



Submission to The Standing Committee on the Status of Women: Impacts of the COVID-19 Pandemic on Women

Overview

There is evidence that increasing the inclusivity of the Canadian economy would have significant economic benefits. If there was only a 10% increase in women-owned SMEs in Canada, we could add \$198 billion to our GDP.ⁱ Research by the Diversity Institute and others shows that COVID-19 has had a disproportionate impact on women's employment and women entrepreneurs. These impacts are amplified for women who are racialized, Indigenous, LGBTQ2S+ or have disabilities.

Impacts on Employment

Historically, unemployment has been higher for women than for men. However, while unemployment rates today are still slightly higher for women than for men, the difference has been decreasing and in 1983 the gap virtually disappeared.ⁱⁱ In 2020, however, the economic impact of COVID-19 has turned back the clock on women's employment gains, reversing the trends and once again widening the gap between women and men.ⁱⁱⁱ Despite a situation that is slowly improving, women are disproportionately employed in jobs with poorer working conditions, making women workers more vulnerable to lower wages and job loss.^{iv}

Women as employees also to face specific barriers that have only been compounded by the pandemic.

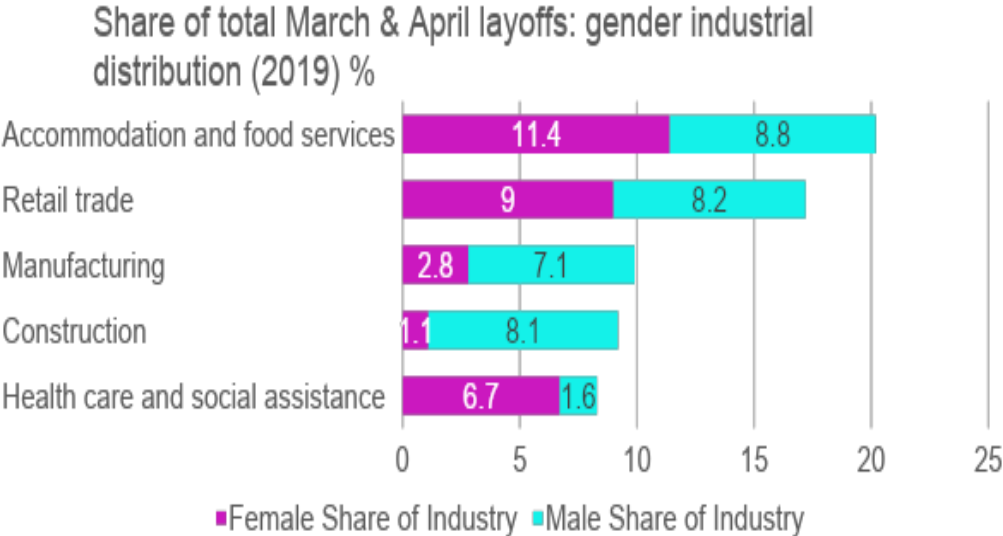
- In March, women between the ages of 25 and 54 lost more than twice as many jobs as men in Ontario.^v
- During the gradual reopening period between April and August, employment gains in Ontario were 200,200 for men and only 131,700 for women^{vi}
- During the pandemic, women's labour force participation rate fell to its lowest level in thirty years and since then, women have seen slower reemployment than men.^{vii}
- Employment among women with toddlers or school-aged children fell 7 percent from February to May, compared to 4 percent among men with children of the same age across Canada.^{viii}
- COVID-19 has exacerbated the persistence of the gender pay gap and women being more susceptible to living in poverty, especially for single mothers and senior women.
- Women and girls are more at risk for violence and harassment, which can be amplified by stay-at-home orders.^{ix}
- 47% of women who lost their jobs between February and June 2020 typically earned \$2000/month or less, meaning that their lost incomes would be fully accounted for by the Canadian Emergency Response Benefit (CERB) if they chose to access it. For lower-and middle-income mothers, there is an economic disincentive to return to work if they need to access childcare in order to enable their return.^x

Impact on Women Entrepreneurs

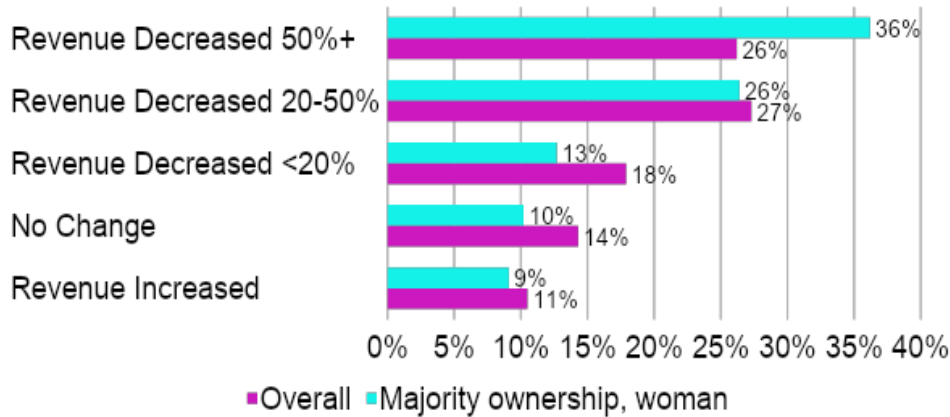
While Women entrepreneurs are more likely to operate in sectors that are especially vulnerable to economic shocks, and their businesses tend to be newer, smaller, and less well-financed than those

owned by men.^{xi} Women account for only 15.6% of SMEs (about 114,000) with one or more employees, they account for 38% of self-employed Canadians^{xii} (about 1,000,000). While they represent a disproportionate number of new businesses, their businesses are new, smaller and more fragile. Notably, over 83% of women-owned SMEs use personal sources of financing to start their businesses.^{xiii} Women are less likely to seek and receive financing than men (32.6% vs. 38%) and firms owned by men are four times more likely to receive venture capital or angel funding.

Many existing programs target SMEs with employees unintentionally leave women falling between the cracks^{xivxv}. Additionally, women-owned SMEs are more likely to be in service industries, information and cultural industries, accommodation and food services. These industries are among the hardest hit by the economic impacts of the pandemic (see below)



Women are more likely than men to be solo entrepreneurs who employ subcontractors, meaning that SME business supports designed to help business owners recruit and retain staff through economic downturns does not benefit women business owners as substantially.^{xvi} The impact of COVID-19 has hurt businesses with less than 20 employees the most, and hurt businesses in services sectors—where you find more women-led business—more than those in technology sectors.^{xvii} Among 40.6% of companies that have laid off staff, 62% of women entrepreneurs have laid off 80% of their staff, compared to 45% of staff for other businesses. In an early study of the impacts of COVID on businesses in Canada, 61% of women founders report challenges versus 34% of businesses overall^{xviii}. Indeed, these challenges can be seen in comparison of changes in business revenue (Q1 2019 to Q1 2020):



When marginalizing intersections of identity are also considered the barriers are amplified. For example, a study by the Black Business Professional Association comparing responses of its members to those of the Canadian Federation of Independent Business highlighted the massive differences in experience.

	Canadian Federation of Independent Business (CFIB)	Black Business & Professional Association
Canada Emergency Wage Subsidy will not help	37%	80%
Do not think they will qualify for a Canada Emergency Business Account (CEBA)	20%	80%
Are fully open	20%	10%
Do not have cash flow to pay April Bills	30%	80%
Worried about permanent closure	39%	85%
Unsure they will be able to reopen	32%	60%
Can survive less than a month	25%	85%
Believe government should make emergency money available to businesses	86%	98%
Have capacity to take on debt	56%	96%

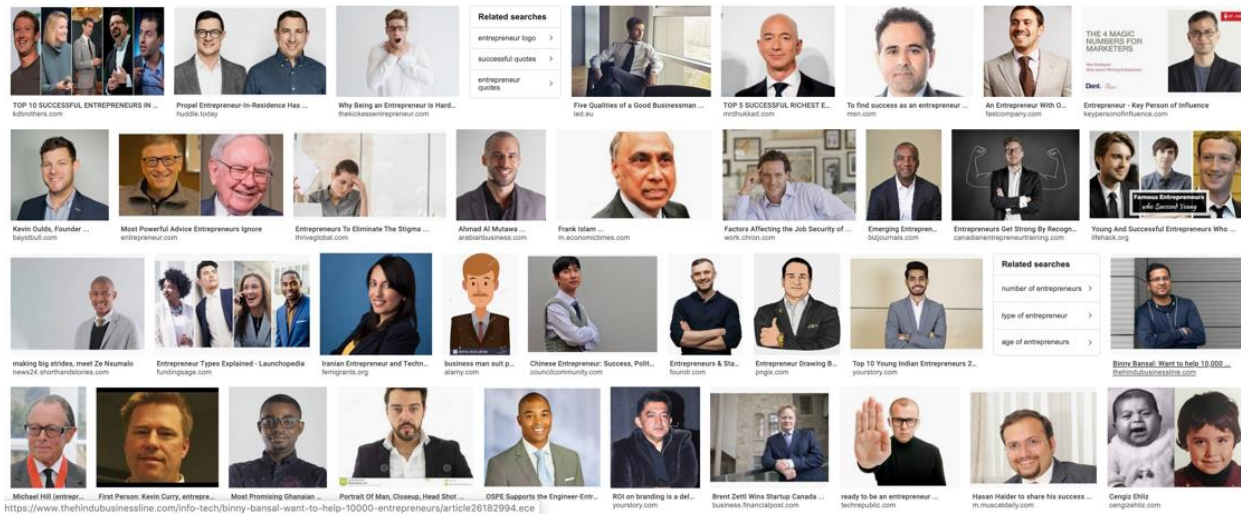
The Crushing Burden of Unpaid Work

Women entrepreneurs are more likely to be taking on additional childcare and homeschooling work, as well as other domestic responsibilities. Restrictions on schools and paid child care facilities have shifted additional hours of unpaid family care onto parents, and this work has largely been taken up by mothers. Thirty percent of women are considering leaving the workforce. This is has reached crisis proportions. According to Rocco Rossi, CEO of the Ontario Chamber of Commerce, “Child care is not a women’s issue. It is an economic issue.” Indeed a recent study from the Centre for Future Work estimates that a universal childcare system would generate \$17 to \$29 billion in annual government revenues, when we consider its impact on job creation as well as indirect benefits. (CFW, 2020).

Challenging Stereotypes

We need concerted effort to challenge stereotypes which produce bias throughout the system. The way in which innovation is defined, for example, has unintended consequences. Additionally, Diversity Institute research shows that international bodies including the OECD are proposing that new metrics are required to assess innovation strategy impacts. Innovation is not about creating new technology. It is about doing differently. Without adoption there is no innovation. For example, Shopify has had explosive growth not because of breakthrough technology but because of organizations adopting its platform. A new vaccine's impact will depend entirely on the implementation plans that accompany it. While Science Technology Engineering and Math (STEM) are critical, they are necessary but insufficient and an over emphasis on STEM has the unintended consequence of excluding and overlooking important factors which are critical to our economic and social success. For example, focusing primarily on Intellectual Property as a measure can exclude important innovations in rural communities where the application of technology, including Internet of Things, is transformational in terms of new processes and growth. A focus only on for profit innovation, excludes social and cultural innovation which are equally important to our success as a nation and also happen to be areas where we find more women, more Indigenous people and other under-represented groups. Inclusive innovation required rethinking these very definitions.

When asked to name entrepreneurs, the strong association of the word with men from Silicon Valley will likely produce names like Steve Jobs, Mark Zuckerberg and Elon Musk. Not media mogul Oprah Winfrey, twenty something billionaire Kylie Jenner (who used Shopify to grow her empire), or our own international superstar, Celine Dion, whose Laval based Feelings Inc. has an estimated value of \$800B. If we do a google image search on "Entrepreneur" this is what we get.



And we get similar results if we search "engineer" or "carpenter". Stereotypes exert subtle and often invisible influence on every aspect of the lives of women, racialized people, persons with disabilities, Indigenous people and those who identify as LGBTQ2S+. We need to challenge these stereotypes and celebrate success of those who have broken the mold because you need to "See it, to be it."

Understanding the Implications for Skills

Our skills and employment ecosystem is currently fragmented and less than optimal. We need frameworks for better defining, assessing, developing and utilizing the skills that are needed across sectors and particularly in entrepreneurial ventures and SMEs which are often excluded from the discussion. We know that occupational segregation and the exclusion of women from lucrative ICT jobs contributes to the wage gap. After thirty years of advocacy, there are fewer women today in computer science and only marginally more in engineering than there were three decades ago. Some engineering schools have exceeded 30% women while other are still around 15% which suggests that the issue is not the pool but the process. We need intentional strategies using levers like funding and accreditation to produce real change. At the same time, we also need to recognize that while Science Technology Engineering and Math (STEM) are important, an over emphasis on these disciplines and skills can ignore important needs for other skills, such as Social and Emotional Intelligence or Entrepreneurial Skills or Financial and Digital Literacy. And with the rise of low code, no code solutions, there are new opportunities in technology positions for people without STEM credentials. Additionally, the research shows demand and salaries in Science are more comparable to Social Sciences and Humanities than they are to Engineering and Computer Science. We need more granular analysis of supply and demand. For example, recent research from Brookfield (2019) and OECD (2020) highlight the importance of digital skills. But a more careful analysis shows that this includes a range of skills. While Java Developers and Programming are important – they account for only 10% of the skills required. 75% of respondents were referring to use of spreadsheets and Microsoft Office when they referenced Digital Skills. Digital skills ARE essential and we need to support innovative approaches to upskilling and reskilling with supports for SMEs but we also need to be careful to define the problem we are solving careful and to ensure adequate focus on the skills needed to choose, apply and use technology to solve organizational problems as well as those needed to build technological solutions. While we should continue to promote improved representation in Technology and Engineering disciplines, recognizing the value of others also creates more opportunities for women and other under-represented groups who are under-represented in Technology and Engineering disciplines.

Skill	Job Postings		
Java	68 847	10%	Skills Developed Capacities
Software Development	76 120		
Technical Support*	64 084	15%	Techniques Specific Approach
SAP	62 525		
SQL	100 167		
Spreadsheets	73 447	75%	Tools Software / Program
Microsoft Word	145 048		
Microsoft PowerPoint	149 155		
Microsoft Office	306 588		
Microsoft Excel	382 851		

Recommendations

From our research and consultation, we have formed several recommendations that we are bringing for your consideration. We believe that these recommendations will help ensure faster and more effective recovery of the Canadian economy from COVID-19, and the economy can become more inclusive and

more innovative, especially for diverse entrepreneurs including women, Indigenous people, persons with disabilities, racialized minorities, and newcomers. In short, inclusive innovation and recovery demand a gender and diversity lens with targets and accountability.

1. Applying a Gender and Diversity Lens across programs

Targeted funds such as the Women Entrepreneurship strategy are transformational. However, work needs to continue in creating a truly inclusive innovation system. Applying a gender and diversity analysis across policies and programs is critical to identify areas where systemic discrimination and bias have unintended consequences. Collecting disaggregated data on who is affected and who benefits is key. The Diversity Institute's Diversity Assessment Tool (DAT) has shown ways in which this analysis coupled with strategic action can identify simple changes that increase access to underrepresented groups.

2. Benchmark, Set Targets and Collect Disaggregated Data to Assess Impacts

The lack of disaggregated data presents a barrier to developing an effective strategy. There is little consistency across agencies in the ways in which data are collected – some, for example, combine all designated groups into one category – and this also impeded our ability to determine what works.

3. Leadership, Accountability and “Tone from the Top”

Leadership across sectors is required to set aspirational goals and concrete implementation plans to address gender equality, diversity and inclusion and even more importantly to reinforce the overall economic and social benefits of working together to ‘rebuild better’. When times are hard there is a risk that these issues take a back burner even though it is precisely when we need to keep them in the fore. We need strong messaging that embedding gender equality and diversity in our strategies is not only the right thing to do but it will benefit us all.

4. Access to Affordable, Accessible Childcare.

Affordable childcare should be a top priority. The Diversity Institute's research and Study Buddy pilot program which provides free online tutoring to marginalized families has demonstrated the “multiplier” effects of such investments as well as the impact on alleviating family stress.

5. Flexible Work Structures and Support

COVID has accelerated the pace of automation and digitization and more organizations have adopted flexible working arrangements which are likely to stay. While these have the potential to offer significant benefits to large segments of the population, the rise of “gig work” can also create opportunities for exploitation and exclusion. Examining the impacts and ways to ensure that “work at home” does not become “live at work” and that workers have access to portable benefits and appropriate supports is key.

6. Workforce Skills and Strategy

The rapid adoption of technology has accelerated the demand for reskilling and upskilling strategies with concrete outcomes and performance measurement systems to assess what works, what does not work and for whom. While large corporations often dominate the discussion, entrepreneurs and SMEs need to be central in this strategy.

7. Strategic Procurement

Procurement is one of the most important levers to drive change. The federal government and industry have significant power to support women and diverse entrepreneurs businesses by creating a targeted procurement strategy. But the setting of goals must be accompanied by an intentional implementation plan to build awareness, skills and capacity to engage directly or through partnerships. Policies,

processes and procedures need to be reviewed through a gender and diversity lens to streamline and omit unnecessary barriers and complexity.

8. Focus on Youth and Investing in the Future

The Student Work Placement Program (SWPP) is a powerful tool to both provide opportunities for youth and other excluded populations and to leverage their talent to drive the recovery. Examining ways to make the program more flexible to support recent graduates, newcomers and others and to leverage it to support entrepreneurial enterprises as they transition through COVID is a win-win proposition. Digital Main Street, for example, funded in part by Fed Dev is an excellent example of how this can work but more can be done. Work integrated learning can also support organizations in developing new strategies, in undertaking research, in assessing new markets, in developing social media content, in setting up systems, in developing diversity and inclusion strategies, in accessing government programs and training and more, while providing invaluable training and work experience. There are also massive opportunities to support nongovernment organizations and associations with similar models. Not only have we leveraged SWPP to support SMEs, but the Diversity Institute's (AdaPT) program, for example, with Technation, has achieved 88% placement rates during the pandemic for graduates from across disciplines, 75% of whom are women or designated groups. Our Study Buddy program provided WIL for hundreds of student teachers and other programs have provided opportunities to help transition immigrants into work. The existing programs have features that make them less adaptable for these broad purposes – for example the matching funds are a barrier for struggling SMEs and NGOs and the eligibility requirement – enrolment in a post-secondary institution – present barriers to those who most need the opportunity –recent graduates.

9. Address Structural Barriers

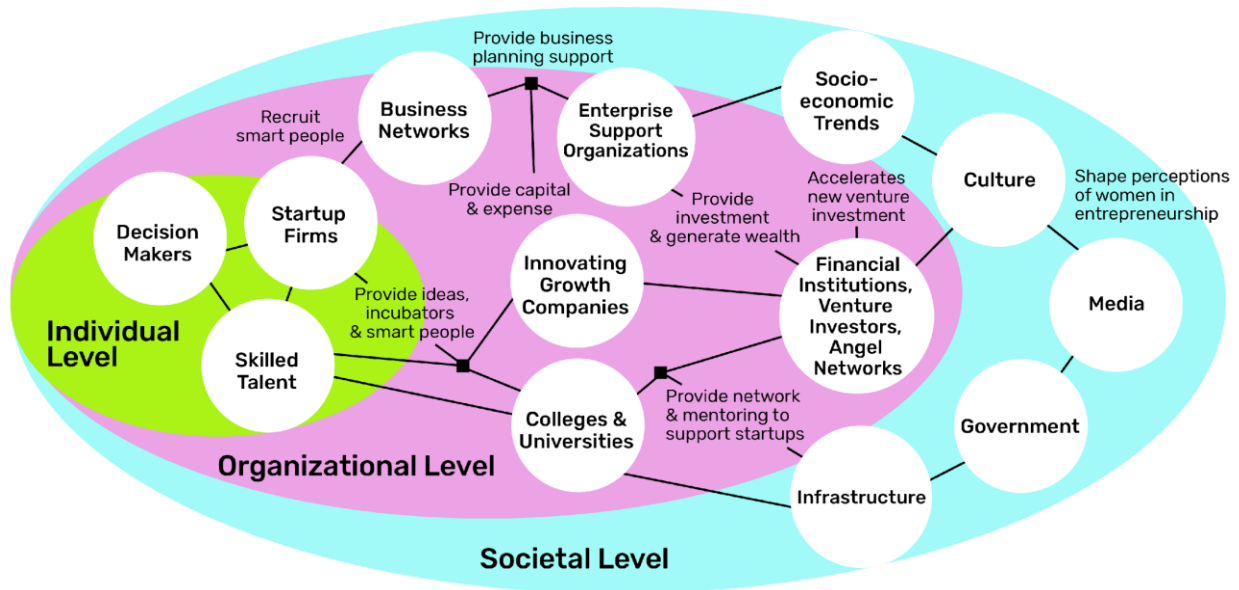
As noted, the research has shown that businesses led by women and others diverse entrepreneurs are more likely to be in services sectors affected COVID, they are more likely to be smaller, newer and less well-financed. Many programs are aimed at SMEs with one or more employees which exclude many women entrepreneurs as well as Indigenous and Black entrepreneurs and many newcomers who are more likely to be self-employed. Government has adapted and pivoted admirably to try to address some of the gaps and should continue to do so. The Diversity Institute is continuing to do research to understand where the gaps remain and also designing programs, for example, to encourage self-employed Canadians to assess how incorporating can provide access to more resources and reduce risk.

10. Strengthening Capacity in Financial Literacy and Access to Financial Resources.

Women and specifically racialized women, Indigenous women, and immigrant women have been underserved by the financial community, and this is partly due to structural problems, and also due to a lack of financial literacy training and support. While there are many programs aimed at providing investments for established businesses, most companies begin with \$5000 or less. In Canada there are limited micro financing and grant programs although we have heard, through our consultations that these would address important needs. Our experience with programs such as Summer Company, the Women Entrepreneurship Hub and Newcomer Hub (with Scadding Court), and other programs targeting newcomers and marginalized groups suggest that small grants or grants plus loans with accountability frameworks and wrap around services can be transformational and should be further explored

Conclusion: Towards and Inclusive Innovation Ecosystem

We need an integrated strategy that addresses barriers at every level in the system.



About the Diversity Institute

For twenty years the Diversity Institute has undertaken research and programs aimed at advancing diversity and inclusion to drive economic growth and innovation. Our network of over 250 partners includes SMEs as well as large corporations, government, nonprofit organizations, and research institutions. They range from the Ontario Chamber of Commerce and TD Bank to the Canadian Aboriginal Business Council, the Black Business Professional Association, the Canada Pakistan Business Council, the Canada India Foundation, the Urban Alliance for Race Relations, regional Immigration and Employment Councils across Canada. Its team of researchers includes more than 100 experts at 30 post-secondary institutions across Canada. The Diversity Institute is the research lead for the new Future Skills Centre as well as leading the Women Entrepreneurship Knowledge Hub (WEKH) and many other projects focusing on examining strategies and best practices for advancing diversity, inclusion, economic growth and innovation.

We are supporting the implementation of Bill C-25 and the 50-30 Challenge through a range of initiatives focused on advancing diversity and inclusion in organizations.

- For more than a decade we have been tracking [diversity in leadership and across sectors](#).^{xix}
- Our proprietary tool kit – the Diversity Assessment Tool (DAT) which has been applied across sectors – Financial Services, Information Technology, Health Care, Cultural Industries, Government, Policing, Media and Communications and Small Medium Enterprises – as well as through the innovation ecosystem – research and funding agencies, incubators and accelerators and business support organizations – to benchmark and guide the development of strategies to advance diversity and inclusion.
- Our database of best practices supports more inclusive governance, benchmarking, human resources, culture, outreach or to bring a gender and diversity lens to the entire value chain (procurement, research and development, operations, product and program delivery, marketing, services and support).
- Our database of more than 4000 women and diverse leaders – on boards and in the C-suite of Canada’s largest corporations, non profits, agencies, boards and commissions, hospitals and universities.

- Our standard and customized training and capacity building programs can support organizations large and small advance their goals.

Our **Women Entrepreneurship Knowledge Hub (WEKH)** sponsored a range of projects.

- We released our [She-covery Strategy with the Ontario Chamber of Commerce](#) as well as *The Impact of COVID-19 on Women Entrepreneurs* and *Women Business Owners and the Impact of COVID-19: BMO Celebrating Women Grant Program* showed us that women-led businesses are being crushed as women juggle work and childcare;
- A new Ask/Give [Sharing Platform](#) to support women entrepreneurs through the crisis
- A wide range of skills and capacity building webinars on [financial literacy](#), digitization, incorporation and other strategies essential to enable microbusinesses to survive
- Online training and coaching for underserved and underrepresented entrepreneurs including the [Boss Women Program with the Black Business and Professional Association](#); [We-Hub](#) and [Newcomer Hub](#) initiatives for immigrant entrepreneurs and women entrepreneurs in the GTA.
- We are working on the following research projects related to COVID-19: *COVID, Work, and Skills: Deep diving what comes next*"; *COVID-19 in Canada: Adaptation, Innovation and Resilience from Small Business Owners and Entrepreneurs*"; *Supporting Immigrant & Newcomer Entrepreneurs in Canada during the COVID-19 Pandemic*"; *Systemic Inequality Amplifies Impact of COVID-19 on the Black Community*"; and *COVID-19 Database*".
- We also just launched a new ["See it. Be it" campaign](#) to celebrate successful women entrepreneurs and crush stereotypes.

Through our work with the **Future Skills Centre**, we continue to try to examine trends and impacts and innovative approaches to bridging the skills gap including:

- Our ["Skills Next" series](#) and extensive research on the impact of the pandemic on various sectors and populations written by experts across the country and produced in collaboration with the Public Policy Forum.
- Extensive consultations with more than 300 organizations and individuals as well as surveys conducted with Environics and others on the impacts of COVID-19 on how Canadians work, learn and live.
- We migrated the [Advanced Digital and Professional Training Program](#) with Technation online. Funded by the Future Skills Centre (FSC) the program helps arts and social sciences students and graduates transition into tech roles and achieved an 88% employment placement rate in spite of the pandemic. Three quarters of participants are from designated groups.
- A new strategic [micro credential initiative with e-Campus Ontario](#) through the FSC
- Our [Study Buddy Initiative](#) to provide free tutoring to Black, immigrant and marginalized families coping with homeschooling, with partners in the GTA, Kitchener- Waterloo and North Bay and to provide opportunities for students and new graduates.
- Our research on [Using Technology to Bridge the Urban-Rural Divide](#) which shows the importance of access to broadband infrastructure in rural communities but also the importance of affordability and skills even in urban centres.

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