikely to survive the next year.

Of the 75 women who responded to the survey that identified themselves as self-employed with employees/contractors, close to 50% reported that their business is struggling largely due to COVID-19. 36% have reduced their staff by at least 25% and for the employees that remain, 41% have had their hours reduced by at least 50%. 22% of this group reported that they do not believe that their business will likely survive the next year.

¹⁹ Statistics Canada, "Impact of COVID-19 on Small Businesses in Canada," May 11, 2020. <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00018-eng.htm>.

SELF-EMPLOYED WITHOUT EMPLOYEES OR CONTRACTORS

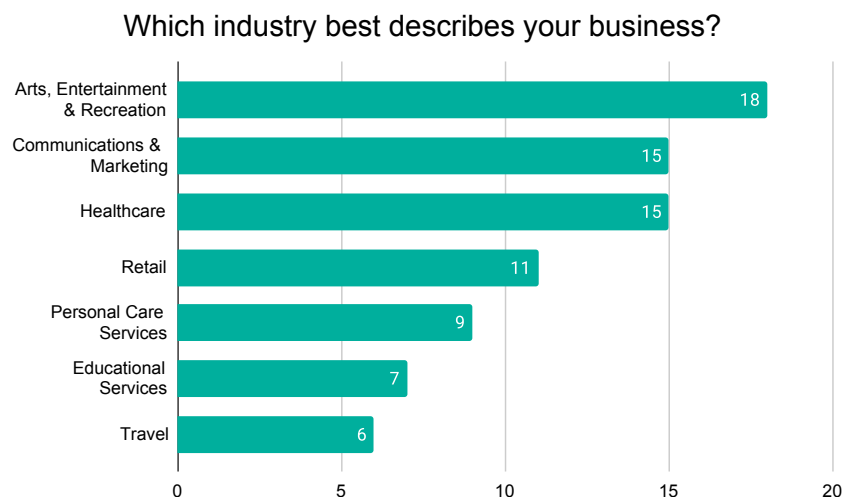
In this group of solo self-employed workers, just over one-third (37%) of respondents indicated that they work more than 35 hours per week, and just under two-thirds (63%) work less than 35 hours per week.

In terms of income, prior to the pandemic:

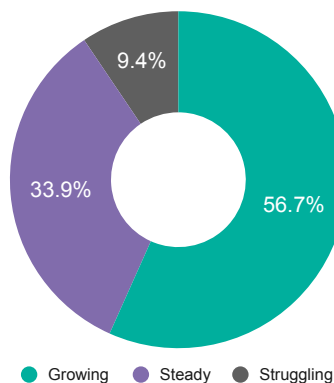
- 40% of respondents earned between \$0 and \$29,000 / year
- 29% earned between \$30,000 and \$49,000 / year, and
- 29% earned more than \$50,000 / year

Over half of solo self-employed workers described their business as growing, and a further 34% described their business as steady. Just over 9% indicated that their business was struggling prior to COVID-19.

When asked what industry best described their business, respondents indicated: ²⁰



Prior to COVID-19, how would you describe the health of your business?

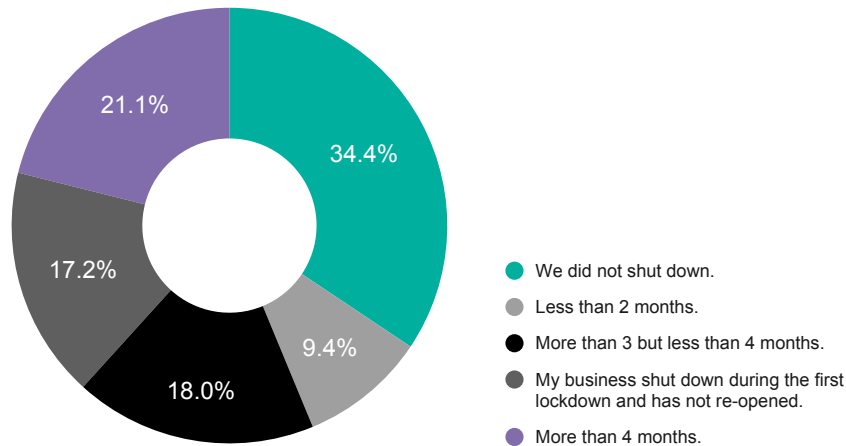


²⁰ Industries with less than 5 respondents are not reported here for confidentiality reasons.

COVID-19 IMPACTS

For solo self-employed businesses, 34% indicated they did not shut down during the lockdowns. Another 20% noted that they were shut down for more than 4 months. For 17% of respondents, their business shut down during the first lockdown in spring of 2020 and has not re-opened, as shown in the chart below.

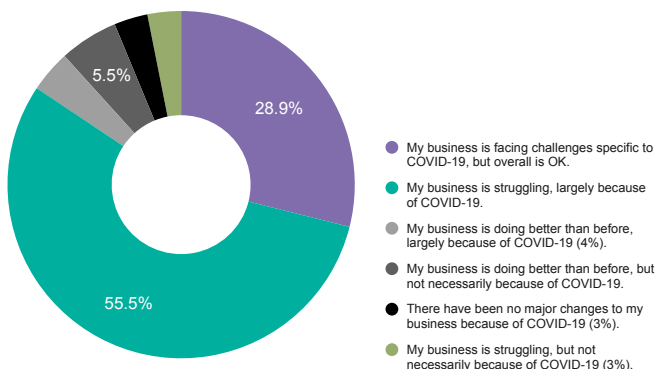
At any point during/between lockdowns, was your business shut down? If so, how long has it been closed in total?



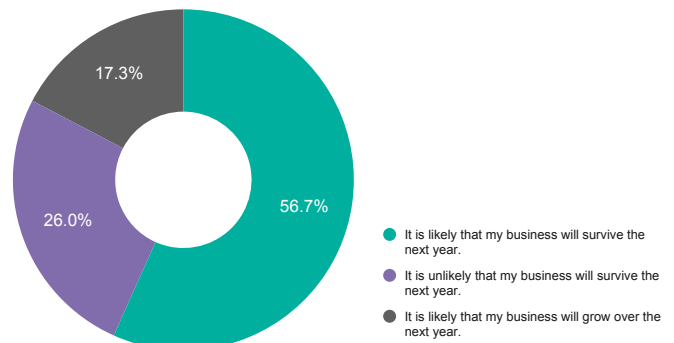
Respondents were asked about the ways in which their business was impacted by COVID-19, and 55.5% indicated that their business is struggling due to COVID-19. Close to 30% said that their business is facing challenges due to COVID-19, but is "overall OK".

26% of respondents indicated that their business is unlikely to survive the next year.

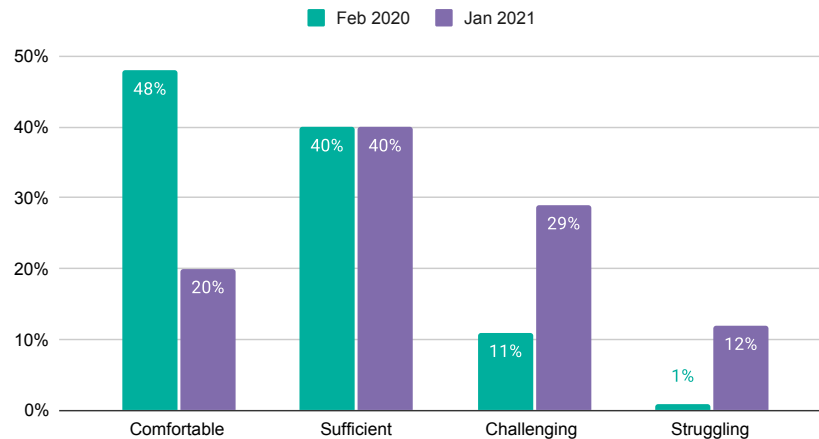
Overall, how has COVID-19 impacted your business?



How has COVID-19 affected your future outlook on your business?



Self-employed respondents without employees reported a large change in their financial situation between February 2020 and January 2021.



53% of solo entrepreneurs indicated that they were worried about unforeseen expenses due to COVID-19, while 34% were worried about the lack of paid sick/caregiving days. Additionally, 34% were concerned about their ability to pay bills, 26% were concerned about their ability to buy groceries, and 28% were concerned about their ability to pay rent / mortgage payments.

The percentage of solo self-employed respondents who considered changing their career (63%) is similar to the percentage of all respondents (61%).

| AT ANY POINT SINCE THE START OF THE PANDEMIC, HAVE YOU QUESTIONED: | | |
|---|-----|-----|
| Self-employed without employees | Yes | No |
| Changing your career? | 63% | 37% |
| Learning a new skill or trade? | 59% | 41% |
| Reducing your hours or stopping working altogether due to workplace health and safety concerns? | 39% | 61% |
| Reducing your hours or stopping working altogether due to childcare or increased domestic responsibilities? | 48% | 52% |
| Postponing a personal milestone (such as starting a family or buying a home)? | 42% | 58% |


60% of respondents in this group indicated that they lived with children at home, and of these women:

- 76% reported feeling overwhelmed trying to balance work and caregiving responsibilities
- 70% indicated that it negatively impacted their work productivity, and
- 63% reported that forced them to reduce their employment hours



“I am not tech savvy so this has been very difficult to do in my retail business.”

Respondents were given the opportunity to further comment on how their careers and lives were impacted by the pandemic:

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- “It’s impossible to work and homeschool at the same time as I have a child with learning differences.”
 - “We are sending him [to daycare] now but I’m getting nervous with case numbers but it’s so hard to run a business with a toddler but it feels like I have to choose between his safety or my business.”
 - “Gender inequality is real. COVID has highlighted it. I am trapped.”
 - “It’s exhausting and challenging. Juggling the two feels impossible.”
 - “I am not tech savvy so this has been very difficult to do in my retail business.”
 - “It is super challenging and discouraging to see so much of what I have built over many years, a solid reputation in my field, appear so fragile, so vulnerable. The rules of business have utterly changed. I hope things settle down into the new normal soon so that I can adapt in time to survive.”
 - “Stretched pretty thin energy to build/continue business with home and childcare balance during a pandemic.”
 - “It has been an interesting challenge and really hard at times. Not wired for isolation! However, it did bring about some great creative thinking and collaboration that was a joy to experience.”

When asked about what supports might be helpful to them, respondents said:

- “Provide those without insurance coverage some OHIP coverage for registered mental health professionals.”
- “Free advertising for small businesses (on websites, newspaper, radio, etc.). Mental health supports. Childcare supports.”

SELF-EMPLOYED WITH EMPLOYEES OR CONTRACTORS

There were 75 respondents who indicated they are self-employed / own a business with employees or contractors.

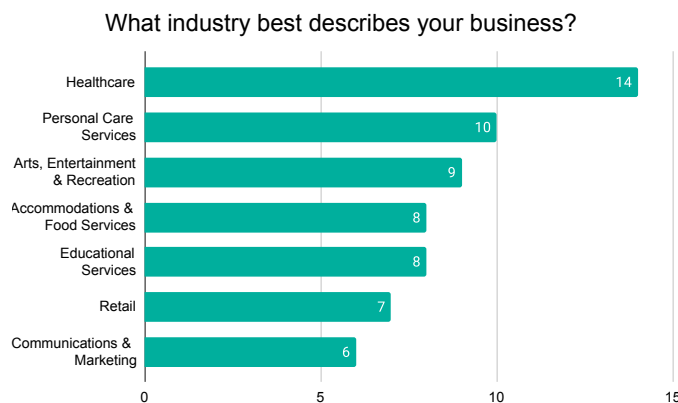
Two-thirds of respondents in this group worked 35 or more hours per week, and one-third of respondents worked between 0 and 34 hours per week.

For self-employed respondents in this group, prior to the pandemic:

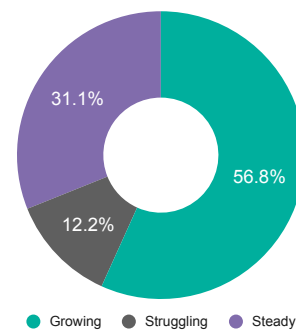
- 49% made between \$0 and \$49,000 / year
- 32% made between \$50,000 and \$99,000 / year, and
- 17% made more than \$100,000 / year

Close to 57% of respondents reported that their business was growing prior to the pandemic. 31% indicated that their business was steady, and just over 12% reported that their business was struggling before the pandemic.

When asked what industry best described their business, respondents indicated:²¹



Prior to COVID-19, how would you describe the health of your business?



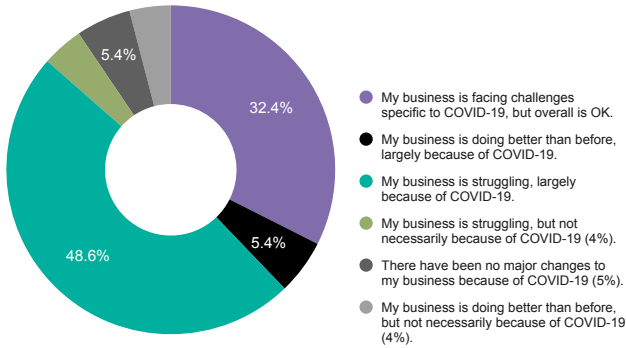
COVID-19 IMPACTS

Close to 50% of respondents in this group reported that their business is struggling largely due to COVID-19. An additional 32% reported that their business is facing challenges due to COVID-19 but is “overall OK”. For just over 5% of respondents, their business is doing better than before, largely due to the pandemic. Only 5% reported no major changes during the pandemic.

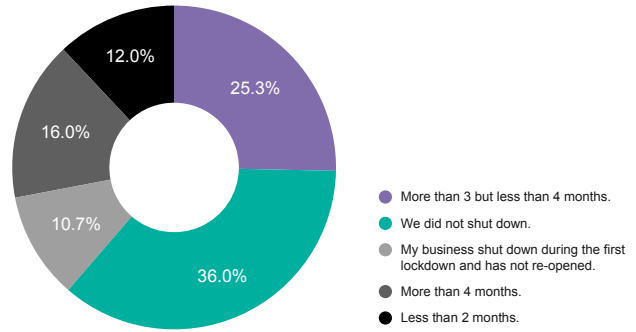
When asked if their business shut down at any point during the pandemic, 36% of respondents in this group indicated that they did not shut down at any point. 11% indicated that they shut down during the first lockdown and have not re-opened. 16% of respondents indicated that their business closed for more than 4 months.

²¹ Industries with less than 5 respondents are not reported here for confidentiality reasons.

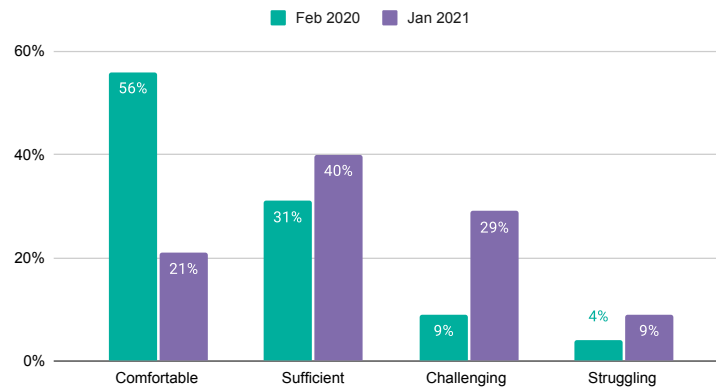
Overall, how has COVID-19 impacted your business?



At any point during/between lockdowns, was your business shut down? If so, how long has it been closed in total?



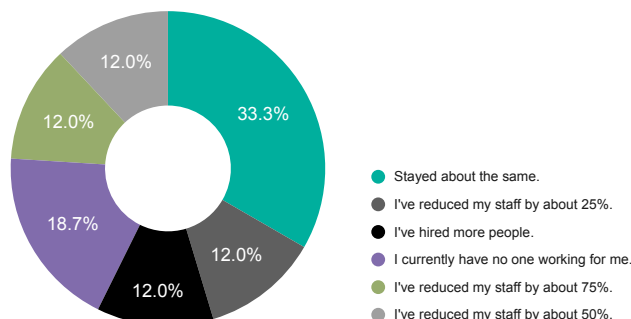
Women business owners with employees reported a large negative change in their financial situation between February 2020 and January 2021, as shown in the chart below.



59% of respondents in this group were worried about unforeseen expenses due to COVID-19, 29% were concerned about a lack of paid sick/caregiving days, and one-third were worried about their ability to pay bills. 29% were concerned about their ability to make rent or mortgage payments.

For one-third of women entrepreneurs with employees, the number of staff working at the business stayed the same during the pandemic. 36% of business owners have reduced their staff by at least 25%. 12% of respondents in this group ended up hiring more staff.

Overall, how has the number of paid workers at your business changed during COVID-19 (either temporarily or permanently)?



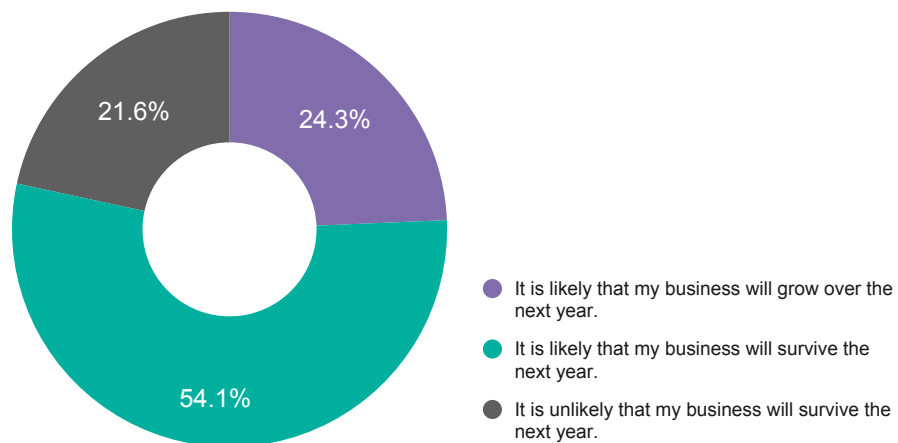
In terms of paid hours for current employees, respondents indicated that:

- Hours stayed about the same (36%)
- Hours increased (6%)
- Hours were reduced by about 25% (17%)
- Hours were reduced by about 50% (15%)
- Hours were reduced by about 75% (8%)
- Hours were almost completely or completely eliminated (18%)

Women entrepreneurs with staff were asked if their staff could work from home, and 32% indicated that almost everyone was able to work from home, while 48% indicated that given the nature of their work, staff were not able to work from home.

In terms of the future outlook for their business, 24% reported that it's likely that their business will grow over the next year, 54% felt that their business would survive the next year, and close to 22% reported that their business would not likely survive the year.


How has COVID-19 affected your future outlook on your business?



| AT ANY POINT SINCE THE START OF THE PANDEMIC, HAVE YOU QUESTIONED: | | |
|---|-----|-----|
| Self-employed with employees | Yes | No |
| Changing your career? | 53% | 47% |
| Learning a new skill or trade? | 45% | 55% |
| Reducing your hours or stopping working altogether due to workplace health and safety concerns? | 32% | 68% |
| Reducing your hours or stopping working altogether due to childcare or increased domestic responsibilities? | 34% | 66% |
| Postponing a personal milestone (such as starting a family or buying a home)? | 43% | 57% |


52% of women in this group reported having children at home, and of those women:

- 72% reported feeling overwhelmed trying to balance work and caregiving responsibilities;
- 63% reported reduced productivity; and
- 44% reported reduced employment hours as a result of having children at home due to school closures.



“It is super challenging and discouraging to see so much of what I have built over many years, a solid reputation in my field, appear so fragile, so vulnerable. The rules of business have utterly changed.”

Respondents were given the opportunity to further comment on how their careers and lives were impacted by the pandemic:

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- “With a home cleaning business, even when we are cleared to work many customers are not comfortable to have us in their homes so running the business is a challenge to maintain. Also having a home cleaning is a privilege that when clients are not working they can not afford. At the beginning of the lockdown I had 30 clients and I lost 11 due to Covid.”
 - “Technology learning curve, managing staff that work almost solely remotely, forecasting and growing business with uncertainties.”
 - “Huge increase in expenses and putting up with crabby people who don’t want to follow public health guidelines. Exhaustion.”
 - “Revenues are steady - but costs have increased considerably. Take out and delivery food requires more containers, labour and delivery costs. Commissions to 3rd party delivery apps has decimated my bottom line.”

When asked about what supports might be helpful to them, respondents said:

- “Property tax reduction, free PPE packages, technology grants”
- “A consistent source of employer and health information. Too many changes and sources have made it difficult to keep track.”
- “Better mental health support that doesn’t cost hundreds of dollars a month.”