

9.1 The Impacts of COVID-19 on Women Entrepreneurship



5 MIN READ

Like most spheres of society, the entrepreneurial landscape has been hit hard by the COVID-19 pandemic. Women entrepreneurs, already facing their own challenges, have not been immune to the changes brought on by this “new normal.”

Top COVID-19-related challenges identified by women entrepreneurs:¹

- Loss of customers and contracts
- High stress levels and mental health issues
- Increased family/household responsibilities
- Business financing needs for survival



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What research is telling us so far

- **Business survival:** According to a Femmessor survey with women entrepreneurs from Quebec, almost half the respondents said they needed extra financing to ensure the survival of their businesses or to adapt to the current reality.² Women entrepreneurs also voiced concerns about pandemic-related revenue loss.³
- **Business size:** Businesses with fewer than 20 employees have been hit harder by the pandemic.⁴ It should be noted that 92.7% of majority women-owned businesses have fewer than 20 employees.⁵
- **Operating sectors:** Pandemic-related restrictions have had a major impact on many sectors, such as hotels, restaurants, tourism, retail as well as businesses specializing in health and beauty. These sectors are particularly common among women entrepreneurs.⁶
- **Staff management:** Since the pandemic began, 40.8% of women-owned businesses have been forced to reduce their staff, with more than half of those same businesses having to lay off 80% of their employees.⁷ Other HR management issues have been raised, including ensuring employee/client safety (fear of COVID-19), supporting employees in stressful times and overseeing telework arrangements.⁸
- **Clientele:** 61% of women-owned businesses have lost contracts and clients due to COVID-19, as opposed to 34% for all small or medium-sized businesses.⁹
- **Domestic violence:** Studies show that women are more likely to experience domestic violence in times of crisis (even more so in situations of social isolation).¹⁰ Helplines for victims of domestic violence in various Canadian provinces have had an increasing numbers of calls, in some cases even doubling compared to the same period pre-pandemic.¹¹ Alarming, Women's Shelters Canada also notes that over 50% of women staying in shelters said that the violence they experienced had intensified since the pandemic began.¹²

Potentially exacerbated barriers



Access to information: Since the pandemic began, entrepreneurs have been overwhelmed with information about new public health measures, support programs and funding opportunities. Given that information barriers already existed for Canadian entrepreneurs (see **Tool 3.1**), it is not surprising to learn that pandemic-related changes have compounded these daunting challenges. Some women entrepreneurs report that dealing with this new information has been difficult, especially when it comes to finding and qualifying for COVID-19 financial support.¹³



Disqualifying factors: Since the pandemic began, various types of financial support have been offered to entrepreneurs. However, many women report that they don't have access to numerous funding sources because they do not meet the eligibility criteria. This is the case for some unincorporated businesses, sole proprietorships, part-time businesses, start-ups and businesses with Indigenous employees. Gradually, adjustments have been made to the eligibility criteria to better support women-owned businesses. However, they have often come too late for companies that were forced to close or are still struggling to make ends meet.¹⁴



Family responsibilities: 53% of women entrepreneurs said they have spent more time taking care of their children since the pandemic began, as opposed to only 12% of men entrepreneurs.¹⁵ Women often must juggle telework, new schooling arrangements and missing or disrupted professional/family support networks.¹⁶ **Tool 5.7** addresses the pandemic's impacts on women entrepreneurs' work-life balance.



Access to education/training/career development: The pandemic has ushered in significant changes in educational practices. Education accessibility and quality have been impacted, as have training and career development opportunities for current and aspiring entrepreneurs.



Underrepresented women: The pandemic has exacerbated barriers for many underrepresented women. For Indigenous entrepreneurs and those in rural areas, reliable Internet access remains a significant problem. This challenge is even greater in the current context as the pandemic often means telework, which requires access to reliable networks.¹⁷ For many women entrepreneurs who are immigrants or from ethnic minorities, the pandemic has seen an upswing in discrimination, especially involving entrepreneurs of Asian origin who have experienced racism and xenophobia directed towards their population.¹⁸

Hope for the Future

- **New entrepreneurial approaches:** The pandemic has prompted many entrepreneurs to review their practices and find new ways to promote their businesses. Although it has upended the status quo, COVID-19 has at times been a catalyst for innovation and new entrepreneurial approaches.¹⁹
- **Shared experiences:** Despite the social isolation imposed by the pandemic, many initiatives have allowed individuals to stay connected to the entrepreneurial ecosystem. Thanks to webinars, online sharing platforms and social networks, entrepreneurs have had opportunities to discuss their own COVID-19-related experiences, leading to much-needed conversations and a better understanding of entrepreneurial realities and needs during the pandemic and for the post-pandemic future.



- **Community support:** The COVID-19 pandemic has led to a new wave of entrepreneurial solidarity, including new partnerships and stronger local/regional support networks. This show of support bodes well for the future of Canadian entrepreneurship.
- **Online entrepreneurship:** The pandemic has evidently spurred a shift to online entrepreneurship, which could prove beneficial for many businesses. An effective online presence can help companies to promote new products/services, reach a wider clientele and ensure more efficient communication with the entire entrepreneurial network.²⁰

Tips to better support women entrepreneurs during the pandemic



Staying informed: Clients may have felt overwhelmed by the array of options available to them, including new support programs and funding sources since the pandemic began. By staying informed about these changes, lenders can provide their clients with frequent updates. **Women's Enterprise Organizations of Canada (WEOC)**, for example, offers an extensive list of COVID-19-related resources for women entrepreneurs.



Relationship-based approach: The pandemic's impact on mental health is ranked among women entrepreneurs' top 3 concerns.²¹ Now more than ever, women entrepreneurs need your help. You can show your support by assisting them with their business ventures. In these uncertain and difficult times for some entrepreneurs, a relationship-based approach can be highly beneficial. Don't hesitate to contact your clients to see how they are doing and to tell them how you or your lending institution can help them during the pandemic.



Online presence: Due to social isolation and related restrictions, online communication has become essential for some. Lenders and lending institutions must engage in effective online communication with their clients if they wish to stand out from their competitors. To create or maintain positive relationships with clients, be sure to stay on top of new trends and take advantage of all the benefits that technology provides.

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