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Small Business Secretariat Working Paper

**SMALL BUSINESS SECRETARIAT
WORKING PAPER**

"CANADIAN WOMEN OWNER/MANAGERS"

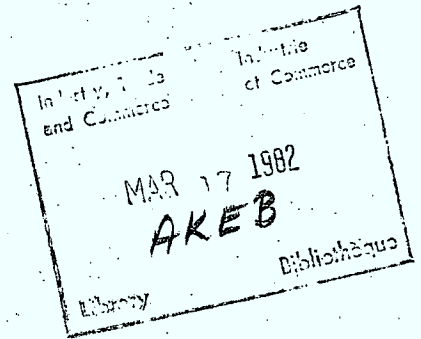


Government
of Canada

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du Canada

Industry, Trade
and Commerce

Industrie
et Commerce



**SMALL BUSINESS SECRETARIAT
WORKING PAPER**

"CANADIAN WOMEN OWNER/MANAGERS"

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January 1982

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"Canadian Women Owner/Managers"

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This paper has been prepared for discussion purposes and does not necessarily represent the views of the Government of Canada.

INTRODUCTION

The Post-World War II decades in North America and elsewhere have witnessed a major and continuing evolutionary phenomenon in economic and social spheres of influence - and one that will continue to have significant impacts in the years ahead. This phenomenon is the rapidly increasing proportion of women who have joined the economic work force outside the home - either as employees or as owner/managers of their own businesses.

The objective of this working paper is to summarize the available analytical work in this area with a view to fostering more awareness of the phenomenon and its implications and coincidentally, determining if any major gaps in knowledge still exist. More specifically, the objectives are threefold: firstly, to analyse available statistical information on the Canadian situation using Revenue Canada's Taxation Statistics publication and some Statistics Canada work; secondly, to outline the conclusions of an extensive survey contracted by the Small Business Secretariat to Queen's University on the characteristics of women-owned businesses and the problems that these entrepreneurs may have encountered over and above those that any small business owner would have; and lastly, to incorporate information currently available from the United States on the same phenomenon.

Executive Summary

In North America and elsewhere women are playing a greater role in the economic labour force outside the home, both as employees and as the owner/managers of their own businesses.

From the available statistics on the Canadian situation, it can be concluded that: the number of women becoming business proprietors is increasing at a substantial rate and typically more quickly than the rate of increase for men; the number of women business owners expressed as a percentage of the number of their male counterparts is increasing, but is still somewhat lower than the participation rate of women in the paid labour force as a whole; and women-owned businesses tend to be less profitable on average than men-owned businesses.

A research study was recently contracted by the Small Business Secretariat to Queen's University, Kingston, Ontario in an effort to increase existing knowledge on this segment of the small business sector. A number of interesting observations came out of this work including the following: most of the women business owners had started their businesses rather than inheriting them or buying existing businesses; most were the owners of relatively young businesses; the businesses tended to be relatively large employers, particularly of women; very few were franchises; many owners came from entrepreneurial families"; "challenge" was the most important motivational factor and most felt that the problems faced by women business owners were no different from those faced by men business owners.

Generally, the study served to cast more light on the characteristics of these entrepreneurs and allow commentary on some of the myths that have become current belief. Where possible, a comparison is made to U.S. material on the same phenomenon.

The Canadian Situation - Statistical Data

The best regular source of data on the numbers and the income earned by women owner/managers may be the annual publication (with a two year lag) of Revenue Canada entitled Taxation Statistics. Table 12 of that publication breaks down all tax returns by age, sex, and occupation. The occupational group that is of interest here is that of "Business Proprietors". Some caveats should be noted: no distinction is made of legal form of ownership (partnerships, etc.); professionals are not included; the entire group of business women whose enterprises are incorporated is not dealt with, etc. Nevertheless, an idea can be gained of the relative numbers of women and men who report income as business proprietors, their age groups, their average income, rate of growth, etc.

Proprietors Reporting Taxable Income

Table I indicates the changing numbers of women and men reporting taxable income as business proprietors from 1964 to 1979.

Table 1

Number and Percentage Change of Women
and Men Reporting Taxable Income as Business Proprietors

<u>Taxation Year</u>	<u>Number of Business Proprietors - Women</u>	<u>% Change from Previous Year</u>	<u>Number of Business Proprietors - Men</u>	<u>% Change from Previous Year</u>
1964	22,394		201,759	
1965	23,472	4.8	210,198	4.2
1966	26,826	14.3	223,573	6.4
1967	23,378	-12.8	226,725	1.4
1968	30,660	31.1	232,852	2.7
1969	35,430	15.6	238,346	2.4
1970	36,276	2.4	238,917	.2
1971	32,890	- 9.3	221,418	-7.3
1972	36,347	10.5	236,680	6.9
1973	40,328	11.0	252,650	6.7
1974	42,309	4.9	261,235	3.4
1975	37,446	-11.5	243,166	-6.9
1976	40,988	9.5	243,959	.3
1977	40,530	- .9	233,616	-4.2
1978	41,888	3.4	236,875	1.4
1979	49,866	19.0	251,901	6.3

Source: Taxation Statistics, Revenue Canada, Table 12, various years.

From the perspective of percentage change, the increase in the number of women declaring income as proprietors has typically been greater than that of men. However, the absolute numbers of the latter are significantly higher. The smaller base of women owner/managers would also be partially explanatory for the relatively large swings in number (for example, negative in 1967, 1971 and 1975; positive in 1968 and 1979).

In absolute terms the number appears to be very small; but when those business owners not reporting taxable income are added (see Table 3, page 4), the total number is considerably larger. In fact, the split roughly between those reporting taxable income and those with no taxable income is 45%:55%.

Relative Profitability

The relative profitability of those business proprietors reporting taxable income is indicated in Table 2.

Table 2

Total Taxable Income of Men and Women Business Proprietors

<u>Taxation Year</u>	<u>Total Income Women \$ ('000)</u>	<u>Total Income Men \$ ('000)</u>	<u>Avg/Proprietor Women \$</u>	<u>Avg/Proprietor Men \$</u>
1964	84,147	1,194,198	3,758.	5,919.
1965	91,092	1,304,631	3,881.	6,207.
1966	106,703	1,431,072	3,978.	6,401.
1967	115,993	1,483,201	4,962.	6,542.
1968	129,256	1,568,117	4,216.	6,734.
1969	151,294	1,657,788	4,270.	6,955.
1970	161,445	1,662,615	4,450.	6,959.
1971	166,566	1,725,949	5,064.	7,795.
1972	194,743	2,033,261	5,358.	8,591.
1973	248,568	2,485,743	6,164.	9,839.
1974	313,184	3,013,863	7,402.	11,537.
1975	346,757	3,266,074	9,260.	13,431.
1976	409,142	3,488,756	9,982.	14,301.
1977	443,370	3,586,412	10,939.	15,352.
1978	504,162	3,950,276	12,036.	16,677.
1979	617,426	4,388,914	12,382.	17,423.

Source: Taxation Statistics, Revenue Canada, Table 12, various years.

As the table indicates, business ownership has, on average, historically been more profitable for men than for women. The primary reason for this may be the predominance of women business owners in the retail and service sectors where profit potential may be more limited. Other possible causal factors may include different objectives for business ownership (i.e. not as profit motivated); younger businesses, locations, etc.

Total Universe of Business Proprietors

Those people reporting taxable income as business proprietors (Table 1) are only a part of the total universe of business proprietors as Table 3 following indicates. When those not earning taxable income are included, the total numbers of both men and women-owned businesses increase dramatically; however, many of these businesses are at a "micro-scale".

Table 3

All Business Proprietors by Sex
and Total Income

<u>Taxation Year</u>	<u>Women</u>			<u>Men</u>		
	<u>Number</u>	<u>Total Income \$ ('000)</u>	<u>Income/ Proprietor</u>	<u>Number</u>	<u>Total Income \$ ('000)</u>	<u>Income/ Proprietor</u>
1964	15,339	11,673	761.	93,865	171,740	1,830.
1965	16,406	10,047	612.	87,588	158,535	1,810.
1966	42,682	117,414	2,751.	304,438	1,570,505	5,159.
1967	42,996	125,726	2,924.	301,040	1,599,350	5,313.
1968	47,096	139,249	2,957.	304,525	1,677,547	5,509.
1969	52,395	159,866	3,051.	309,283	1,758,752	5,687.
1970	53,694	169,423	3,155.	308,327	1,750,426	5,687.
1971	59,185	187,424	3,167.	308,444	1,865,989	6,050.
1972	61,864	216,879	3,506.	315,872	2,178,159	6,896.
1973	69,505	278,700	5,449.	330,051	2,643,817	8,010.
1974	71,106	349,299	4,912.	331,782	3,177,423	9,577.
1975	74,819	417,197	5,576.	338,500	3,564,137	10,529.
1976	83,939	492,562	5,868.	346,739	3,825,344	11,032.
1977	90,889	409,142	4,502.	243,059	3,488,756	14,301.
1978	115,299	675,192	5,856.	369,906	4,545,076	12,287.
1979	130,230	788,284	6,053.	365,920	4,879,168	13,334.

Source: Taxation Statistics, Revenue Canada, Table 12.

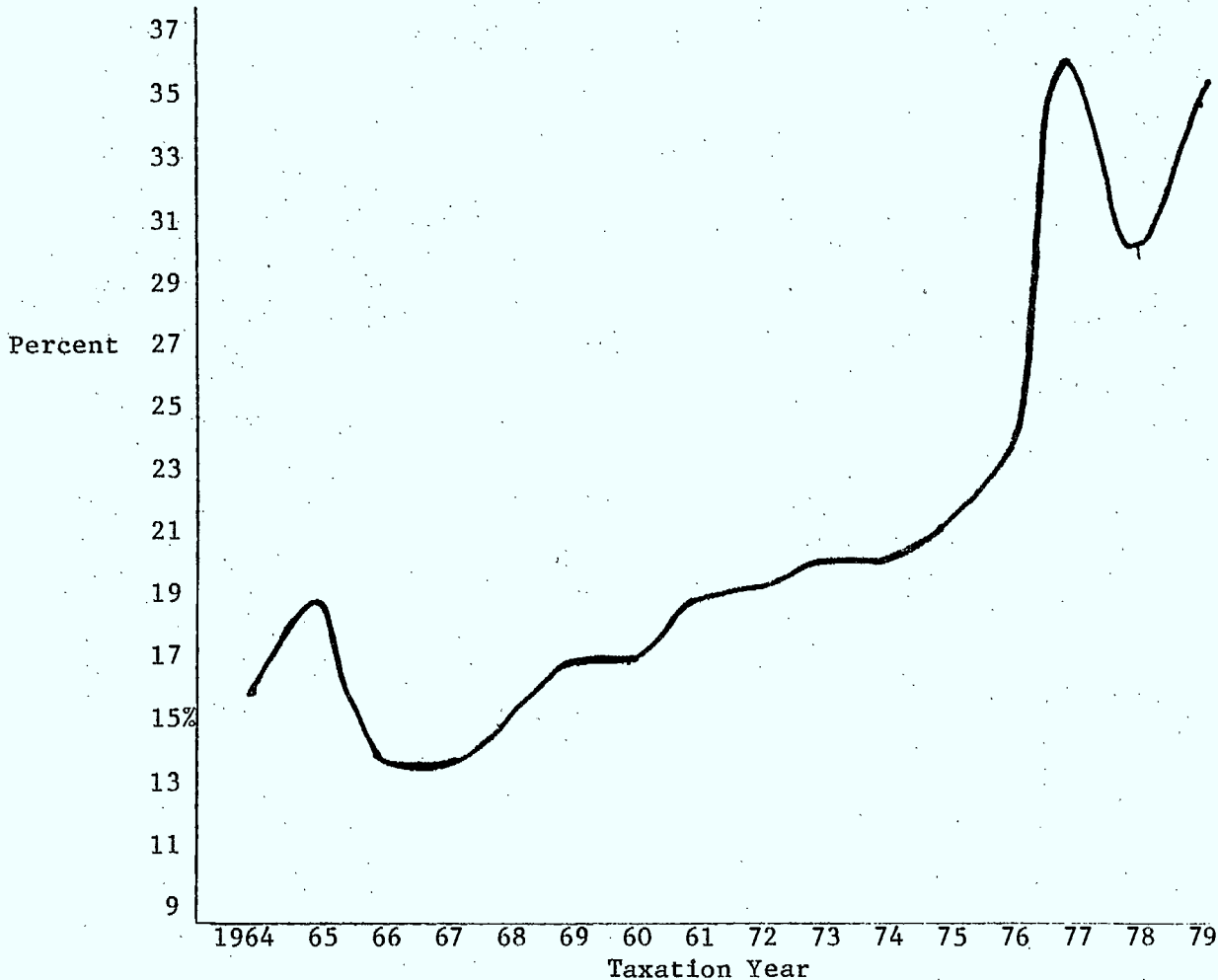
Here again, the trend toward business ownership being more profitable for men than for women on average is borne out, although the overall dollar amounts are significantly lower for both, since here the very small business operations would also be included to bring down the average. A calculation of the relative median income might be a better indicator of relative profits earned.

Women Proprietors as a Percentage of Men Proprietors

It is also interesting to calculate the number of women business proprietors as a percentage of the number of their male counterparts. As can be seen from Table 4, the proportion is increasing rapidly. There may be a number of hypotheses advanced for the substantial variation in numbers in recent years including the change in economic conditions, social phenomena, etc. A more accurate determination of causal factors cannot be made at this time.

Table 4

Number of Women Business Proprietors as a Percentage of the Number of Men Business Proprietors



Source: Calculated from Table 3.

As the proportion of women entering the paid labour force increases, so can the number of women starting their own businesses be expected to increase. No conclusions can be drawn at this point about the relative "survivability" of women-owned businesses as compared to those owned by men.

The overall conclusions that can be drawn, then, with a degree of confidence from these statistics are that:

- the number of women becoming business proprietors is generally increasing at a substantial rate; typically more quickly than the rate of increase for men (although the absolute number of the former is still considerably smaller). The American Inter-agency Task Force on Women Business Owners found in the census data that they compiled, that the growth rate for self-employed women as a group was three times that of self-employed men between 1972 and 1977;
- the number of women owners expressed as a percentage of the number of their male counterparts is increasing and approaching the 40% mark, still somewhat lower than the participation rate of women in the paid labour force as a whole (currently at about 50%);
- women-owned businesses tend to be less profitable on average than men-owned businesses. Reasons for this are only hypothetical as yet but could include: different sector distribution, younger businesses, different motivations, among other factors. This finding was true as well for the U.S.; in 1975 self-employed women earned about one-third the amount earned by self-employed men.

The following section summarizing a research project on women entrepreneurs contracted by the Small Business Secretariat of the Department of Industry, Trade and Commerce to Queen's University, School of Business, casts further light on some of the more subjective aspects of women business owners.

RESEARCH CONTRACT TO QUEEN'S UNIVERSITY

Purpose, Scope and Methodology

In order to expand the knowledge base regarding the characteristics of women business owners and to establish, insofar as possible, whether these entrepreneurs have unique difficulties over and above those that the average small business owner would have, the Small Business Secretariat in December 1980 contracted a pilot study with Queen's University, Kingston, Ontario. The focus was finding out more about this increasing segment of the small business population and confirming or rejecting some hypotheses that have become current belief.

In order to carry out this task, a detailed questionnaire including 47 questions was developed with input from a number of sources, including a test group of women business owners themselves. This questionnaire attempted to develop knowledge in seven broad subject areas: the characteristics of the present business; a previous business profile; the entrepreneurial background of these women; their business contacts; their use of government programs and services in initiating and operating their businesses; the financing of their current enterprise; and the major problems facing women in owning and operating a small business.

Some 275 women owner/managers in Southern Ontario, including 23 whose businesses had terminated operations, whether voluntarily or involuntarily, responded to the survey.

Generally, a telephone pre-screen was done of the names on a mailing list obtained from Dun and Bradstreet; arrangements were then made for the later completion of the questionnaire.

Although a definite mix of women business owners in the sense of sector representation, geographic area, degree of success, background, etc. was obtained, it cannot be said that the survey respondents are representative statistically, of either Canada or Ontario. It is reasonable to conclude, however, that the results might approximate the situation of women business owners in most larger urban areas across the country.

Conclusions of the Study

Based on the survey questions, some conclusions from the work for Ontario appear as follows; where material is available from the U.S., this is referred to.

More than two-thirds of the respondents had started their businesses rather than inheriting them or buying existing businesses. The fairly commonly held view that women inherit their businesses "does not hold water", at least as far as this sample shows. Interagency Task Force¹ fundings in the U.S. further substantiate this point that women business owners had created - rather than inherited - their enterprises, for the most part, and had started them alone without a partner or a spouse.

Some 90% of the respondents had been owners of their businesses for fewer than fifteen years; almost 75% had been owners for fewer than three years, so the trend of an increasing number of women entering the business world as owner/managers is a relatively recent one. In the U.S., most women entrepreneurs had started their businesses in recent years after having been in the work force for some time. They had also typically maintained a family as well as a business.

¹ The Bottom Line: Unequal Enterprise in North America: The President's Interagency Task Force on Women Business Owners, 1978.

Nearly half of the businesses had been in operation for five or fewer years and about two-thirds of the owner/managers specified that they rented business premises downtown.

Only a small percentage of the women surveyed owned more than one business; enterprises were primarily in the retail sector with the second largest sectoral representation being from the service sector. The typical woman business owner in the U.S. ran a white collar business in the retail or service sector.

Small businesses owned and operated by women are relatively large employers - particularly of women. If the few really large employers are netted out, the average employment figure (full and part-time) was 5.57 with a median of 4. Women accounted for some 80% of all employment within the businesses surveyed. This could well be due to the nature of the enterprises. No material on this point is available from the U.S. fundings.

The question asked on net income of the businesses was a very poorly answered one: since nominal rather than current dollars were given and because the response rate was poor, the usefulness of the data is limited. The individual responses ranged from several reported losses to a high of more than \$300,000 in a single year.

There was about an equal division between firms that were sole proprietorships and incorporated businesses with a lower percentage of partnerships. There were no publicly held companies and only six were franchise operators. The latter finding is of some interest since women might be expected to be attracted to franchising as a means of limiting initial risk. The nature of the sample may be the primary reason for the low proportion but further study may be warranted.

Four out of five of the respondents had never owned a business previous to their current one. Of those who had owned a previous business, most had sold it rather than merging, liquidating or going bankrupt.

About one-third of the respondents were born outside of Canada but about one quarter of these women were ten years or younger when they came to Canada. The study found a very close correlation between having come from a family that owned a business, having another member of the family as a business owner, and being the owner of a business. Research findings on the significant proportion of non-native-born Canadian male entrepreneurs and the positive influence of belonging to an entrepreneurial family would seem to hold true for women as well. This correlation has also been noted in the United States for both men and women.

"Challenge" was ranked as the most important motivational factor for going into business with the next highest ranking being given to "being one's own boss". "Monetary reward" generally received a low ranking although the businesses did seem to provide owners with a significant measure of such reward in addition to the other more subjective attributes. Factors given in the Schwartz study on women entrepreneurs in the U.S. as primary motivations were the need to achieve, the desire to be independent, the need for job satisfaction and economic necessity. The entrepreneurs interviewed there felt that the most important traits for success were a strong ego and a need for achievement. It was also felt that these characteristics applied to men and women entrepreneurs alike.²

In terms of seeking help, "suppliers" were shown to be the most important source, with government agencies ranking far down the list; "friends" were found to be most helpful in a majority of cases with governments and banking institutions typically being given a very poor rating.

Services and programs provided by both federal and provincial governments were often not well used by respondents with reasons cited of "unnecessary" or "not aware of them" for the most part. The fact that some government programs are not applicable to the sectors where women-owned businesses seem to be concentrated may also play a role here. Nevertheless, one can conclude that any information "out-reach" programs undertaken by governments thus far have not been totally successful in reaching this part of the small business sector.

The major part of the initial investment for the business was generally provided by the women themselves and start-up requirements tended to be fairly low. Since these figures were given in nominal dollars, however, they would be inaccurate as a measure of current start-up requirements. In the U.S., most women owner/managers had acquired start-up capital from personal savings with about 30% obtaining it from commercial banks.

Of those who applied to a financial institution for funds, only 6% were turned down; generally documentation on the business was supplied to the financial institution. This would tend to indicate that, at least in urban areas, the view that women applicants to banking establishments are systematically discriminated against can be questioned. This observation could not necessarily be made, though, for women business owners or potential owners in more outlying areas. In the U.S., about 65% of business owners had applied for bank credit - generally in small amounts (less than \$10,000); this credit was extended to the majority.

² "Entrepreneurship: A New Female Frontier", Eleanor B. Schwartz, Journal of Contemporary Business, Winter, 1976, p. 48.

The operational financing needs of the business seemed to be provided usually by the business itself with suppliers and banks playing an auxiliary role.

As with most small businesses, the women business owners did not tend to have medium or long-term written objectives for their enterprise nor did many of them have specialized managers. Most of the entrepreneurs felt they had either "strong" skills or "sufficient" ones in most of the functional areas, with the weakest one being financial planning and marketing. The American surveys found that women entrepreneurs, as with their male counterparts, tended toward an autocratic management style.

About two-thirds of the Canadian owners surveyed felt that women business owners do not face problems that are any different from businesses in general. In the American case, it was felt that the initial and major barrier experienced for both men and women was discrimination during the capital formation stage, although it was an even greater problem for women. Once the business became established, the problem became less severe, respondents felt.

Of the other one-third of Canadian women business owners, the problems specified included: supplier, salesman or client prejudice; lack of trust; lack of co-operation by lending institutions; negative attitudes toward women as business people; the responsibility of family as well as business; sexual harassment; lack of connections; lack of credibility.

An open-ended question was asked concerning any problems that these business women had encountered with various groups. Problems mentioned with other business operators or suppliers included: unfair business tactics by larger competitors, slow delivery or "tied" supplying, larger businesses getting better prices, etc. Bankers were criticized for: lack of risk-taking attitude; discriminatory attitude to owners who had undergone a change in marital status; lack of marketing and follow-up on loans; requirements for co-signing; collateral, etc. Accountants were mentioned as not being very interested in small accounts and too expensive, pessimistic toward new businesses with losses and, generally, exhibiting a lack of awareness of the nature of industries they were dealing with. Governments were criticized for slowness, paperburden, being generally uncooperative, and providing too little information.

Most business owners belonged to some type of association and felt that these were necessary and useful for purposes of information exchange, contacts, personal growth, etc. Some organizations were specified as being for men only; it was felt that being able to belong to these would be advantageous to women from a business point of view.

A number of suggestions were made on how Canadian government programs for small business could be improved including: making the SBDB available to unincorporated businesses; broadening the scope of various government programs; tightening up unemployment insurance; "one-stop shopping" for small businesses, etc.

Major problems facing the Canadian small business sector today in the view of these owner/managers included such irritants as: high interest rates and inflation; unfair competition from big business; government regulation; lack of capital; lack of management skills; the high cost of labour and employee benefits.

Of the group surveyed that had discontinued operations, some 80% had gone bankrupt with the remainder being voluntary terminations. One business was in receivership at the time of writing. About 80% of the businesses were less than 5 years old.

Of those who discontinued operations, only a small proportion had had previous business experience although the causal factor often noted was the "lack of good management skills and ability". It should be noted here, however, that poor management is not limited to small businesses, either women or men-owned - it is simply more immediately obvious in a small enterprise since few layers of management exist.

The greatest mistake that the majority of American women entrepreneurs felt they had made was in underestimating the costs of operating their business and in marketing their product or service.

Observations

It could be misleading to apply the conclusions of this pilot study done in Southern Ontario to the universe of women owner/managers across all of Canada. Differences in attitudes and perceptions would no doubt be evident; the quality and availability of services to the business sector could differ substantially (particularly between urban and rural areas); and substantial differences in the attitude of the business community toward women business owners would likely be seen.

Despite these reservations, it would appear that in Southern Ontario at least, women owner/managers are gaining a considerable degree of acceptance within the business community and are typically doing reasonably well in young businesses.

Policy Implications

Some overall conclusions or implications that emerge from this work on women owner/managers are listed below.

1. The private sector, academic institutions and governments should be aware that more and more women are becoming part of the paid labour force as owner/managers as well as employees. This phenomenon may necessitate changes in the way in which problems and opportunities have traditionally been regarded.
2. Women business owners are not willing to accept being treated as "second class business owners". Their commitment is as strong as that of their male counterparts and business ownership is not a part-time occupation.

3. Women owner/managers do not want special programs to be developed on their behalf. Rather, they wish to be treated as equal members of the small business community. (For example, the spousal tax deduction was a first move toward making the tax system equal for men and women business owners).
4. Provincial departments of labour or industry should try to become more aware of the need of this segment of the business community to be recognized in its own right.
5. Societal phenomena that may be rooted in stereotypes and are still prominent in the business sector, for example, sexual harassment, should be eliminated. Instances of such harassment on the part of officers of federal and provincial institutions, governments, suppliers, etc. should be reported in writing to the senior management of the institutions in question.
6. Governments and the private sector should become more attuned to the needs of small business owners, women and men alike.

Characteristics of Women Entrepreneurs

The 1972 Census contained no information on the individual entrepreneur but the Task Force looked at available demographic data to piece together a picture of the self-employed woman. In addition, an article was published recently in the Journal of Contemporary Business, "Entrepreneurship: A New Female Frontier", which deals to a greater extent with the characteristics of a small group of women entrepreneurs in the United States.² The findings in both cases are discussed.

A. Interagency Task Force

The material compiled by the Task Force from demographic data showed that the self-employed woman:

- was typically in her mid-forties;
- in 1975, earned about one-third the amount of self-employed men;
- ran primarily white collar businesses in the retail or service fields.

The Task Force also noted from the census data that the growth rate for self-employed women as a group was three times that of self-employed men between 1972 and 1977.

New material developed by the Task Force from their own inquiry showed that:

- although most women entrepreneurs had started their businesses in recent years, they had been in the work force for several years prior to that time;
- they had created - not inherited - their businesses and had started them alone without a partner or spouse;
- they had typically maintained a family as well as a business;
- most had acquired start-up capital from personal savings with about 30% obtaining it from commercial banks;
- about 65 percent had applied for bank credit - more than half for only \$10,000 or less - and this credit was extended to the majority;

² "Entrepreneurship: A New Female Frontier", Eleanor B. Schwartz, Journal of Contemporary Business, Winter, 1976

- the woman entrepreneur exhibited a strong entrepreneurial drive and had "an uncanny ability to redirect negative situations and attitudes to her advantage."³

2. "Entrepreneurship: A New Female Frontier"

The purpose of the Schwartz study was "to discern the set of characteristics, motivation and attitudes of female entrepreneurs."⁴ Although the survey was a small one and was not statistically random, many of the results closely mirror those of the larger Census exercise and inquiry by the previously discussed Interagency Task Force. The findings of her study were that:

- the major motivators for becoming entrepreneurs were perceived to be the need to achieve, the desire to be independent, the need for job satisfaction and economic necessity.

The literature survey done by the author to determine what motivated male entrepreneurs led to the conclusion that all entrepreneurs, regardless of sex, had similar motivations for starting a business.

- the women entrepreneurs interviewed felt that the most important traits for success were strong ego and achievement.
- most of the women entrepreneurs tended toward an autocratic management style.

Again this characteristic has been found to be typical of male entrepreneurs. Indeed, the business often encounters problems when it becomes slightly too much for one person to handle since the owner/manager has not been accustomed to delegate. Generally, the women owner/managers interviewed had not been in existence long enough to determine if this problem would exist.

- the initial and major barrier experienced was felt to be credit discrimination during the capital formation stage. Many of the interviewees felt that credit had been denied because they were women. They did note, however, that once they were established, this problem tended to become less severe.

Acquiring the capital necessary to start a business was felt to be a problem that applied equally to men and women but these entrepreneurs felt it to be a greater problem for women.

³ The Bottom Line, *ibid.*, p.5

⁴ "Entrepreneurship: A New Female Frontier", *op.cit.*, p.48

- the greatest common mistake that the majority of female entrepreneurs felt they had made was underestimating the cost of operating their business and marketing their product or service.

Lack of experience and success in handling money has been shown to be a major problem for male entrepreneurs as well. A Dun and Bradstreet survey indicated that inept management was a contributory factor in nine out of ten business failures.

- the women entrepreneurs felt that both men and women had entrepreneurial qualities that could be developed and enhanced.

The qualitative work done for the Interagency Task Force and by Professor Schwartz indicate that entrepreneurial motivations are the same for both men and women. Coupled with these motivations must be relevant skills in order to make a successful small business entrepreneur, regardless of sex.

Summary of the Findings of the Interagency Task Force

The major quantitative and qualitative findings of the Task Force have already been addressed; this section will address other key findings and recommendations. First of all, it was found that women face obstacles in entering entrepreneurial ranks. These emanated from two sources:

1. An educational system that reinforces obsolete sexist distinctions through sex stereotyping, and provides an inadequate education to women for non-traditional careers; and
2. De facto sex discrimination, both subtle and overt.

The Task Force concluded that in capital markets, the problems faced by the woman entrepreneur are over and above those normally faced by any small business person; not only does she encounter the problem of loans to small business being seen to be unprofitable by banks, but also because of educational background she may be less prepared to understand the complexities of financing. Furthermore, she is hampered by the poor perception of her capabilities on the part of financial institutions. In summary, "After months of research and evaluation, the Task Force has concluded that if starting a new business is considered difficult, it is considerably more difficult for a woman."⁵

Following on this conclusion, a wide-ranging set of recommendations was made in the Report covering the aspects of recognition, data assessment, education, management training and technical assistance, credit and capital formation, marketing and procurement, legislation and regulations and federal business program assessment. A copy of these is attached.

⁵ The Bottom Line, *ibid.*, p.7

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