

## 1.1 Entrepreneurship in Canada



### 2 MIN READ

Did you know that approximately 44,700 Canadians started a business in 2018 —**the highest number in the past 10 years.**<sup>1</sup>

Compared to other countries with similar economies, Canada is doing quite well in terms of entrepreneurship.

***According to various studies, the country is considered among the Top 10 in the world for business start-ups as well as the health of its entrepreneurial ecosystem.***<sup>2</sup>

The Great White North is truly strong.

### Strong Foundation to Support Entrepreneurs

Over 2,500 organizations across Canada play a role in supporting entrepreneurs — helping them start and grow their businesses.<sup>3</sup>

In addition, a number of other factors support Canada's healthy entrepreneurial ecosystem compared to other countries:<sup>4</sup>



[leadinglenders.ca](http://leadinglenders.ca) • [preteursnovateurs.ca](http://preteursnovateurs.ca)

- **Educated, diverse and multicultural population**
- **High standard of living**
- **Solid cutting-edge technological infrastructure**
- **Numerous government investments and programs**
- **Access to capital for individuals and investors**

### Opportunity for Improvement

It's great to start a business — but we have to help Canadian entrepreneurs stay on the right track. Only 51% of new small or medium-sized enterprises (SMEs) stay in operation for more than five years.<sup>5</sup>

There's more work to be done to ensure that new businesses continue to thrive. A number of studies have found that Canada, surprisingly, is less successful than other countries in certain key areas, including:<sup>6</sup>

- **Business innovation**
- **GDP growth**
- **Entrepreneurs' access to networks**
- **Entrepreneurs' commitment to business growth**

### SMEs: the Heart of Canada's Economy!

There are over 732,000 SMEs in Canada.<sup>7</sup> SMEs have a significant impact on Canada's economy; they employ more than 10 million people and contribute nearly \$1 billion to Canada's GDP.<sup>8</sup>

### Canada's Newest Entrepreneurs: Who Are They?

Immigrants, young adults, seniors, graduates and women.

***Trending in Canada: entrepreneurs are increasingly diversified. They include women who are playing a major part in furthering entrepreneurship. Despite their key role, women entrepreneurs still face multiple barriers preventing them from reaching their full potential.***



Learn more with the tool **Women Entrepreneurship in Canada...** It's time for a change.

Our toolkit includes data taken from the 2017 Survey on financing and growth of small and medium enterprises. The 2022 Survey is available at the following link: <https://www150.statcan.gc.ca/n1/daily-quotidien/220302/dq220302b-cansim-eng.htm>

However, please note that the data included in this most recent survey is greatly influenced by the recent worldwide pandemic, making it difficult to compare it to the stats included in our toolkit which are based on a pre-pandemic period survey.

## References

- 1 Business Development Bank of Canada (2019). A Nation of Entrepreneurs: The Changing Face of Canadian Entrepreneurship, p. 2.
- 2 Zoltan J. Acs, Laszlo Szerb, Esteban Lafuente and Gabor Markus (2019). Global Entrepreneurship Index 2019, GEDI, p. 10.; Niels Bosma, Stephen Hill, Aileen Ionescu-Somers et al. (2020). Global Entrepreneurship Monitor, 2019/2020 Report, GEM, p. 92.; StartupBlink (2020). Map of Startups in Canada, listed by Industry and Ranking, <https://www.startupblink.com/startups/canada> (page consulted October 14th 2020).
- 3 Women Entrepreneurship Knowledge Hub (2020). The State of Women's Entrepreneurship in Canada 2020, Toronto, Diversity Institute, Toronto Metropolitan University, p. iv.
- 4 Niels Bosma, Stephen Hill, Aileen Ionescu-Somers et al. (2020). Global Entrepreneurship Monitor, 2019/2020 Report, GEM, p. 92.; Women Entrepreneurship Knowledge Hub (2020). The State of Women's Entrepreneurship in Canada 2020, Toronto, Diversity Institute, Toronto Metropolitan University, p. 2, 14, 23.
- 5 Business Development Bank of Canada. 10 things you (probably) didn't know about Canadian SMEs, <https://www.bdc.ca/en/articles-tools/business-strategy-planning/manage-business/10-things-didnt-know-canadian-sme> (page consulted October 2nd 2020).
- 6 Niels Bosma, Stephen Hill, Aileen Ionescu-Somers et al. (2020). Global Entrepreneurship Monitor, 2019/2020 Report, GEM, p. 92.; Women Entrepreneurship Knowledge Hub (2020). The State of Women's Entrepreneurship in Canada 2020, Toronto, Diversity Institute, Toronto Metropolitan University, p. 2, 14.
- 7 ISED (2018). Survey on financing and growth of small and medium enterprises (SFGSME), 2017, Innovation, Science, and Economic Development Canada, Government of Canada, [https://www.ic.gc.ca/eic/site/061.nsf/vwapj/SFGSME-EFCPME\\_2017\\_eng\\_public.pdf/\\$file/SFGSME-EFCPME\\_2017\\_eng\\_public.pdf](https://www.ic.gc.ca/eic/site/061.nsf/vwapj/SFGSME-EFCPME_2017_eng_public.pdf/$file/SFGSME-EFCPME_2017_eng_public.pdf) (page consulted September 17th 2020).
- 8 Business Development Bank of Canada (2019). A Nation of Entrepreneurs: The Changing Face of Canadian Entrepreneurship, p. 1.; Innovation, Science and Economic Development Canada (2019). Key Small Business Statistics, [https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS-PSRPE\\_Jan\\_2019\\_eng.pdf/\\$file/KSBS-PSRPE\\_Jan\\_2019\\_eng.pdf](https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS-PSRPE_Jan_2019_eng.pdf/$file/KSBS-PSRPE_Jan_2019_eng.pdf), p. 3, 23.

## Disclaimer

All documents prepared for the LEADING LENDERS project were developed in line with the most appropriate and recent terminology. However, we recognize that terminology is subject to change over time. To the best of our ability, we have attempted to use terminology that respects the dignity and rights of all individuals.

[leadinglenders.ca](http://leadinglenders.ca) • [preteursnovateurs.ca](http://preteursnovateurs.ca)