HC 1111 1111 .M5

I cro-Economia de la companya della companya della

With the special report:

Shattering the Glass Box?

ndustry Canada Library - Queen

FEU 11 1999

Industre Careda Bibliothèque - Queen Third Quarter, 1998

Micro-Economic Analysis Directorate, Industry & Science Policy Sector, Industry Canada. This document is also available on the Internet at http://strategis.ic.gc.ca/sc_ecnmy/mera/engdoc/04.html

Ticro-Economic Ontito

With the special report:

Shattering the Glass Box?

ndustry Canada Library - Queen

FEV 11 1999

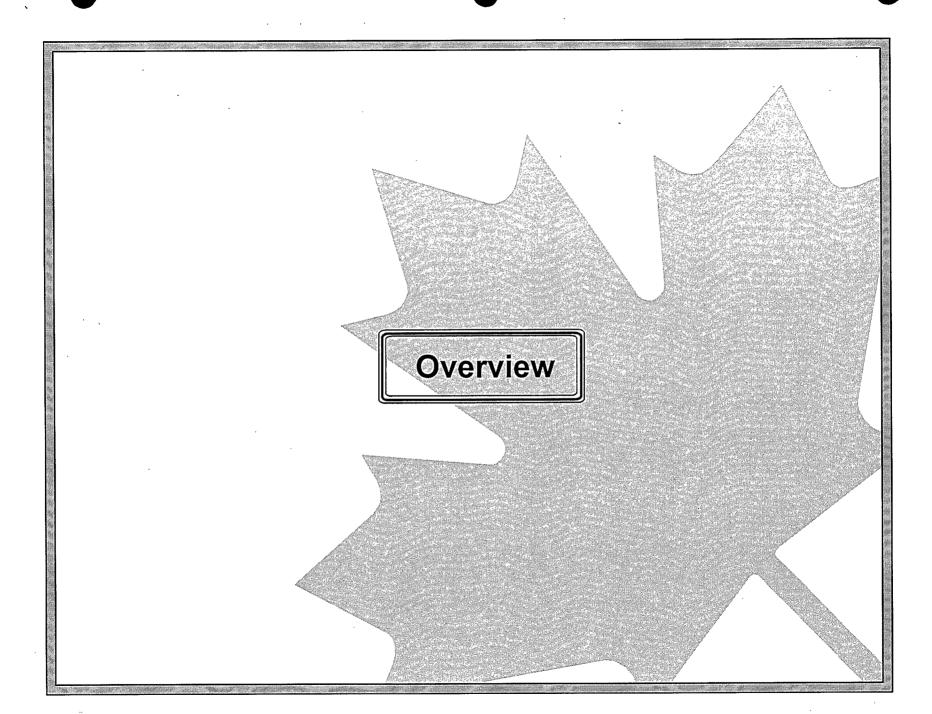
Industre Careda Bibliothèque - Queen Third Quarter, 1998

Micro-Economic Analysis Directorate, Industry & Science Policy Sector, Industry Canada.

This document is also available on the Internet at http://strategis.ic.gc.ca/sc_ecnmy/mera/engdoc/04.html

Table of Contents

Overview		Α
Domestic Scene	10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -	
Real Economic Activity		В
Income Side		C
Price Movements		D
Labour Situation		Ε
Financial Variables		F
Fiscal Track		G
Competitiveness		Н
International Accounts	@13653E42.60H1080*	. 1
Sectoral Overview		J
Special Feature:	Frankling Frankling State of the State of th	
Shattering the Glass Box ?		10
Introduction		K L
The rapid rise in women's entrepreneurship		∟ M
Recent characteristics & trends	OF STATE OF	N
Keys to future success	PERSONAL PROPERTY.	и О
Concluding thoughts		P
Annexes		Г



Output gains are slowed by weak domestic demand...

Output rose by an annualized 1.8% in the third quarter of 1998, marking the second straight quarter of growth below 2.0%.

- Consumer spending slowed dramatically, held back by falling consumer confidence and worsening household finances. Housing activity declined for the third straight quarter, though some of the recent weakness can be attributed to labour disputes in Southern Ontario.
- Investment in plant and equipment was up, though at a much slower pace than in the previous quarter. A sharp reduction in business inventories also cut into output gains in the third quarter.

...but the external sector rebounds strongly

The trade sector was a major bright spot for the economy in the third quarter. Exports rose sharply and imports fell, resulting in a sharp increase in Canada's merchandise trade surplus.

The short-term outlook is for continued sluggish growth, but a modest upturn in the fourth quarter is likely. Production should return to more normal levels in industries recently disrupted by labour disputes, and solid job gains in October and November also point to faster growth late in the year.

More and more Canadian women are making their way as entrepreneurs. Although self-employed women comprise one-third of all self-employed, this group is growing twice as fast as men and are starting almost an equal number of new businesses. This issue's special report "Shattering the Glass Box" shows the important contribution that businesswomen now make to Canada's knowledge-based economy.

Domestic Scene Real Economic Activity

Output growth remains weak in the third quarter...

Real GDP rose 1.8% (annual rate) in the third quarter of 1998, only slightly faster than the modest growth recorded in the previous period.

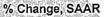
Domestic demand weakened considerably, with marked slowdowns in consumer spending and business investment.

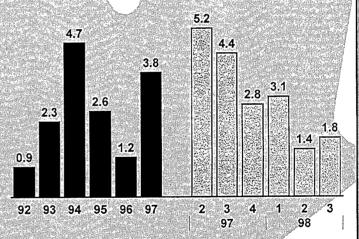
Production was also held back by lower investment in housing and a sharp reduction in business inventories.

However, the trade sector was a key source of strength for the economy in the third quarter.

National Economic and Financial Accounts data, have been revised back to 1993. These revisions indicate that output rose 3.8% overall in 1997, up slightly from the previously-reported 3.7%; 52.44.

Real GDP Growth



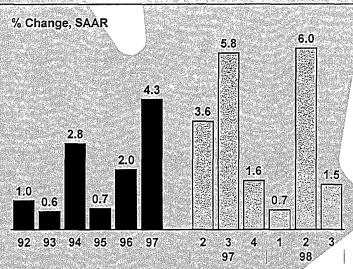


...as domestic demand weakens considerably

Final domestic demand rose only 1.5% (annual rate) in the third quarter, down from a very robust 6.0% gain in the previous period.

Slower growth in consumer spending and business investment contributed to the overall slowdown in domestic demand.

Final Domestic Demand



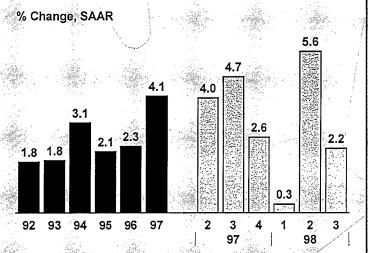
Growth in consumer spending slows...

A pronounced slowdown in spending on durable goods (particularly autos) led to slower overall growth in personal consumption in the third quarter (+2.2% at an annual rate).

- However, spending in the previous quarter had been very strong, boosted by sharply-higher sales of new motor vehicles.
- Fluctuating auto sales (in response to generous dealer incentives) have generated considerable volatility in consumption patterns over the past four quarters.

Slowing consumer spending is consistent with the recent sharp fall in consumer confidence, induced by financial market instability and deteriorating household finances.

Real Consumer Expenditure Growth



...and investment in M&E posts only a modest increase...

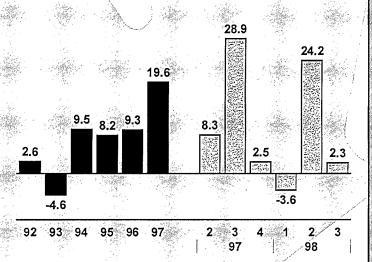
Growth in business investment in M&E fell back in the third quarter following a substantial gain in the second quarter.

 Although spending on Computers was up sharply, investment in Industrial Machinery and Automobiles was down.

M&E investment has now posted slow or negative growth in three of the past four quarters.

Real Machinery & Equipment Investment

% Change, SAAR



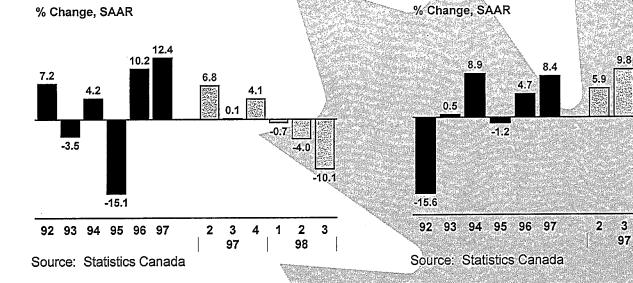
...while activity in the housing sector drops

Real Residential Construction Growth

Real Non-residential Construction Growth

13.5

98



Residential investment fell 10.1% in the third quarter – the third straight decline – with lower spending on both new housing and renovations. Third-quarter results were affected somewhat by labour disruptions in the important southern Ontario housing market.

Growth in Non-residential Construction weakened in the third quarter. Higher spending on non-residential buildings was partly offset by lower engineering construction (particularly oil and gas drilling).

B-5

An inventory correction subtracts from growth...

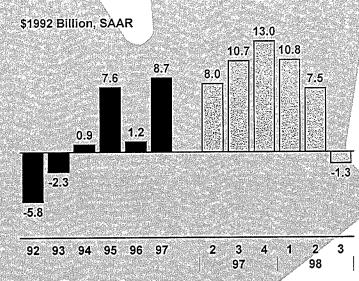
Following sustained increases over the past two years, business inventories <u>fell</u> \$1.3 billion in the third quarter.

- By comparison, inventory levels rose by \$7.5 billion in the second quarter.

Inventory reductions were concentrated in Retail Trade (particularly the auto sector).

 Inventories continued to build in Manufacturing and Wholesale Trade, albeit at a slower pace than in the previous quarter.

Non-farm Business Inventory Investment



...but exports are a major source of strength

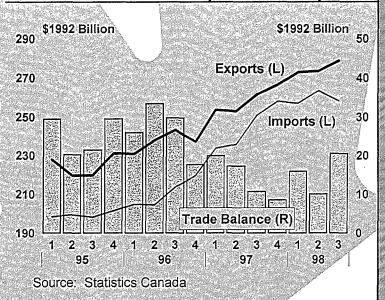
Sharply-higher shipments of M&E (especially computers) resulted in a solid increase in merchandise exports in the third quarter (+7.8% at an annual rate).

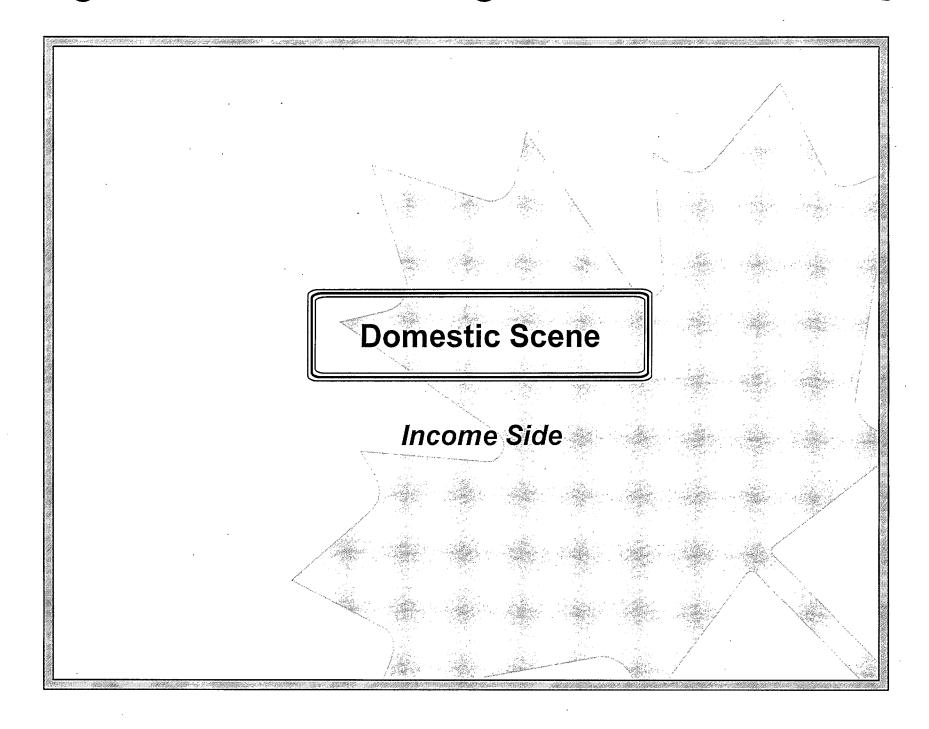
- Exports of most other major commodity groups were down on the quarter.

In contrast, import growth <u>fell</u> 7.8%. The main factor was a sharp reduction in imports of Automotive Products, in line with reduced business inventories.

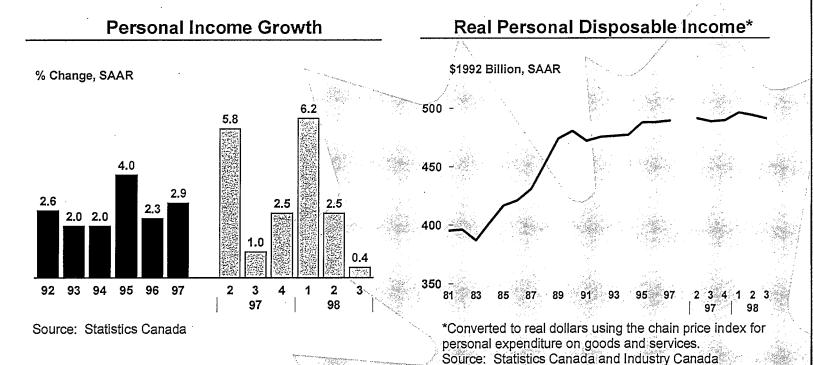
The combination of rising exports and falling imports led to a substantial increase in Canada's inflation-adjusted merchandise trade surplus in the third quarter.

Real Merchandise Exports and Imports





A pronounced slowdown in income growth...



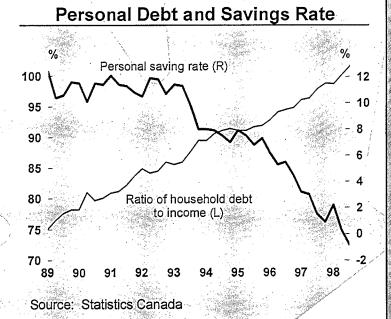
Personal income rose 0.4% (annual rate) in the third quarter of 1998, the slowest pace since the beginning of 1994. Labour unrest held back income gains in the quarter, with strikes, layoffs and/or lockouts affecting payrolls in the Auto, Pulp & Paper, Construction and Education industries. In addition, farm incomes and government transfers were down in the quarter.

The combination of flat personal incomes and higher income tax collections led to the second straight fall in personal disposable income in the third quarter -- wiping out almost all the gains realized over the last year.

...leads to a further deterioration in household finances

With the decline in disposable income, consumer spending was financed by lower personal saving and increased borrowing.

- Indeed, the saving rate fell from an upwardly-revised 0.3% in the second quarter to -0.8% in the third quarter.
- The ratio of household debt to income rose to an all-time high of 101.6%.

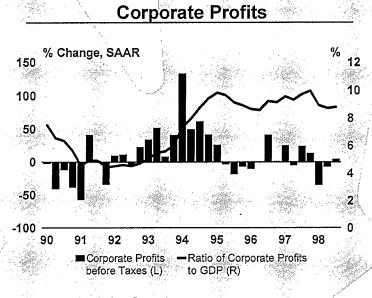


Corporate profits remain down on a year-over-year basis

Corporate profits fell sharply in the first two quarters of the year, hit hard by low prices for key commodities.

Though profits rebounded slightly in the third quarter, they are still down 7.9% on a year-over-year basis.

- Low profits have led corporations to rely increasingly on borrowing (through both short-term paper and in equity markets) to finance investment.



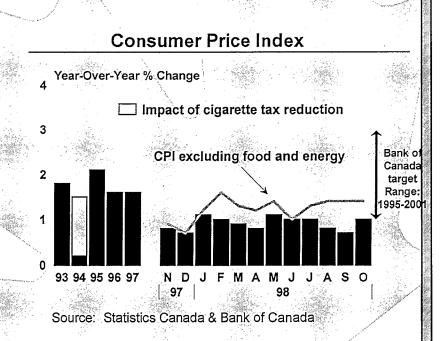
Domestic Scene Price Movements

Inflation remains low...

The year-over-year rate of CPI inflation was 1.0% in October. Inflation has been quite stable since the beginning of the year, fluctuating within a narrow range between 0.7% and 1.1%.

- This range is well below the average inflation rate of 1.6% in both 1996 and 1997.

The "core" inflation rate – which excludes the volatile food and energy components – remained at 1.4% in October, within the bottom half of the official 1%-3% target range.



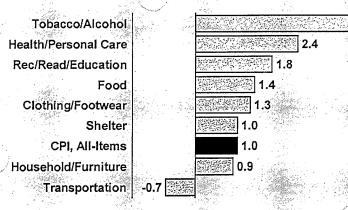
...held down by lower prices for gasoline and computers...

Higher prices for food, university tuition, natural gas and property taxes put upward pressure on the general price level on a year-over-year basis.

The impact of these price hikes were partly offset by sharply-lower prices for gasoline and computer equipment.

Components of CPI: October 1998

Year-Over-Year Price Change

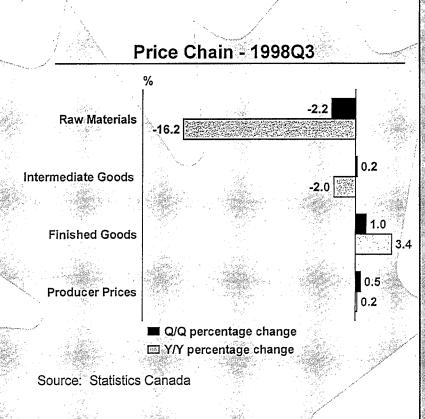


...and stable prices at the factory gate

Weak Asian demand and higher global production continue to put downward pressure on commodity prices.

The falling Canadian dollar raised export prices quoted in U.S. dollars and resulted in a small increase in producer prices in the third quarter (+ 0.5%).

- The lower dollar exerted significant upward pressure on the prices of Motor Vehicles, Paper & Allied Products, and Wood Products.
- Excluding this exchange-rate effect, producer prices would have declined 0.4% on the quarter.



Domestic Scene Labour Situation

Employment growth gathers steam in the last half of the year...

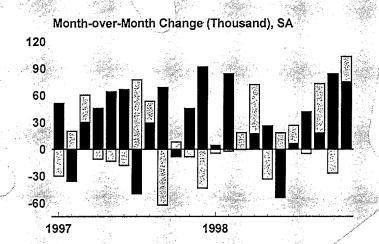
Following a pronounced slowdown in the second quarter of the year, the pace of job creation has picked up considerably in subsequent months.

- Indeed, the net gain of 103,000 jobs in November represents the biggest single monthly jump in employment since 1994.

The Canadian economy has created a total of 425,000 net new jobs over the first eleven months of 1998. This compares favourably to an increase of 372,000 for all of 1997.

- A further encouraging sign is that just over 70% of the net job gains so far this year have been in full-time positions.

Employment Growth



Full-Time 🖂 Part-Time

...with gains in both the private and public sectors

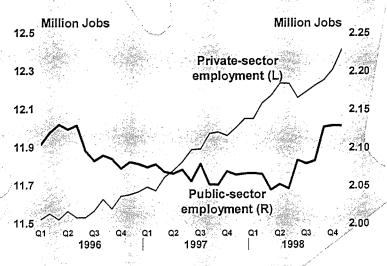
Private-sector job creation stumbled in second quarter, but has since resumed at a very fast pace.

Including these recent gains, employment in the private sector is now up 362,000 over the first eleven months of the year.

- Roughly one-third of this increase is due to a rise in the number of self-employed (+134,000).

After a sustained period of weakness, employment in the public sector has rebounded somewhat in the past six months. To a significant extent, these gains have occurred in the Education and Health Services industries.

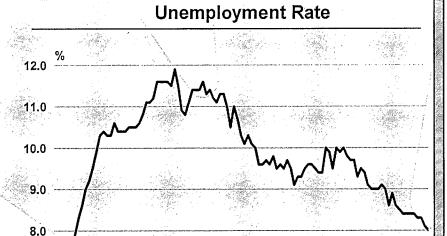
Employment: Private vs. Public



Canada's unemployment rate falls to an 8-year low...

The national unemployment rate was 8.0% in November, the lowest rate since July 1990.

This represents a drop of 0.6 percentage points when compared to the end of last year. The year-to-date decline would have been even larger if not for a sizeable increase in the labour force (up 372,000 compared to employment growth of 425,000).



Source: Statistics Canada

1990

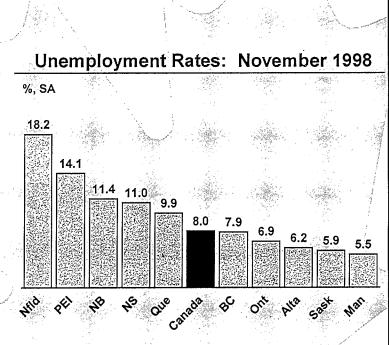
1991

...and is down in most provinces

All provinces except Prince Edward Island have posted net job gains in the first eleven months of 1998.

For most provinces, this has resulted in lower unemployment rates when compared to the end of 1997.

- As of November, only three provinces had higher unemployment rates on a year-to-date basis. In Newfoundland, Saskatchewan and Alberta, increases in the number of new entrants to labour force have more than offset job gains.
- All other provinces have posted declines, led by drops of 1.0 percentage points in New Brunswick, 0.9 points in Ontario and 0.7 points in British Columbia.
- The unemployment rate is also down in Prince Edward Island, where job losses have been matched by an even larger fall in the labour force.



Domestic Scene Financial Variables

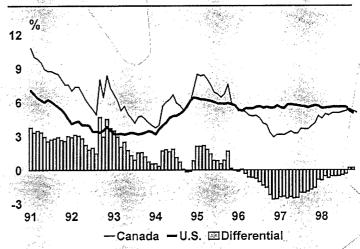
The Bank of Canada matches a series of interest rate cuts in the United States...

The U.S. central bank has lowered its trend-setting federal funds rate three times since the end of September, for a total reduction of 75 basis points.

The Bank of Canada quickly matched these U.S. cuts, prompting corresponding declines in domestic consumer and business lending rates.

- These recent rate reductions by the Bank of Canada have offset three-quarters of the one percentage point increase in the Bank Rate engineered late in August to support the Canadian dollar.

Short-Term Interest Rates



Last data point plotted: November 1998

Source: Bank of Canada, 90-day Commercial Paper, last Wednesday in the month

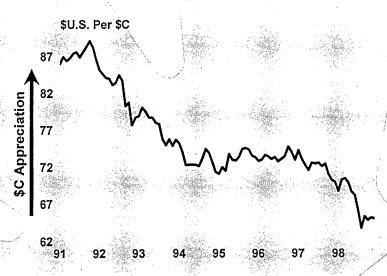
...and the Canadian dollar rebounds from its all-time low

The Canadian dollar has stabilized in recent months after hitting an all-time low of US63.31¢ at the end of August

- The dollar closed at US65.01¢ on December 3, up nearly three full cents from its record low.

Recent reports pointing to an improved outlook for the global economy have provided some stability and underlying strength to the Canadian dollar.

Canada-U.S. Exchange Rate



Last data point plotted: December 3, 1998

Source: Bank of Canada

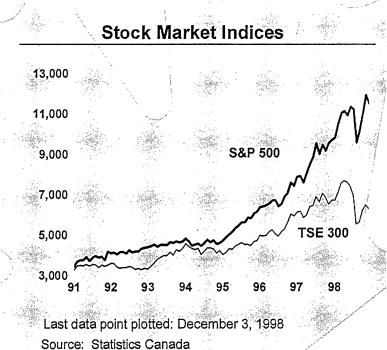
A rebound in equity markets ...

North American equity markets have recovered to varying degrees from the sharp fall in stock prices triggered by financial crises in Asia and Russia last summer.

- Equities staged a massive rally in October following an unexpected interest rate cut by the U.S. Federal Reserve. Indeed, that month the TSE 300 registered its best monthly performance in 14 years.

Canadian stock prices, however, have recovered more slowly than their U.S. counterparts. As of December 3, the TSE was still down about 20% from its recent peak in May.

- By comparison, U.S. stock prices have fully recovered, reaching new all-time highs.



...leads to slightly higher bond yields

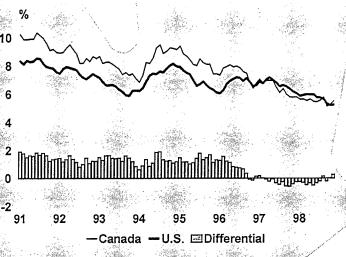
The recent rebound in stock markets has prompted investors to buy stocks and dump bonds – a reversal of the "flight to safety" that had occurred previously when stock prices were falling dramatically. The result has been higher bond yields on both sides of the border.

- By the end of November, Canadian bond yields stood roughly 40 basis points above their recent low in October.

U.S. bonds have generally outperformed Canadian bonds in recent months. Canadian long-term interest rates were more than 20 basis points <u>above</u> comparable U.S. rates at the end of November.

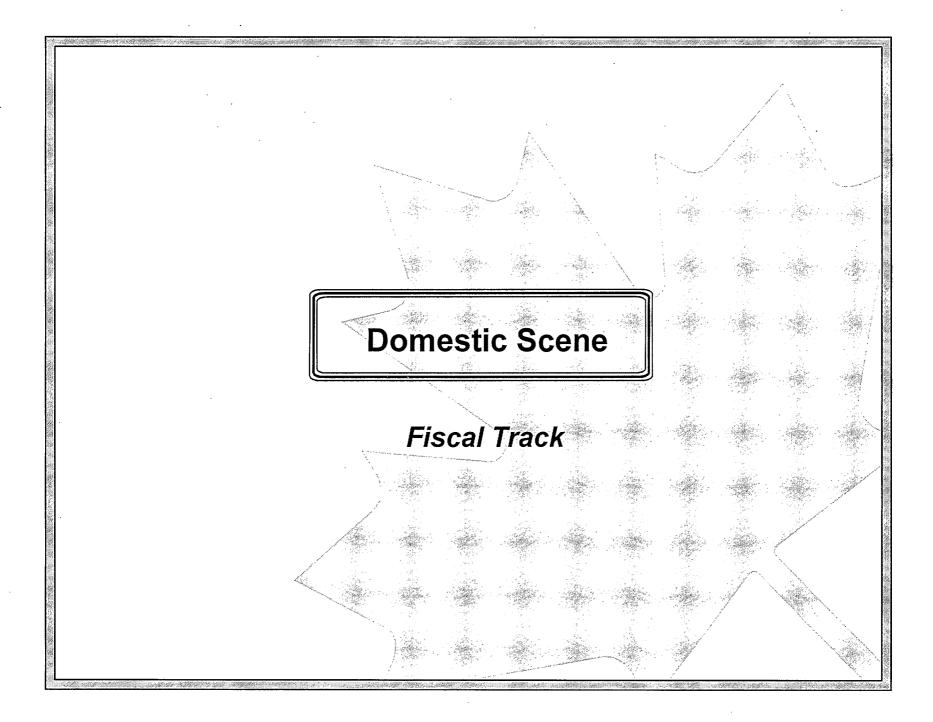
- This is in sharp contrast to the spread in Canada's favour that had previously existed since March 1997.

Long-Term Interest Rates



Last data point plotted: November 25, 1998

Source: Bank of Canada, Government long-term bond, last Wednesday in the month



The federal government posts a surplus in the last fiscal year

Following final end-of-year adjustments, the federal government posted a budgetary <u>surplus</u> of \$3.5 billion in the last fiscal year (1997-98).

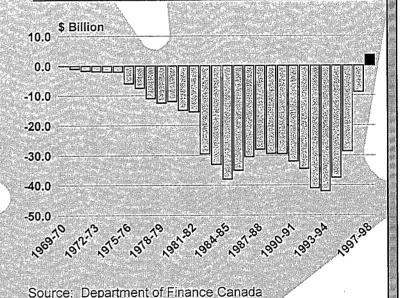
- This outcome the first surplus in nearly thirty years – betters the original projection of a balanced budget, mainly on the strength of higher personal and corporate tax revenues.
- The debt-to-GDP ratio fell 3.3 percentage points to 67.8 per cent last year, the largest annual decline since 1956-57.

Official forecasts for the current fiscal year (1998-99) are for a balanced budget.

- The government is firmly on track to meet this objective. Indeed, over the first half of the year, an estimated surplus of \$10.4 billion was booked.

In addition to progress on the federal side, four provinces and one territory are expected to post balanced budgets or surpluses this fiscal year.

Federal Budgetary Balance Public Accounts Basis



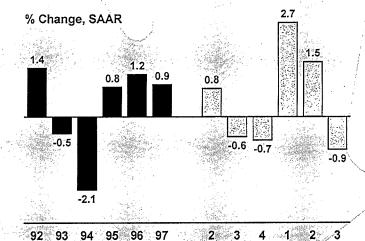
Domestic Scene Competitiveness

Lower unit labour costs...

Unit labour costs declined 0.9% (annual rate) in the third quarter of 1998, with output growing at a faster pace than wages.

- This drop followed sharp increases in unit labour costs in the first half of the year.



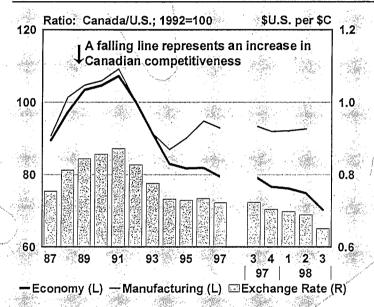


...and the falling dollar improve Canada's competitive position

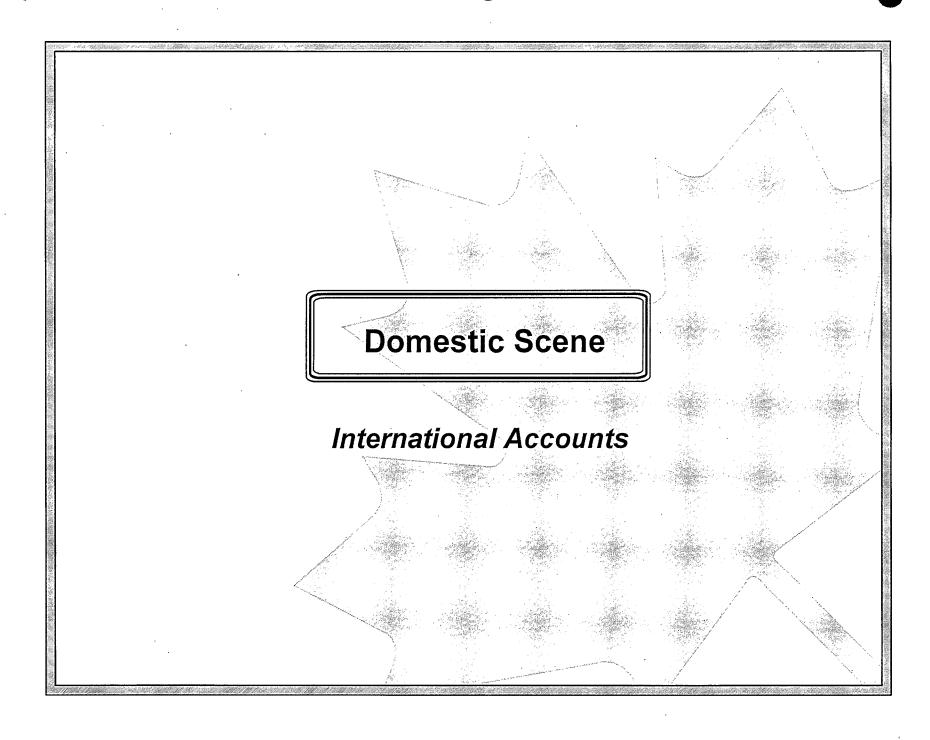
At the economy-wide level, and on a common currency basis, Canadian unit labour costs fell 6.1% relative to those in the U.S. in the third quarter.

- Most of this improvement in our competitive position was due to the weaker dollar, which fell nearly four cents on the quarter.
- In addition, unit labour costs rose in the U.S. but declined in Canada.

Unit Labour Cost Comparison (\$US)



Note: Quarterly manufacturing ULC for 1998Q3 are not yet available. Source: Bureau of Labor Statistics, Industry Canada & Statistics Canada

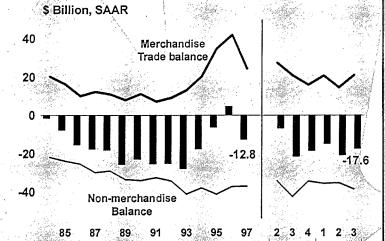


The current account deficit narrows in the third quarter...

Canada's deficit on the current account narrowed to \$17.6 billion (annual rate) in the third quarter.

- A large increase in the merchandise trade surplus more than offset a wider deficit on investment income.

Current Account & Trade Balances



The merchandise trade balance represents net exports of goods.

The non-merchandise trade balance represents net exports of services plus net receipts of investment income and transfers

Source: Statistics Canada

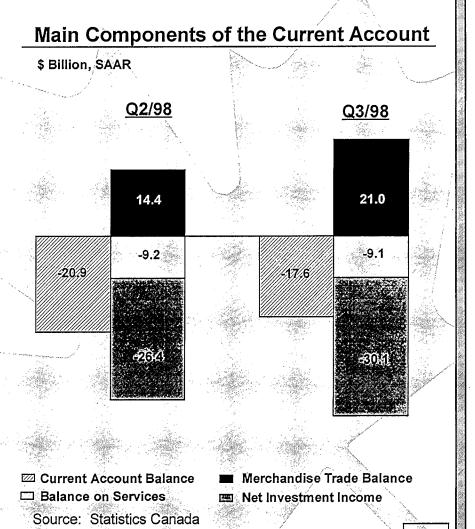
...as rising exports push up the merchandise trade surplus

In nominal terms, the merchandise trade surplus rose \$6.6 billion to \$21.0 billion in the third quarter (annual rates).

- A sharp rise in exports (up an annualized 12.0% in nominal terms), led by higher demand for Motor Vehicles, significantly outpaced import growth (+3.2%).

Canada's deficit on investment income increased to \$30.1 billion (annual rate) in the third quarter, partly offsetting the impact of the higher trade surplus.

- Higher interest payments on foreign-currency denominated debt related to the weak Canadian dollar contributed to the wider deficit.
- Moreover, profits earned by Canadian direct investment abroad fell, while those accruing to foreign investors abroad rose.



1-2

Domestic Scene Sectoral Overview

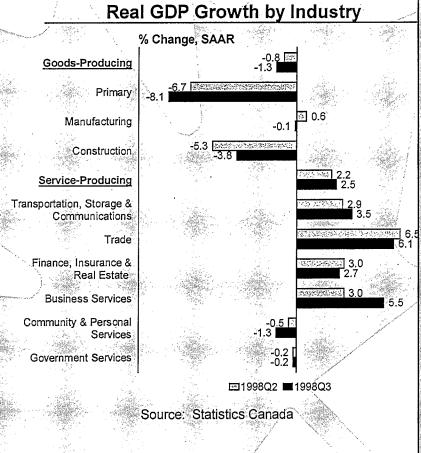
The recent slowdown is concentrated in the Goods sector ...

Output in the Goods-producing industries fell 1.3% (annual rate) in the third quarter, the second decline in as many quarters.

- The Primary industries remain very weak.
 Low commodity prices and weak overseas demand have contributed to falling output in Mining and Logging & Forestry.
- Despite solid gains in August and September, Manufacturing output was still down slightly in the third quarter. Activity early in the quarter had been depressed by auto layoffs stemming from the General Motors strike in the U.S.

Growth was up in the Service sector (+2.5%), boosted by a sharp advance in Business Services.

- Strikes and lockouts in several Ontario school districts led to lower output in Community & Personal Services in the third quarter.



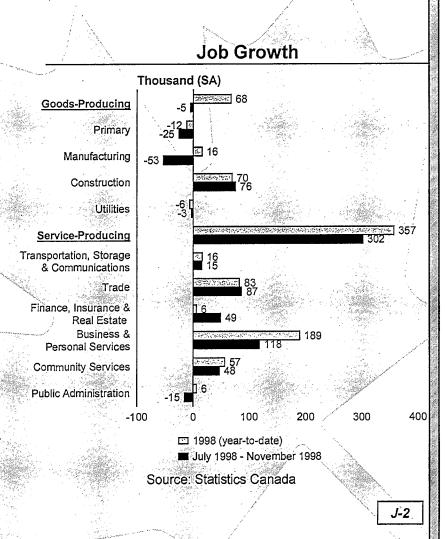
...but the Service sector continues to create jobs...

Service industries are leading job growth this year, with net gains of 357,000 (+3.5%). Most of these gains have come in the last five months (*i.e.*, July to November).

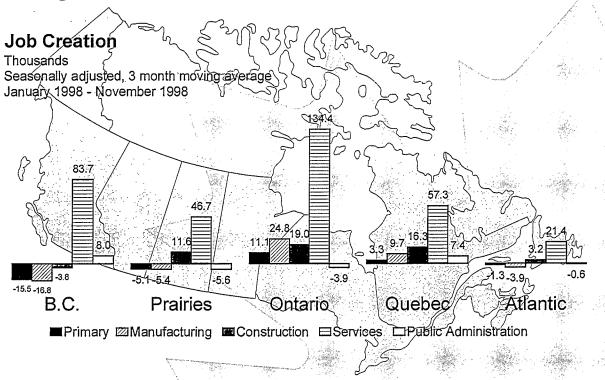
- Employment is up sharply in Business & Personal Services. Retail Trade and Community Services (particularly Health & Social Services) have also recorded substantial increases in recent months.

Though employment in Goods-producing industries is up on a year-to-date basis (68,000 or +1.8%), it has edged down slightly in the past five months.

- Losses in the Primary and Manufacturing industries have contributed to the recent weakness. However, Manufacturing has posted job gains in October and November, pointing to a possible turnaround in this sector of the economy.
- Employment in Construction has picked up considerably in the last five months.



...across all regions



Job gains in the Service sector are reflected across all regions. Indeed, on a year-to-date basis, Service-sector gains have offset net losses in the Goods-producing industries in British Columbia, the Prairies and Atlantic Canada.

In Ontario and Quebec, in addition to substantial gains in the Service sector, the Goods sector has also contributed to employment growth.

Though profits are down on an annual basis...

Corporate operating profits increased 3.7% in the third quarter, but remain lower on a year-over-year basis due to sharp declines in the previous two quarters.

- Operating profits in the non-financial sector rebounded 5.1%, but were flat in the financial industries.

Strong demand for wireless communication products and high speed networks has boosted profits in the Electronic Equipment & Computer industry.

Low commodity prices have kept profits in other resource-based industries down. The resolution of labour disputes in the Ontario construction industry contributed to higher profits in the Wood & Paper industries.

Operating profits in Transportation Services fell sharply in the third quarter. The airline sector in particular has been hit hard by weak demand, the low dollar and a strike by Air Canada employees in September.

Corporate Operating Profits

1	Level (\$M) 98Q3	98Q2 (\$M)	- <u>98Q3</u> (%)	97Q3-98Q3 (%)	Profi Margii (%) 98Q3
Food (including food retailing)	1228	67	5.8	 -:::3.5 ::	2,9
Beverages & Tobacco	600	-53	-8.1	3.4	14.3
Wood & Paper	1439	329	29.7	53.1	7.2
Petroleum & Natural Gas	2554	456	21.7	-23.2	8.8
Other Fuels & Electricity	403	. 3	0.8	-20.0	20.4
Chemicals & Textiles	1409	-130	-8.4	-4.5	7.0
Iron, Steel & Related	378	-75	-16.6	-22.2	7:8
Non-Ferrous Metal & Primary Meta	l 375	85	29.1	-36.0	6.4
Fabricated Metal	676	59	9.6	11.0	6.2
Machinery & Equipment*	625	-48	-7.1	-13.1	4.5
Motor Vehicles & Parts	1494	-283	-15.9	-36:7	3.1
Other Transportation Equipment	253	-96	-27.5	-23.8	4.8
Household Appliances & Electrical	234	20	9.3	29.3	4.3
Electronic Equip. & Computer Serv		647	80.6	68.0	8.2
Real Estate Developers & Operator		-61	-5.7	-6.0	8.2
Building Materials & Construction (161	%-202'-	-55.6	-67.4	1.6
Transportation Services	397	-353	-47.1	4-57.8	3.3
Printing Publishing & Broadcasting		77	9.9	9 20.7	9.5
Telecom Carriers, Postal/Courier	1202	605	101.3	15.8	16.4
Business Services	668	43	6.9	43.7	7.3
Other Services**	662	-39	-5.6	-2.1	5.6
Consumer Goods & Services	1021	-1 29	-11.2	0.4	2,9
Total Non-Financial	19109	919	5.1	-7.5	5.7
Total Finance & Insurance	6503	5	0.1	-13:5	16.2
Total - All industries	25613	925	3.7	-9.1	6.8

Except Electrical Machinery

** Accommodation, Food & Beverage, Educational, Health & Recreational Services

Source: Statistics Canada

...and capacity utilization falls...

Capacity utilization in the Non-farm Goodsproducing industries declined 0.1 percentage points to 85.6% in the second quarter of 1998. This decline, the first in two years, reflected the slower pace of growth in the second quarter.

- In Manufacturing, capacity utilization held steady at 86.2% the highest rate in nearly 20 years despite a substantial drop in Transportation Equipment resulting from the G.M. auto strike in the U.S. The biggest jump in capacity use was recorded by Electrical & Electronic Products, its second strong quarterly advance.
- Capacity use was down sharply in Logging & Forestry and Mining & Quarrying (in the second quarter).
 Strikes in the housing sector also led to lower capacity utilization in Construction.

Capacity Utilization: Non-farm Goods-producing Industries

		100 M			
	Level (%) 1998Q2	Change Q/Q	(% points) Y/Y	10-year Average	Company of the Compan
		145	1.42%		E
Total Non-Farm Goods-Producing	i 85.6	-0.1	1.3	82.1	
Logging & Forestry	72.7	-5.5	-4.6	82.0	200
Mining & Quarrying	86.2	-3.0	-2.7	85.7	l
Crude Petroleum & Natural Gas	82.3	0.5	3.3	83.9	
Manufacturing	86.2	0.0	1.9	80.5	
Manuacumg	00.2	\$ 0.0			
Durable Goods Manufacturing	86:2	-0.7	1.8	79.1	10000
Primary Metals	90.5	-1.8	2.1	88.2	
Fabricated Metals	85.4	19	2.2	77.0	
Transportation Equipment	83.0	-4.8	-3.5	78.7	
Electrical & Electronic Products	92.7	5.8	15.2	77.7	
Lieumana Lieumonio i Toducio				1.5365 7.53753	ľ
Non-Durable Goods Manufacturin	ıa 86.1	0.6	2.1	82,1	Ī
Food Products	82.4	0.7	1.6	80.1	
Paper & Allied Products	90.9	1.3	-1.0	89.2	
Printing & Publishing	83.5	0.2	-0.1	79.8	
Chemical & Chemical Products	91.6	1.0	5.3	75.0 85.2	
Chemical & Chemical Froducts	31.0	BC 1.0	3/2/0.0	, UJ.Z	8
Construction	88.6	-1.5	3.2	85.1	ŀ
Electric Power & Gas	82-1	4.0	-3.7	82.7	l
Electric Fower & Gas	300 Y 27 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Carried Section 1	5.02.10	ľ
Energy	82.3	2.2	-0.4	83.3	
	86.3	-0.7	्राह्मात् ा, 	81.8	l
Total Excluding Energy		-0.7	201.1	01.0	l

Source: Statistics Canada

...wage settlements remain stable

Major wage settlements averaged 1.5% in the first three quarters of the year, down slightly from 1.6% in 1997.

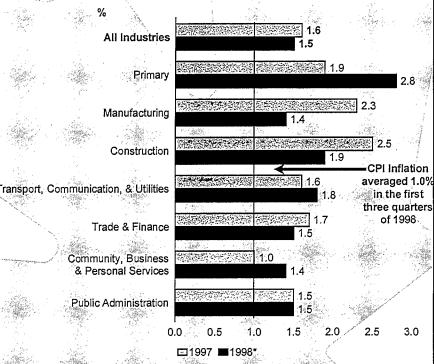
- For all major industry groups, wage settlements have outpaced increases in the CPI so far this year.

Settlements in the Goods sector are generally down compared to 1997, including lower average adjustments in Manufacturing and Construction.

- The large increase for Primary industries (+2.8%) results from only one contract involving 700 employees.

Within the Service sector, settlements are lower for Trade & Finance but stable or higher in the other groups.

Wage Settlements by Industry

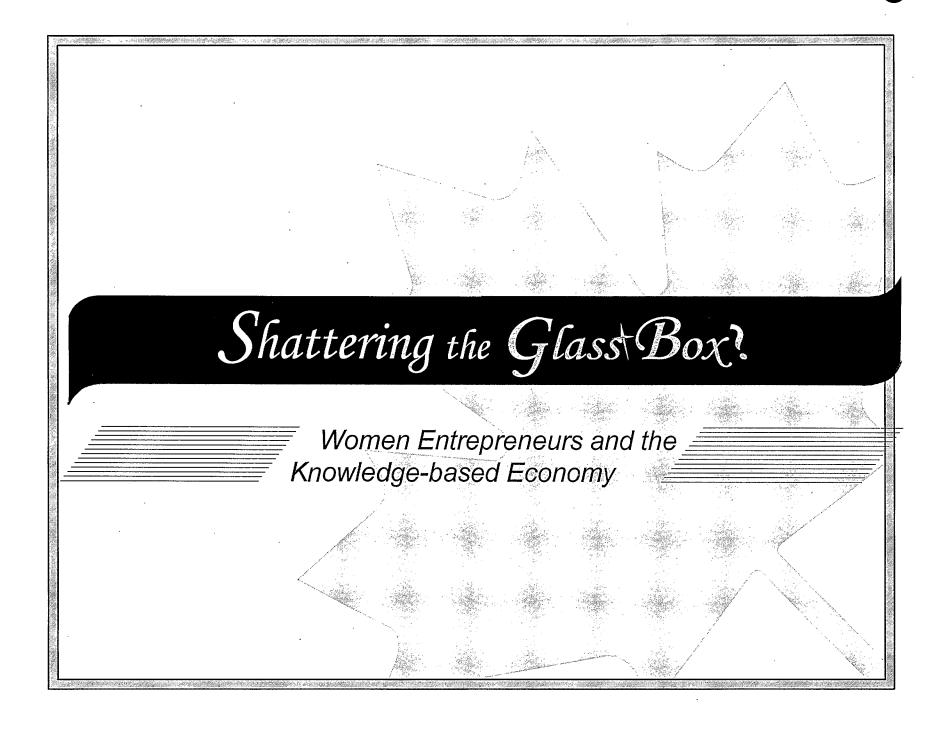


Effective average annual adjustments in base wage rates from major collective bargaining agreements.

*1998 figures include data from January to September inclusive.

Source: Human Resources Development Canada

J-6

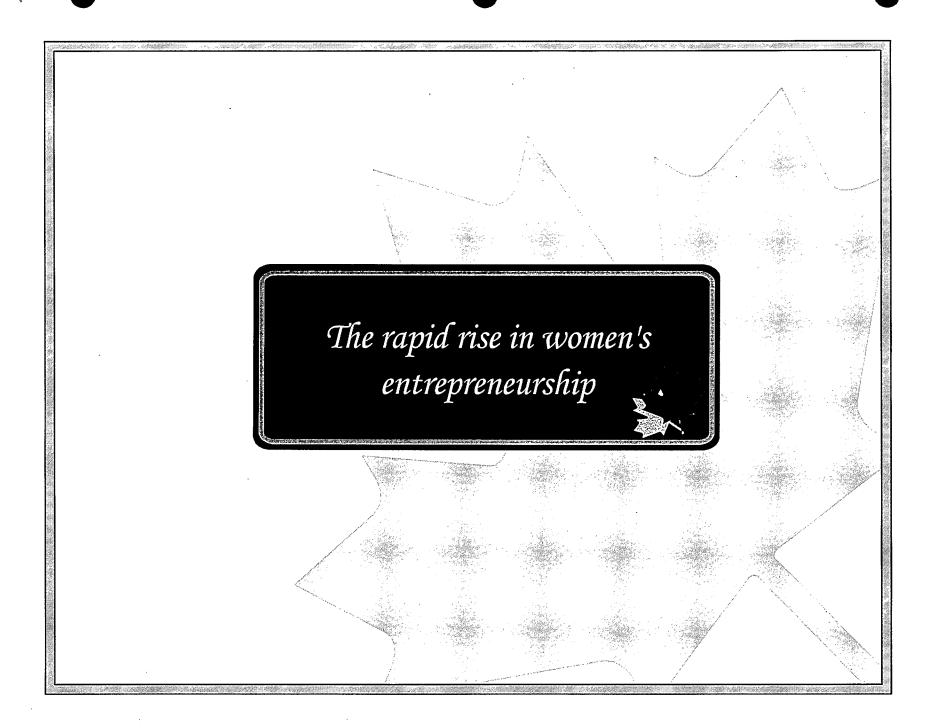


Introduction

The knowledge-based economy is growing all around us, becoming ever more pervasive — and changing the face of business. Not only has this contributed to the rapid rise in female entrepreneurship, but businesswomen are now playing an increasingly key role in helping Canada take fuller advantage of the opportunities associated with the knowledge-based economy (KBE).

This report focuses on the recent rapid rise in the number of self-employed women, across industries and across Canada — with special attention to the fast in-roads they are making in the KBE. At one time, women setting out on their own as entrepreneurs escaped the glass ceiling at peril of being caught in a glass box, unable to take full advantage of all opportunities. But today women are in many ways the leaders of an entrepreneurial wave, starting businesses at twice the rate that men are, including in several industries closely associated with the KBE.

But who are these self-employed women? Are younger women more likely to be self-employed in knowledge-based activities? And are there special concerns/needs for current and prospective women business-owners, especially arising from the KBE? What we find is that women entrepreneurs, many of whom are young and aspiring, are integral to our future prosperity — as doers and shapers in a business culture increasingly characterized by an emphasis on knowledge and new skills. As these areas continue to expand quickly, their role will only become more pivotal.



Women's entrepreneurship is growing quickly...

More women are starting their own businesses.

- And although women entrepreneurs comprise only one-third of all self-employed, their numbers are growing at a rate that is twice that for self-employed men.
- In the process, they are starting an almost equal number of new businesses.

Women are now contributing nearly half of all new businesses.

The self-employed are defined to include incorporated and unincorporated businesses. Data used in this study comes mainly from the Census of Canada and focuses on the population age 15 and over who live in private households: It is supplemented by Statistics Canada data from the Labour Force Survey, and the Survey of Work Arrangements, and select data from the OECD, and the U.S. Current Population Survey.

Recent Growth in Self-Employment

Women

Men

Percent Change 1991-96

20.0%







A) THE HILL THAT IS

1996

621,085

430,305

1991

1,057,630

Net Increase in Self-Employed, 1991-96

190,780

211,265

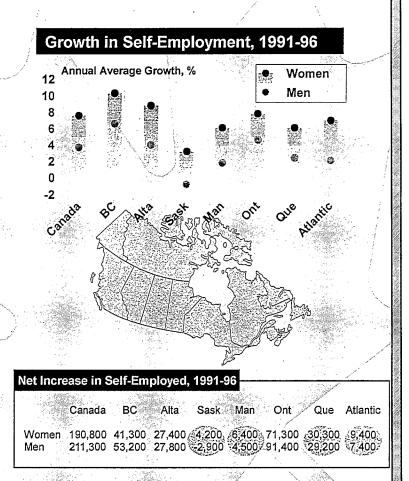
Source: Census of Canada, 1991 and 1996

...right across Canada

Self-employment by women is growing quickly in <u>every</u> province.

- From a low of 3.2% in Saskatchewan to a high of 10.3% in BC.
- In Saskatchewan, Manitoba, Quebec and the Atlantic region, there are more new self-employed women than men.

Entrepreneurship among women is growing strongly in every province.



The strides are remarkable, even on an international scale...

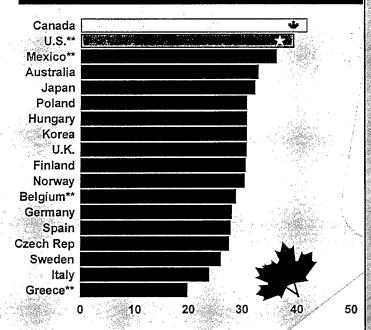
Canada ranks first in the OECD in terms of female representation in unincorporated self-employment.

The U.S. is slightly behind, in second place.

Women in Canada have the highest share of self-employment.

Many countries follow the practice of including those self-employed who are incorporated with paid workers rather than with the self-employed. For this reason, international comparisons of the self-employed are often restricted to unincorporated businesses.

Women's Share of Self-Employed,* 1996



*Only unincorporated businesses, and excludes the farm sector.

** Latest available data is 1992 for Belgium, 1994 for Mexico, and 1995 for Greece and the United States.

Source: OECD, Labour Force Statistics, 1997

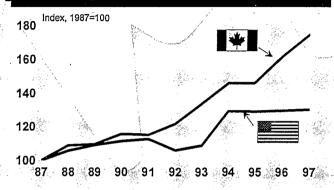
...including relative to the U.S.

In recent years, women in Canada have been making stronger in-roads into self-employment than women in the U.S.

- Growth in the number of Canadian unincorporated businesses owned by women has surpassed that in the U.S. since 1989.
- The percent of working-age women who are self-employed (unincorporated plus incorporated) is now higher in Canada at 8.7% of women versus 7.6% in the U.S.

Women in Canada appear more entrepreneurial than in the U.S., as measured by the proportion of working women who are self-employed.

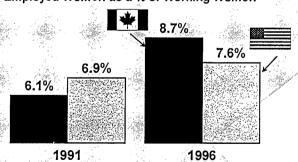
Growth in Unincorporated Businesses Owned by Women, 1987-97



Source: Statistics Canada, Labour Force Survey and U.S. Current Population Survey

Women's Self-Employment Rates

Self-Employed Women as a % of Working Women



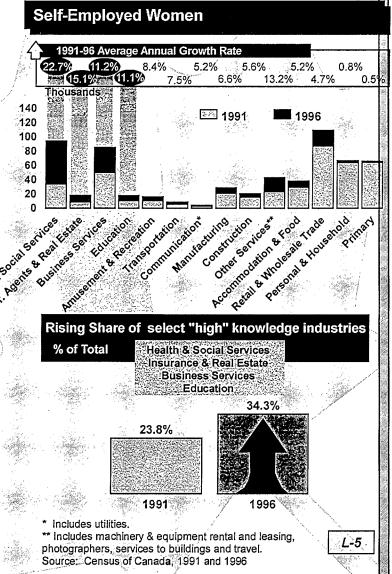
Source: Census of Canada, 1991 and 1996 and the U.S. Current Population Survey (adjusted to Canadian definitions, as compiled and calculated by Garnett Picot, Marilyn Manser and Zhengxi Lin, "The Role of Self-Employment in Job Creation in Canada and the United States," International Conference on Self-Employment, Burlington, Ontario, September 1998).

Women's entrepreneurship is rising "across the board"...

Women are choosing to become entrepreneurs in increasing numbers in all major industries.

This includes small increases in Retail and in Personal & Household services, as well as in Manufacturing and Construction. Growth is especially fast in some of today's higher-knowledge areas — in particular, Health & Social Services and Business Services.

The KBE offers great opportunities, and women are taking advantage.



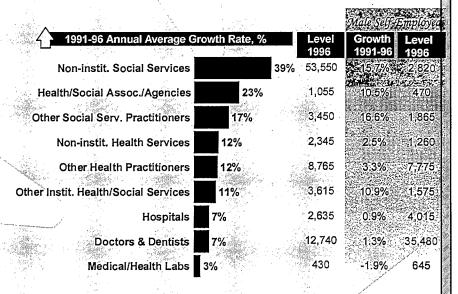
...particularly in Health & Social Services...

The jump in self-employment in Health & Social Services reflects, to some degree, the continuing commercialization of some key social services, such as day-care and child-care.

But enterprising women are also opening their own offices as health practitioners (chiropractors, physiotherapists and optometrists), and social service practitioners (psychologists and social workers).

Women are more prevalent among the self-employed in the Health & Social field — and are growing at a quicker pace.

Female Self-Employed in Health & Social Services



Source: Census of Canada, 1991 and 1996

...and in Business Services

Women are also entering quickly the field of Business Services as entrepreneurs:

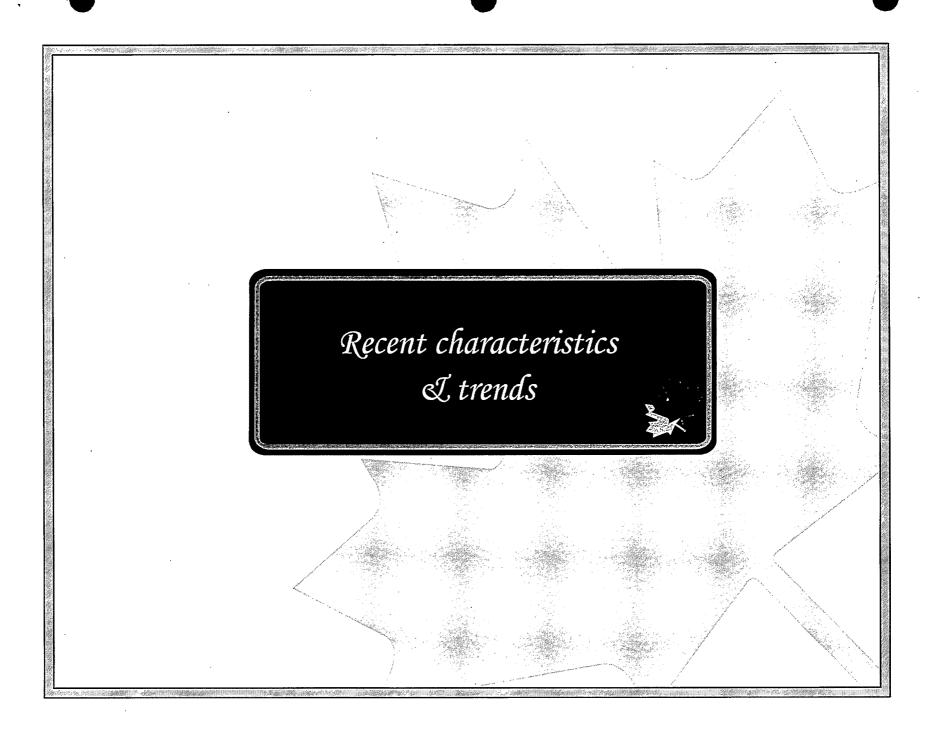
- Growth has been fastest in advertising and in business consulting, but is also significant in many other specialities (i.e. computer services).

Thousands of small businesses and individuals are starting specialized business services. And while self-employed men still outnumber self-employed women, the number of women is growing at a quicker pace in all fields.

Women Self-Employed in Business Services



* Includes Security & Investigation, Credit Bureaus, Collection Agencies, Customs Brokers. Source: Census of Canada, 1991 and 1996



What's behind the growth in women's entrepreneurship?

Women entrepreneurs are drawn by many positive aspects of self-employment.

And they are drawn by expanding opportunities in the KBE. Many of these opportunities are in home-based activities.

The nature of female self-employment is changing.

Three key reasons —



Desire for independence, working at home and schedule flexibility.



New technologies provide new opportunities for people to work for themselves, even from home.



Rise in importance of knowledge. Women play an important role in the more knowledge-intensive services, which are growing quickly.



<u>Together</u>, these are changing the nature of female self-employment.

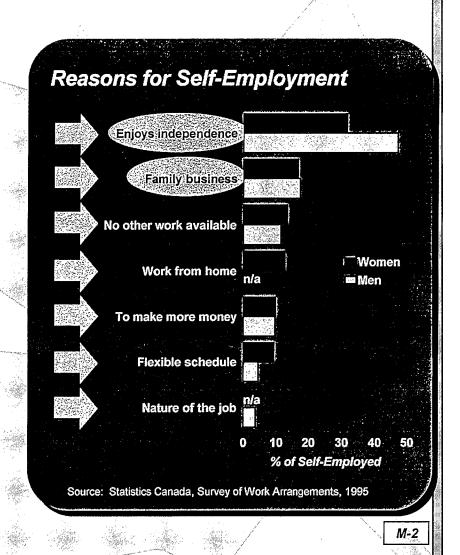
Independence and existence of a family business are top reasons!

At the top of the list of reasons for self-employment, for both men and women, are independence and the prior existence of a family business.

- Many women and men report finding themselves "pushed" into business ownership because other work was not available.

However, working from home and having a more flexible schedule are also among the key reasons. These are given relatively more importance by women business-owners.

Working one's own schedule and building a career around other life responsibilities are pluses for many self-employed women.



While entrepreneurship can be a family trait...

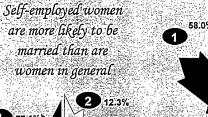
A family business is often a starting point for many entrepreneurs.

Entrepreneurial activity is also frequently a common pursuit of married companions.

 It is noteworthy, that the vast majority of women who are self-employed are married.[†]

A little over half of all married women who are self-employed have a self-employed spouse — many in the same business.

Self-Employed Women by Marital Status







Women in General Population

Married / Common Law

2 Separated, Divorced or Widowed

Single (never married)

Source: Census of Canada, 1991 and 1996

Self-Employed Who Are Married, 1996

4	Women		Men
	50.7%		
a. A.	- 1 mm -		
			26.9%
	Spouse is		Spouse is
1	self- employed		self-
÷	employeu	全国编辑规	employed

Source: Statistics Canada, Labour Force Survey, 1997



M-3

† Includes common law relationships.

...entrepreneurial life is broadening in appeal...

A noticeably growing number of the newly self-employed are single women, starting <u>new</u> businesses.

The number of self-employed women who are single rose 62.6% between 1991 and 1996. This compares to 33.7% for men.

A rising proportion of self-employed women are single*!





*Women who have never married or who are separated, divorced or widowed.

Source: Census of Canada, 1991 and 1996

...with more women able to start new businesses in the home ...

Less-expensive computers and related technology have cut the cost of running small, home-based businesses in a wide range of activities.

More women than men usually work at home, and the gap is widening.

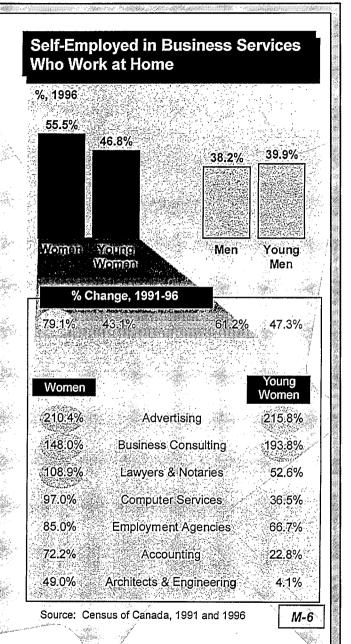


...including Business Services

A fast-emerging area of home-based entrepreneurial activity is in services to business.

This is one area where newer technologies are especially helpful — supporting self-employment in quite knowledge-based activities, even from the home.

Over half of all self-employed women who work in Business Services operate their businesses from their homes.

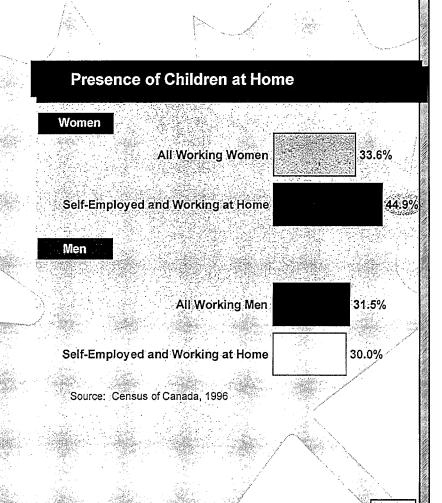


Many can combine work and family responsibilities...

Women more often feel the pressure to balance family with their job, and can use self-employment as a useful option.

- Among working men and women with children, women show a much higher tendency to be self-employed and operate a home business.

For many, balancing work and family is a pressing problem. Home-based self-employment is sometimes a solution.



M-7

...which may increasingly include caring for the elderly

A small but increasing trend among home-entrepreneurs is caring for elderly family members.

Self-employed women working at home show the highest incidence of providing unpaid care or assistance to seniors.

Caring for the elderly is an increasing concern for working people — especially for working women.

Elder Care Providing unpaid care or assistance to seniors: 10 hours or more per week 5 hours or more per week All Working Women Self-Employed... ...and working at home All Working Men 1.4% 1.6% Self-Employed.. ...working at home 2.1% 4% 10% 12% Source: Census of Canada, 1996

M-8

Many are also recent Canadians...

A significant percentage of Canada's entrepreneurs are immigrants.

Similar to the Canadian born population, the number of self-employed immigrants who are women has also been growing.

More than 1 in 5 of Canada's self-employed are new Canadians!

Self-Employed Who Are Immigrants Immigrants as a % of Immigrants as a % of Self-Employed, 1996 Population Age 15+, 1996 23.6% 22.7% 17.5% 17.0% Immigrant Immigrant Immigrant Immigrant Women Men⊮ Women Growth in Self-Employed, 1991-96 44.3% 24.1% 20.0% Women Immigrant **Immigrant** Women Men Net Increase, 1991-96 211,265 190,780 42,325 58,155 Total, 1996 621.085 141,165 299,125 Source: Census of Canada, 1991 and 1996 M-9

...who are contributing to higher-knowledge fields

Many immigrants have arrived under the federal government's Business Immigrants program.

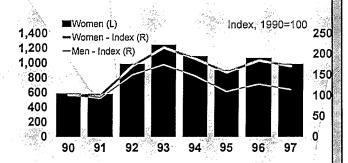
- Women business immigrants have been increasing faster than men.

And on the whole, business immigrants seem well prepared for the KBE.

Immigrants are arriving in Canada with increasingly higher education levels.

Nearly 34% of immigrants aged 25 to 44 who arrived in Canada between 1991 and 1996 had completed university.
This compares to 19% for the Canadian-born population in the same age group.

Women Business Immigrants



Women entrepreneurs, investors and self-employed persons coming into Canada under the Business Immigrant Program of Citizenship and Immigration Canada.

Source: Citizenship and Immigration Canada

% University Graduates

Population aged 25-44

S.	. '			
- 1	Živis	Total	Male	Female
Canadian B	orn	19.3%	18.6%	20.0%
Callaulali D	OHI	13.3 /0	10.070	20.070
Recent Imm	nigrants	ે 33.7%	36.4%	31.4%
(arrived 1991-	1996)			t.
Source: Censu	in of Conn	de 1006 /		

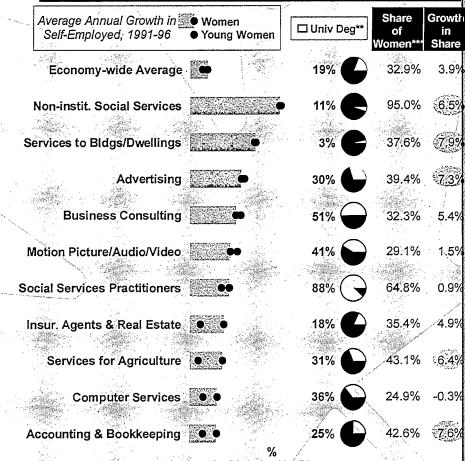
The rising importance of knowledge is sparking change...

Fast-growing areas for women's self-employment include several industries associated with higher education levels.

- Women are comprising a growing percentage of total self-employed in most of these industries.

Rising educational requirements are a distinguishing feature of a knowledge-based economy, which increasingly includes entrepreneurial life.

<u>Top 10 List</u> — Fastest-Growing Industries* for Female Self-Employed, 1991-96



0 10 20 30 40 50 Industries with at least 0.5% of self-employed women in 1996

** Self-employed women with university education as a percentage of self-employed women

*** Self-employed women as a percentage of total self-employed Source: Census of Canada, 1991 and 1996

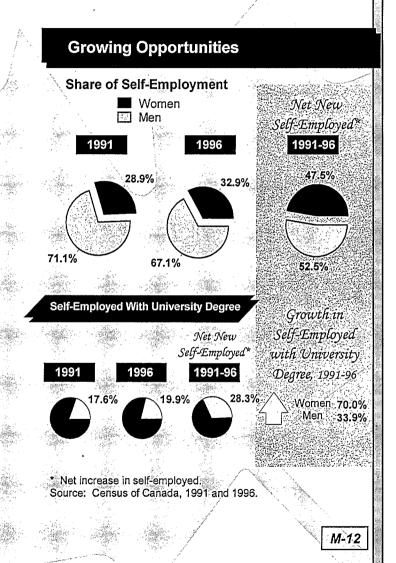
M-11

...and opportunities...

More recent entrepreneurial activities show a higher incidence of university education among self-employed owners.

And among self-employed owners with university degrees, the number of women has been rising much more quickly than the number of men.

Women are taking advantage of opportunities made available in the KBE to contribute a larger share of new businesses, especially in higher knowledge endeavors.



...especially for young women...

Young women are part of this rapid rise in entrepreneurship.

The number of young self-employed women, who are under 30 years of age, rose 30% between 1991 and 1996.

- This compares to a mere 4% increase for young men.

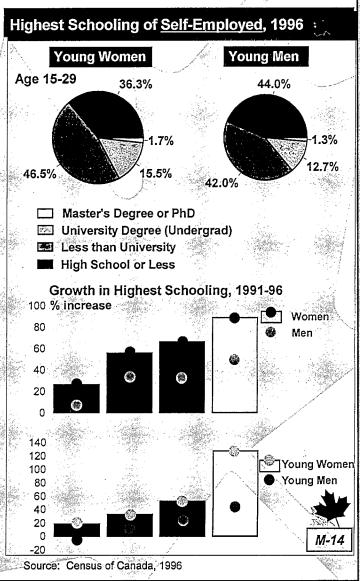
Almost four out of every five businesses started by individuals under 30 years of age are started by women.

Recent Growth in Self-Employment Under the Age of 30 Women Men **Percent Change** 30.1% 4.0% 1991-96 73,210 121,085 56,255 Net Increase in Self-Employed Under 30 Years of Age, 1991-96 4,655 16,955 <u>Or</u> almost for every Source: Census of Canada, 1991 and 1996 M-13

...perhaps because they are in a good position to benefit from the KBE

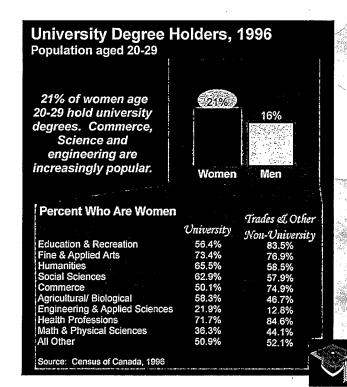
Young women have been more quick to use their education to their advantage in their entrepreneurial life.

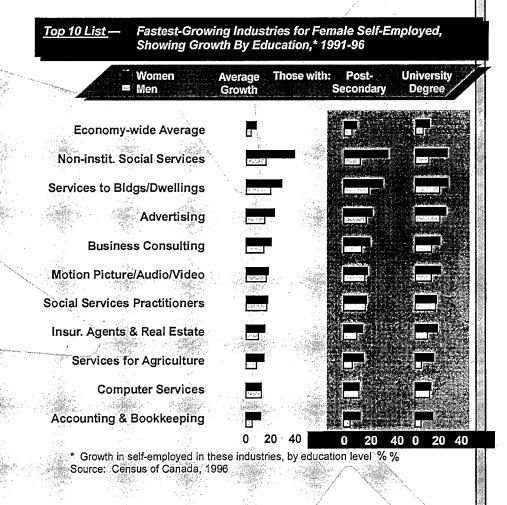
Young women who enter self-employment during the 1990s have generally been more educated and more career-oriented.



Fast -growing areas involve higher education...

In the fastest growing areas of female self-employment, the number of women with advanced education is also rising — more quickly than for the overall economy and more quickly than for men.





M-15

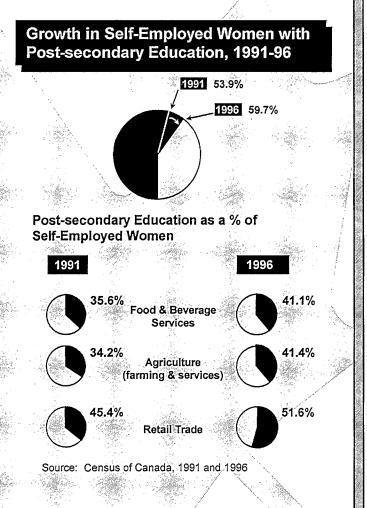
...as do areas traditionally requiring less formal education

Recent entrepreneurial activities show higher incidences of higher education.

Part of the KBE phenomenon is the need for broader, deeper and more extensive skill sets.

Plus, as computers become more powerful and easier to use, more nontechnical fields are affected, creating new opportunities for the better educated.

All industries are becoming more knowledge-intensive, in terms of rising education and skill requirements.
Eg. In agriculture, more knowledge is embodied in machinery and techniques involving chemicals, fertilizers and best crop varieties.



Self-employed women are shifting to higher-knowledge activities!

Within industry groups, there is also a shifting by women entrepreneurs into segments requiring higher education.

Women entrepreneurs are "climbing the ladder" within broad industry classes, growing more quickly in those segments which rely on and use knowledge more intensely.

Growth Within Indus Self-Employed Women, 199			~
	With Univ. De 1996	9,7	Increase 1991-96
Services to Agriculture	31	.3% 🖒	95.69
Agriculture	7.	9% Ţ	7 -1.5°
	· Annual Control of the Control of t		
Wholesale Trade	14	l.5% {\	48.59
Retail Trade	(P) 11	.5% 🏠	22.39
Business Consulting	() 33	3.8% <i>4</i> }	151.3
	(A) 24	i.8% 〈	75.8
Accounting & Bookkeeping			
Motion Pictures/Audio/Video	41	.5% 🚄	126.6
Amusement & Recreation	29	0.2%	49.4
			
Source: Census of Canada, 1991 a	and 1996		

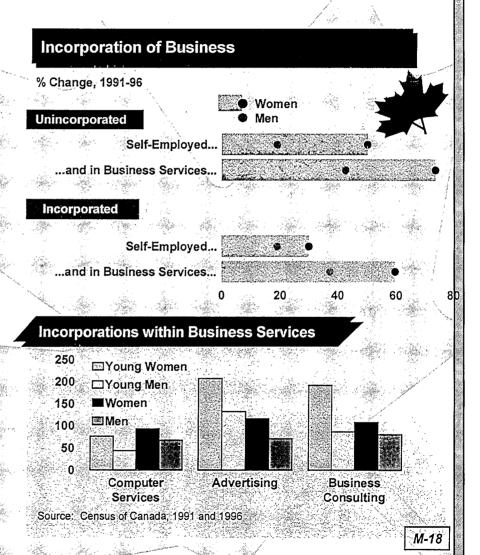
And we are seeing more incorporations...

Self-employment typically begins with an unincorporated business. However, female incorporated businesses are also growing fast — especially in business services.

- For women 30 years of age and over, incorporations in Business Services have increased 77% between 1991-96.

Young women show a relatively high rate of incorporation in three business services areas — advertising, computer services and business consulting.

The changing nature of self-employment is resulting in more incorporations.



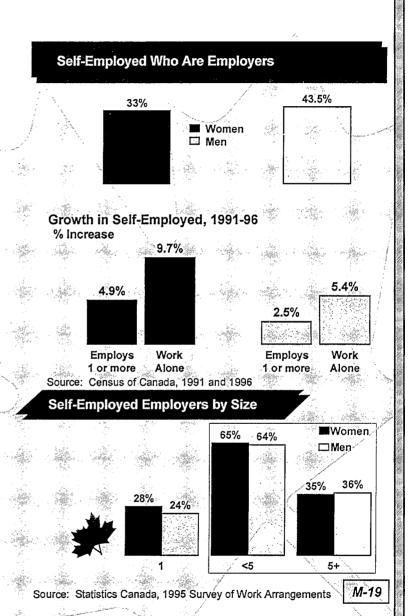
...more hiring...

About one in three women who are self-employed also employ one or more workers.

 This is a smaller proportion than for self-employed men — but the number of self-employed female employers is growing faster.

Among the self-employed who hire, most hire under five employees, with a higher proportion of female self-employed hiring only one worker.

Most self-employed people, especially those starting out, work entirely on their own. However, as their businesses grow, many begin to employ others.



...more female self-employed pursuing year-round, full-time activities..

The number of female self-employed working full-time or full year is growing fast — at two to three times the rate for men.

However, there is still a smaller proportion of women entrepreneurs who work full-time or full year.

- Barely half of all self-employed women work full-time and full year.

Fewer self-employed women than men are working full-time and full-year, but their numbers are rising fast.

Full-time, Full Year Self-Employment* % Change, 1991-96 ■Women □Men 32.1% 31.4% 16.9% 14.2% 13.8% Full Year Full-time & Full Year Increase, 1991-96 128,720 77.640 Women Men 130,345 143,825 109,875 Numbers in 1996 324,894 Women 380;880 449.775 ,048,240 994,295 906,445 1996 Incidence of Full-time, Full Year Among Self-Employed 52.3% Women 61.3% 72.4% Men 82.6% 78.4% 71.4% * Full-time is 30+ hours per week

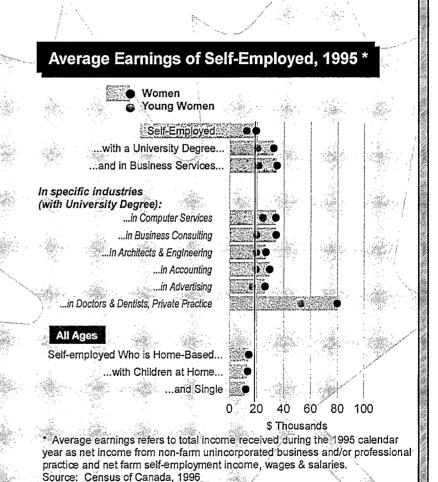
Full year is 40+ weeks per year, full-time or part-time Source: Census of Canada, 1991 and 1996

...and more female self-employed earning higher incomes...

Average earnings in many of the industries in which young women are making fast in-roads, are higher.

On the other hand, average incomes remain particularly low for women in certain situations; women who are lone-parents, those working at home, and younger women tend to earn lower incomes.

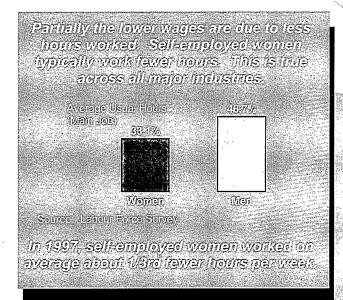
Young women who are self-employed within higher-knowledge industries make more income.



...although they are still much lower than for male self-employed

Self-employed women still make on average lower earnings than self-employed men.

Although self-employed women earn more in higher-knowledge industries, their incomes still are less than for men.



Average Earnings of Self-Employed, 1995

	Young Women	Women	Young Men	Men
Average Earnings	- Land	\$19,156		\$33,628
With University Degree	\$20,219	\$32,163	\$25,656	\$60,598
Full-time and Full Year	1236 I.—	\$25,552		\$40,043
			4.00	
With University Degree:				
Business Services	\$21,152	\$34,589	\$25,762	\$60,998
Business Consulting	\$19,828	\$34,123	\$24,800	\$53,607
Computer Services	\$24,298	\$33,870	\$27,817	\$42,629
Architects & Engineering	\$19,551	\$26,432	\$24,838	\$43,931
Accounting	\$19,302	\$29,430	\$26,918	\$67,820
Advertising	\$16,868	\$25,802	\$16,281	\$36,178
Health & Social Services	\$4.		4.5 S	
Doctors & Dentists	\$52,897	\$79,800	\$73,574	\$121,486
Other Health Practitioners**	\$32,133	\$35,737	\$33,016	\$59,597
Non-institutional Social Service		\$13,415	\$19,165	\$34,736
	Territoria de la companya della companya della companya de la companya della comp	186		

^{*} Average earnings refers to total income received during the 1995 calendar year as net income from non-farm unincorporated business and/or professional practice and net farm self-employment income, wages & salaries.

** Includes Chiropractors, Nurses, Dietitians, Physiotherapists, Optometrists. Source: Census of Canada, 1996



Self-employed women are also increasing in rural areas...

It is noteworthy that self-employed women's contribution in rural areas is also growing.

The largest areas include Primary (agriculture) and Trade, but Health & Social Services is increasing fast.

In 1996, about one-third of all self-employed, and 30% of all female self-employed, worked in rural areas.

Female Self-Employed in Rural Areas, 1996 Female Self-Employed in Rural Areas Annual Growth Level As a % of Total Female Self-Employed 1991-96 29.7% All Industries 4.9% 184,770 Primary 86.0% 55,945 Manufacturing 28.1% 8.030 8,1% 33.8% Construction 6.0% 6.815 42.0% Transportation 7.2% 3,490 30.2% Communication * 0% 1,190 Retail & Wholesale Trade 27.9% 29,950 19:1% Insur. Agents & Real Estate 16.0% 15.5% 2:845 15.6% **Business Services** 12.1% 13,235 Education 19.5% 3,420 -8.6% Health & Social Services 16 9% 15,815 Amusement & Recreation 18.8% 2,960 33.8% 5.8% 12,790 Accommodation & Food 24.9% .0% 16,530 Personal & Household 14.2% 0.055 Other Services

M-23

Includes utilities.

** Includes machinery & equipment rental and leasing, photographers, services to buildings and travel.

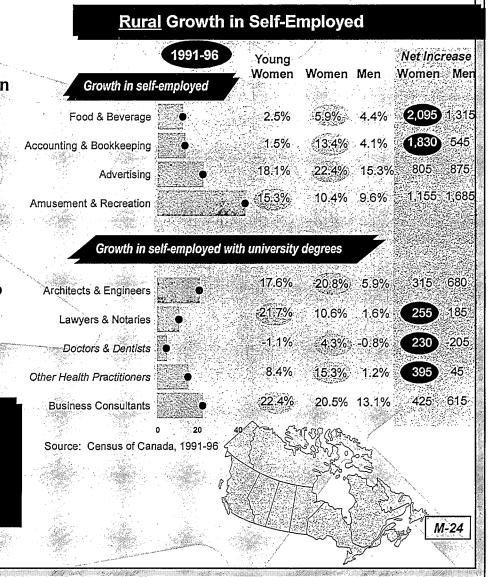
Source: Census of Canada, 1991 and 1996

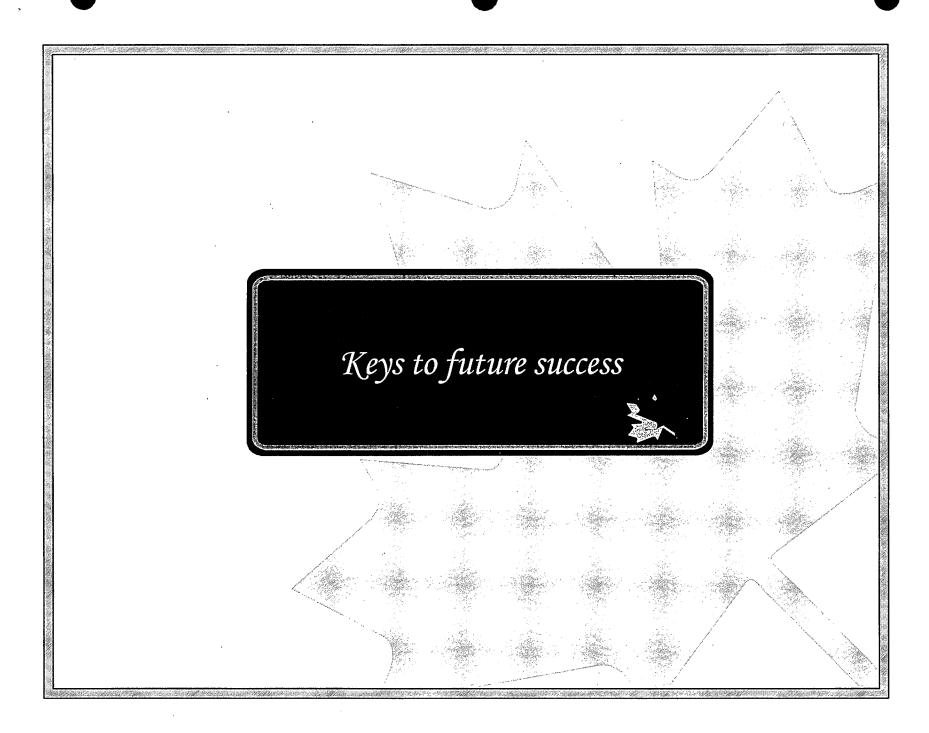
...and contributing to the viability and KBE in small communities

Key areas of female entrepreneurship in rural areas include restaurants, recreation, bookkeeping and accounting — all necessary for the continued vitality of many small communities.

But women are also contributing increasingly in diverse professional areas such as lawyers, doctors and business consultants — all essential to rural Canada's future in the KBE.

Since knowledge is increasingly essential to making our economy successful, it is vital that the KBE becomes a key and integral part of every part of Canada.





Opportunities and challenges in the KBE!

While the KBE provides great opportunities for women, there are still questions of access —

Do women setting out on their own escape the glass ceiling at peril of being caught in a glass box, unable to take full advantage of all opportunities?

In the KBE, it becomes paramount that all entrepreneurs take advantage of business planning, training and new technologies. In the future, entrepreneurs will find they must continually seek to improve their products and services — e.g. by keeping informed, by acquiring funding for growth, by finding mentors, and by expanding into new markets.

The KBE may make it easier to start new initiatives, but it also heightens the urgency that diverse challenges be addressed — some of which have a unique impact on women entrepreneurs.

Issues and challenges! A Progress Report

- **☑** Business Planning
- **▼** Training
- Mentoring
- **□** Financing
- Connectivity
- E-Commerce
 - Thinking Globally

...but more work still needs to be done! Women's entrepreneurial talents are far from being fully tapped...

Business planning is an imperative!

In the KBE, a clear sense of business goals and objectives becomes critical — even for small businesses.

A formal business plan can help prepare small businesses for challenges they commonly encounter in the KBE — including choosing the best structure for business, and finding out how best to protect ideas and inventive creations.

Women have demonstrated a strong entrepreneurial spirit — but multiple-roles and time constraints may be hindering their businesses' expansion.



The Women's Business Owners of Canada (WBOC) has recently released findings from a national survey, which showed women are 25 per cent less likely than men to have written a formal business plan before starting their business.

The WBOC is a new organization which was facilitated in its development by Industry Canada. As well, the Atlantic Canada Opportunities Agency, the Canada Economic Development for Quebec Regions (Small Business Idea Program), Fednor (Resource Centre for Business Counselling Service for Women Entrepreneurs) and Western Diversification (providing funding for Women's Enterprise Centres) are helping to support the entrepreneurial potential of women.

Also "continual" training...

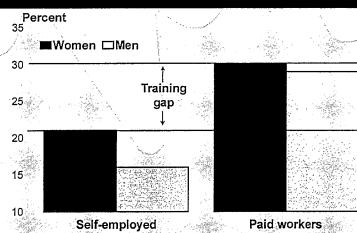
Self-employed women are less likely to participate in job-related education and training than women working in paid jobs — however, the "training gap" is much bigger for men.

Reasons why the self-employed are less likely to participate in training include:

- Entrepreneurs often face concurrent demands on their time;
- -An inability to spread training costs over many workers like larger firms can; and
- Lack of information about available training courses.

Knowledge and skills are the currency of success in the KBE — it is important that access to training continues to improve.

Participation rates in job-related education and training, 1993



Source: Statistics Canada, Adult Education and Training Survey, 1993

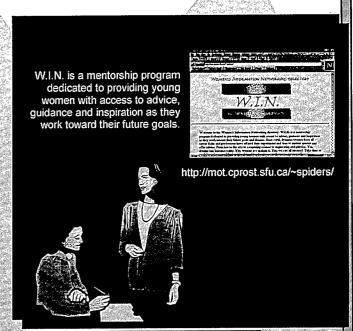
Keys to future success 🥦

Special approaches to assist in the different situations of women could include less formal, experience-based training, and more opportunities to learn from and be helped/mentored by other women. The BDC offers opportunities for training and networking designed specifically to the needs and circumstances of women entrepreneurs. These programs are delivered in partnership with the regional agencies and the provinces. Réseau des femmes d'affaires du Québec will be responsible for managing some of BDC's training programs in Quebec.

...and mentoring

A goal of the Women's Business Owners of Canada (WBOC) is to provide a national link for all groups across Canada and to help them co-ordinate their efforts — which includes finding mentors for young women entrepreneurs.

Mentoring is an integral aspect to the success of small businesses.



Keys to future success 🖭

Young people often lack the experience and personal contacts which are helpful for success. The WBOC reports that women are more likely than men to have a mentor.



N-4

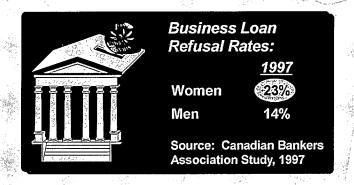
In the KBE, access to financing is a growing priority

The budgets of very small businesses are tight — finding money for market research, advertising, and public relations can be difficult.

- Almost 42% of self-employed women voiced concerns about their access to financing in (CFIB study, 1994).

Indeed, a 1997 study by the Canadian Bankers Association found that financial institutions tend to refuse more loan applications from women entrepreneurs.

 Sectors such as the hotel, food and beverage, and retail sectors have lower than average approval rates — women are still highly concentrated in these sectors, despite their recent inroads into higher-knowledge sectors.



Keys to future success 🖭

Through BDC women entrepreneurs can apply for loans up to \$25,000 for start-ups and up to \$100,000 for expansion. As well, the Atlantic Canada Opportunities Agency provides loan guarantees and business support to low income women entrepreneurs. In Northern Ontario, FedNor has established borrowing and peer micro-lending circles. Western Economic Diversification funds Women's Enterprise Centres to help women access services — including those related to the financing gap.

The business world is increasingly "computerized"...

A large majority of women entrepreneurs already use computers, although more men business-owners have computers.

However, computers are becoming much more affordable. Because they are today quite critical to accessing and using knowledge, regardless of the field of endeavor, their use will continue to rise.

Moreover, computers are the launchpad for the Internet, an indispensable tool for home-based activities.

Keys to future success A World of Knowledge

A 1994 study by the CFIB on businesses and technology indicated that fewer female than male entrepreneurs had a computer (70.1% versus 81.3%). However, women are becoming more familiar with technology and it may be assumed that the rate at which self-employed women are adopting new technologies will continue to rise over the next few years.



N-6

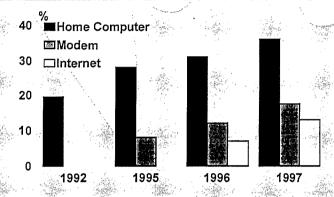
...laying the groundwork for electronic commerce

For businesswomen, especially those involved in home businesses, the potential benefits of electronic commerce are great.

- More and more households have Internet. A Statistics Canada survey done in May 1997 showed 13% of households connected to the Internet, up from seven percent in 1996. Internet use rises with education level.

Businesswomen can use the Internet as a tool for sales, research and communication — even across borders

Computers in Canadian Households



Source: Statistics Canada, 1997

Keys to future success

In the U.S., the National Foundation for Women Business Owners and IBM report that women entrepreneurs are leading the way in using the Internet as a powerful tool to pursue new business strategies, evaluate the competition, recruit qualified executives, and take their firms global. The share of women business-owners in the U.S. that have established a home page for their business in 1997 has tripled from the previous year, and now 23% have a home page, compared to 16% of men business owners.



ଡ଼ିବର୍ଲୀ (ବା

Business

The National Foundation for Women Business Owners N-7

Connectivity can help women entrepreneurs...

Connectedness is also an answer to some of the time crunch businesswomen face.

"Connected" businesswomen can quickly access a variety of useful information — on training courses, assistance programs, research and more.

Keys to future success

There is a "world" of business information available — but to access it, businesses must be "connected".

Some key private

sites:

Provides links to valuable resources and services and a network of women business owners across Canada.



http://www.wec.ca/

Offers a variety of information including finance advice, links to business services, Web marketing tips and success stories.



http://www.bpwcanada.com/

Promotes networking opportunities through advice, support, information and referrals.



Offers women entrepreneurs an opportunity to profile, promote and meet with other successful businesswomen.



http://www.cdnbizwomen.com/

Focuses on the education, employment and economic status of employed women.

http://www.connectingwomen.com/



...and ease access to knowledge and assistance from governments

Businesswomen no longer need to make the rounds of federal, provincial and local governments and board of trade or chamber of commerce to find crucial information about services and programs.

Industry Canada provides comprehensive business information via Strategis and the many Business Service Centres across Canada.



Some key

http://strategis.ic.gc.ca/SSG/mi05452e.html



GOVETHMENT SITES:

Women's information resources of
Industry Canada, is designed to
encourage women entrepreneurship.



Two Business Development Bank of Canada programs: Step In — To learn about business and how to create a plan. Step Up — Training program for women who want to expand their small business.

For Step In: http://www.infoentrepreneurs.org/eng/bis/1970.html For Step Up: http://www.infoentrepreneurs.org/eng/bis/1969.html

The Women's Enterprise Initiative provides business information and services specifically aimed at women entrepreneurs. It is funded through a contribution by Western Diversification.



http://www.wd.gc.ca/eng/content/network/index.html

Keys to future success 🖭

Web-sites include the Business Development Bank of Canada's "Step-in" and "Step up" programs (helping women start their own businesses and providing counselling, networking and mentoring to help them to expand business operations).

N-9

It's important to think globally...

Growing in the KBE, means considering new markets — including international markets. Changes in communications and technology are helping small firms to go global.

Thanks to the Internet, it is much easier for even very small businesses to learn about potential markets and identify customers and suppliers around the world.

A World of Opportunity — Focussing solely on local markets denies businesses sales.



Keys to future success

The Canadian Women's International Business Initiative provides businesswomen with information and contacts they need to pursue export opportunities in the mid-Atlantic states.

Last November, an all-woman Team Canada trade mission comprised of 120 women business owners went to Washington, D.C.

...if businesswomen are to maximize their opportunities!

Helpful information sources include ExportSource and Team Canada Inc.'s new toll-free export information line (1-888-811-1119). Some export information services that are tailored to women entrepreneurs include:

- Businesswomen in Trade (a web-site of Foreign Affairs and International Trade);
- Geared for Success (a BDC web-site providing information for women exporters in growth industries).

Businesswomen can extend their networks and knowledge about local and international markets by participating in trade fairs, trade missions and international meetings.

Keys to future success 🗨



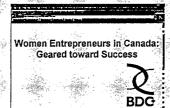
ExportSource

http://exportsource.gc.ca/



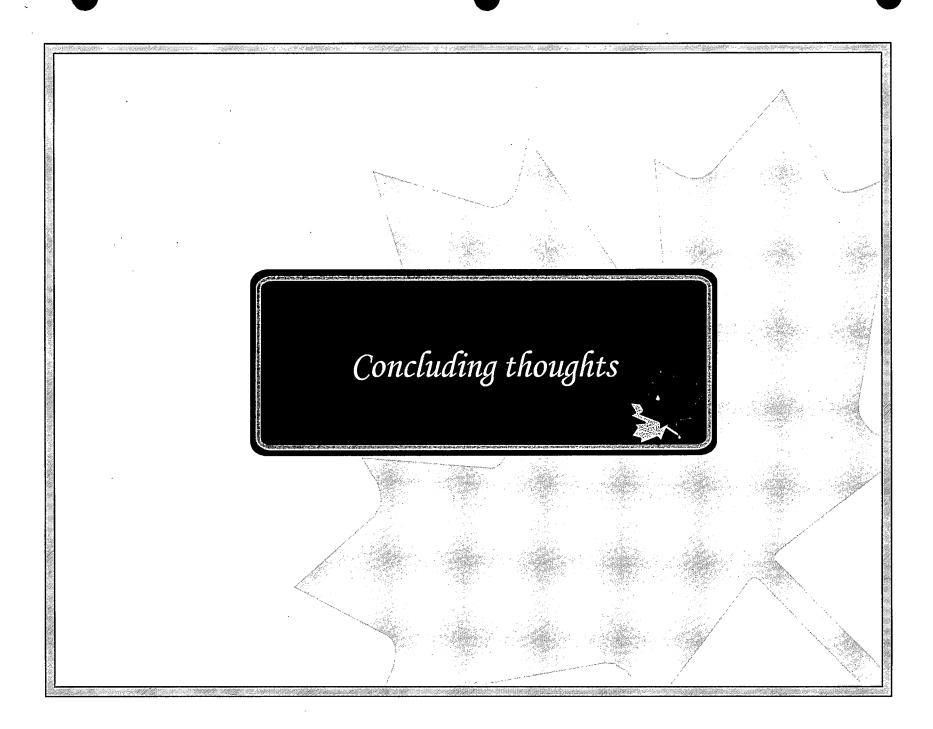
Businesswomen in Trade

http://www.infoexport.gc.ca/ businesswomen/



Geared for Success

http://strategis.ic.gc.ca/SSG/mi04737e.html



Just the beginning...?

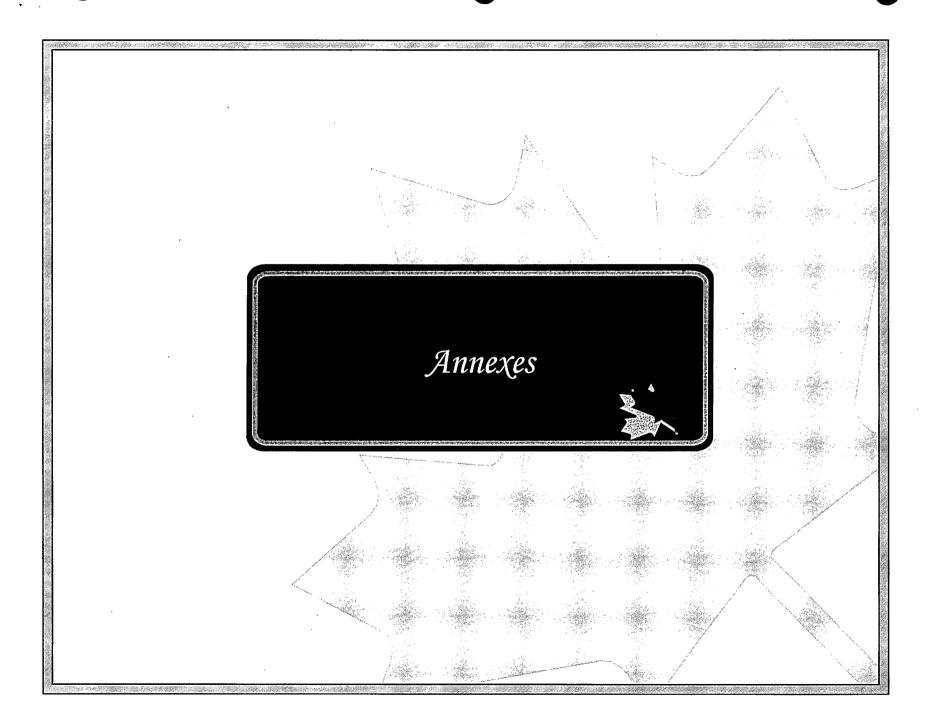


In a world that is constantly changing — in which knowledge is paramount, and virtually every industry is becoming more knowledge-intensive — the recent growth in women's entrepreneurship has been striking! Businesswomen are not only playing a pivotal role, they are becoming a vital force within the economy. But despite their recent successes in entering the business world, their potential remains under-tapped.

How to increase the participation of women in entrepreneurial life?

Self-employed women have been successful entering fast-growing areas in which knowledge requirements are high and/or increasing. Consequently, higher schooling and life-long learning will remain fundamentally important, especially for younger businesswomen interested in confidently competing in the KBE.

But the keys to future success will also center on being innovative and "knowledgeable" of the critical elements of business growth — such as having a business plan, and being "connected" to vital information sources and network/support groups. Recent advances are permitting businesswomen to more easily and quickly access important sources of information and support — freeing them to pursue, to their fullest advantage, their entrepreneurial aspirations, and helping them to shatter the "Glass Box" and instead find entrepreneurship a real and rewarding career option in Canada.



Women Entrepreneurs at a Glance, 1996

				مسان المساد			r All in	. \}
	Self-	Net Change	Working	Alone	With Paid	i Help		Full-time C
	Employment	1991-96	Unincorporated	Incorporated	Unincorporated	Incorporated	Urban	Full Year
(Percent growth, 1991-96, in italics)								
Canada*	621,085	190,780 <i>44.</i> 3%	354,050 59.9%	61,890 <i>41.7%</i>	105,315 24.8%	99,830 23.5 %	436,320 53.2%	324,895 31.4%
BĊ	106,815	41,315 63.1%	60,440 <i>85.5%</i>	10,345 <i>64.3%</i>	17,765 37.4%	18,265 <i>33.4%</i>	80,055 67.0%	48,805 <i>45</i> .3%
Alb	79,530	27,415 52.6%	43,860 61.1%	9,955 66.9%	10,855 31.3%	14,860 39.4%	53,810 63.5%	40,990 38.7%
Sask	29,345	4,235 16.9%	18,395 <i>15.7%</i>	2,280 29.9%	5,030 5.3%	3,640 <i>35.6%</i>	14,435 26.7%	17,035 <i>17.0%</i>
Man	24,800	6,390 <i>34.7%</i>	15,165 <i>42.6</i> %	1,535 30.6%	4,660 23.4%	3,440 21.8%	15,015 48.7%	13,455 25.1%
Ont	227,835	71,260 <i>45.5%</i>	132,145 <i>63.1%</i>	20,090 <i>34.8%</i>	40,515 28.3%	35,085 20.7%	170,465 <i>54.0%</i>	120,340 31.1%
Que	118,090	30,260 <i>34.5%</i>	63,855 54.8%	15,615 30.0%	19,215 12.5%	19,405 10.9%	85,310 <i>40.</i> 6%	67,135 23.0%
NB	10,410	3,495 50.5%	6,310 83.2%	600 11.1%	1,965 <i>19.8%</i>	1,535 19.0%	5,090 <i>60.8%</i>	5,290 48.2%
NS	13,950	4,255 43.9%	8,360 66.9%	800 27. 0%	2,870 23.4%	1,920 11.0%	6,980 54.6%	6,925 <i>41.</i> 3%
PEI	2,435	545 28.8%	1,345 22.3 %	115 187.5%	610 27.1%	365 <i>35.2</i> %	1,015 67.8%	1,075 10.3%
Nfld	6,020	1,080 21 .9%	3,015 21.3%	410 51.9%	1,585 18.7%	1,010 18.8%	3,210 <i>43.6%</i>	2,885 24,4%
	anada, 1991 and 19	96.		A STATE OF THE STA	and the second second			P-1
	BC Alb Sask Man Ont Que NB NS PEI Nfld es Territories	Employment Canada* 621,085 BC 106,815 Alb 79,530 Sask 29,345 Man 24,800 Ont 227,835 Que 118,090 NB 10,410 NS 13,950 PEI 2,435 Nfld 6,020 Is Territories 10,020	Employment 1991-96 Canada* 621,085 190,780 44.3% BC 106,815 41,315 63.1% Alb 79,530 27,415 52.6% Sask 29,345 4,235 16.9% Man 24,800 6,390 34.7% Ont 227,835 71,260 45.5% Que 118,090 30,260 34.5% NB 10,410 3,495 50.5% NS 13,950 4,255 43.9% PEI 2,435 545 28.8% Nfid 6,020 1,080 21.9%	Employment 1991-96 Unincorporated (Percent graph of the percent graph of the p	Employment 1991-96 Unincorporated Incorporated (Percent growth, 1991-96) Canada* 621,085 190,780 at 4.3% 354,050 at 1.890 at 1.7% BC 106,815 41,315 at 1.315 at 1.345 a	Employment 1991-96 Unincorporated Incorporated Unincorporated (Percent growth, 1991-96, in italics) Canada* 621,085 190,780 at 4.3% 354,050 at 1.890 at 105,315 at 1.7% 105,315 at 1.7% BC 106,815 at 41,315 at 41,315 at 1.7% 60,440 at 1.345 at 1.7% 10,345 at 1.7,765 at 1	Employment 1991-96 Unincorporated Incorporated Unincorporated Incorporated Incorporated (Percent growth, 1991-96, in italics) Canada* 621,085 190,780 44.3% 59.9% 41.7% 24.8% 23.5% BC 106,815 41,315 60,440 10,345 17,765 18,265 63.1% 85.5% 64.3% 37.4% 33.4% Alb 79,530 27,415 43,860 9,955 10,855 14,860 52.6% 61.1% 66.9% 31.3% 39.4% Sask 29,345 4,235 18,395 2,280 5,030 3,640 16.9% 15.7% 29.9% 5.3% 35.6% Man 24,800 6,390 15,165 1,535 4,660 3,440 34.7% 42.6% 30.6% 23.4% 27.8% Ont 227,835 71,260 132,145 20,090 40,515 35,085 45.5% 63.1% 34.8% 28.3% 20.7% Que 118,090 30,260 63,855 15,615 19,215 19,405 70.9% NB 10,410 3,495 6,310 600 1,965 1,535 70.9% 12.5% 10.9% NB 10,410 3,495 66.9% 27.0% 23.4% 11.0% PEI 2,435 28.8% 22.3% 18.75% 27.1% 35.2% NRId 6,020 1,080 3,015 410 1,585 1,010 1,88% 18.8%	Canada* Employment 1991-96 Unincorporated Incorporated Unincorporated Incorporated Incorporated (Percent growth, 1991-96, in italics) Urban Canada* 621,085 190,780 354,050 61,890 105,315 99,830 436,320 BC 106,815 41,315 60,440 10,345 17,765 18,265 80,055 Alb 79,530 27,415 43,860 9,955 10,855 14,860 53,810 Sask 29,345 4,235 18,395 2,280 5,030 3,640 14,435 Man 24,800 6,390 15,165 1,535 4,660 3,440 15,015 Ont 227,835 71,260 132,145 20,090 40,515 35,085 170,465 Ab.5% 63.1% 34.8% 28.3% 20.7% 54.0% Ont 227,835 71,260 132,145 20,090 40,515 35,085 170,465 Ab.5% 63.1% 34.8% 28.3% 20.7% 54.0% NB

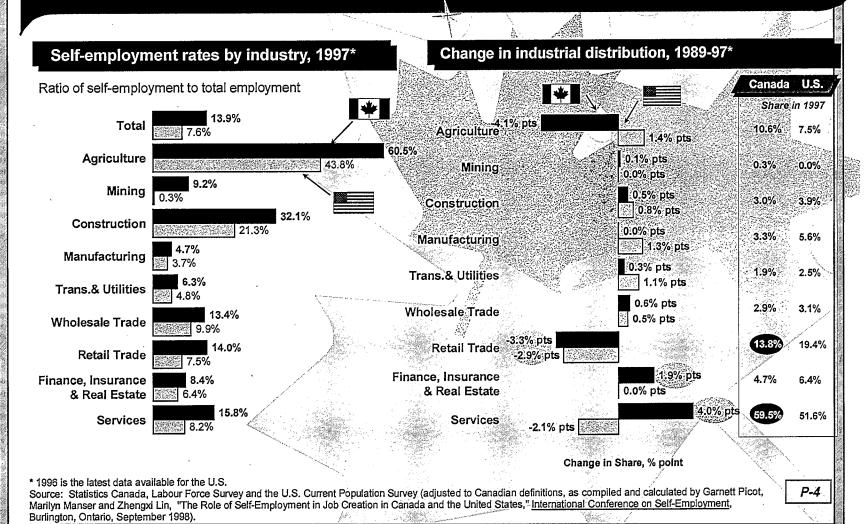
Top 10 Industries* of Self-Employment and the KBE



Total Women		Young Women	r	The state of the s	Men			Young Men		
Sha	are** Grow	th St	are	Growth	Sha	re G	rowth	S	hare C	irov
Non-Instit. Social Services	95.0% 38.8	% Non-instit. Social Services	95.7%	39.3%	Services to Bldqs/Dwellings	62.5%	19.6%	Private Households	54.4%	33.
Services to Bldgs/Dwellings		% Services to Bldgs/Dwellings	27.4%		Motion Picture/Audio/Video	71.0%	16.1%	Other Personal/Household	19.4%	23.
Advertising	39.4% 22.5		36.1%		Advertising	60.6%		Advertising	63.7%	20
Business Consulting	32.3% 20.2		/ 38.4%		Business Consulting		/14.2%	Services to Bidgs/Dwellings		18
flotion Picture/Audio/Video	29.1% 17.8		26.8%		Educational Services		13.9%	Educational Services	32.5%	16
ocial Services Practitioners		17998	67.5%		Computer Services	75.1%		Business Consulting	61.4%	14
nsur. Agents & Real Estate	35.4% 15.1		60.7% 17.4%		Other Personal/Household	22.0% 64.6%	10.4% 10.1%	Motion Picture/Audio/Video Insur. Agents & Real Estate	73.0% 64.9%	12
Services to Agriculture Computer Services	43.1% 14.4 24.9% 12.2	% Computer Services % Accounting & Bookkeeping	52.9%		Insur. Agents & Real Estate Wholesale Trade	78.5%	6.6%	Computer Services	82.5%	10
ccounting & Bookkeeping		% Food & Beverage	39.6%		Courier Service	79.1%	6.2%	Printing & Publishing	66.4%	7
occurring & Dockscoping	42.070 17.0	70 1 coa de Doverage	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	, 0.070	The second secon		0.270	· · · · · · · · · · · · · · · · · · ·		
			The same				Medika.			1
			-				40.00			į.
Rural Women		06				-2°2 - 1		06		i
Rural Women		Young Womer	ı	25.00	Men			Young Men		1
Sh	are Grow	th Sh	nare	Growth	Sha	re G	rowth	S	hare G	iro
on-instit. Social Services	95.5% 34.9	% Services to Bidgs/Dwellings	28.6%	35.0%	Services to Bidgs/Dwellings	61.8%	19.3%	Private Households	54.1%	42
ervices to Bldgs/Dwellings	38.1% 30.2		97.8%		Business Consulting	63.0%	14.6%	Services to Bldgs/Dwellings		21
usiness Consulting	36.8% 23.1		52.8%		Computer Services	70.3%	13.9%	Services to Mining	85.0%	17
dvertisina	42.4% 22.4		67.6%		Insur. Agents & Real Estate	63.2%	10.3%	Computer Services	64.6%	17
ther Health Practitioners	58.5% 15.7		73.3%	18.7%	Amusement & Recreation	60.7%	9.6%	Amusement & Recreation	56.5%	13
sur. Agents & Real Estate	36.8% 15.5		41.1%		Services to Agriculture	57.3%	8.7%	Other Personal/Household	14.7%	11
ccounting & Bookkeeping	56.8% 13.4		44.4%		Other Business Services	48.9%	7.4%	Services to Agriculture	56.3%	9
ervices to Agriculture	42.6% 12.4		32.7%		Transportation	86.5%	5.3%	 Accommodation 	53.0%	8
	18.9% 11.6		76.6% 60.0%	,	Manufacturing Wholesale Trade	72.2% 78.7%	5.1% 4.8%	Transportation Architects & Engineers	89.2% 67.2%	2
	20 00/ 44 5		00.0%	3.270	vytiolesale trade	10.170	4.0 /6	Architects & Engineers	01.270	•
	29.6% 11.5			173.						
	* Industries	with at least 0.5% of self-employe	ment in	1996.						
	* Industries	with at least 0.5% of self-employed	le or ma	le self-emp	ployed with respect to total self-e	employed	i. For yo	ung women and	A	
Architects & Engineers Computer Services	* Industries ** <u>Share</u> is o	with at least 0.5% of self-employdefined as the proportion of fema Share is defined with respect to t	le or ma	le self-emp	oloyed with respect to total self-employed. Colour code indicates	employed whether	i. For yo	ung women and n 1991-96,		
	* Industries ** Share is or young men, share has ri	with at least 0.5% of self-employs defined as the proportion of fema <u>Share</u> is defined with respect to t sen by:	le or ma	le self-emp	oloyed with respect to total self-employed. Colour code indicates	employed whether	i. For yo ; betwee	ung women and n 1991-96,		
	* Industries ** <u>Share</u> is or young men, share has ris	with at least 0.5% of self-employs defined as the proportion of fema <u>Share</u> is defined with respect to t sen by: ess than 0 up to 3 % points	le or ma	le self-emp	oloyed with respect to total self-e mployed. Colour code indicates	employed whether	i. For yo , betwee	ung women and n 1991-96,		
	* Industries ** <u>Share</u> is a young men, share has rie	with at least 0.5% of self-employs defined as the proportion of fema <u>Share</u> is defined with respect to t sen by:	le or ma	le self-emp	oloyed with respect to total self-e mployed. Colour code indicates	employed whether	i. For yo ; betwee	ung women and n 1991-96,	F	<u>-</u> 2

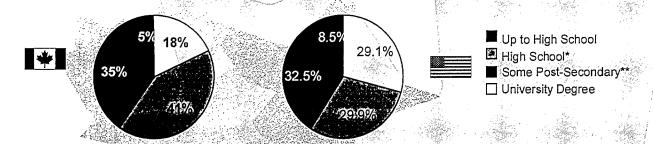
Self-Employment By Education Growth in Paid and Self-Employment by Education, 1991-96 Men Women Master's or PhD Master's or PhD **Undergrad Degree** Undergrad Degree **University Certificate** University Certificate Community College Community College Trades Certificate/Diploma Trades Certificate/Diploma Some Post-Secondary Some Post-Secondary High School Graduate High School Graduate Self-Employed Some High School Some High School Grade 9-10 **■** Employee Grade 9-10 Less than Grade 9 Less than Grade 9 Total Total -40 -20 0 20 40 60 80 100 120 140 0 20 40 60 80 100 120 **Young Women** Young Men Master's or PhD Master's or PhD **Undergrad Degree** Undergrad Degree **University Certificate** University Certificate Community College Community College Trades Certificate/Diploma Trades Certificate/Diploma Some Post-Secondary Some Post-Secondary High School Graduate High School Graduate Some High School Some High School Grade 9-10 Grade 9-10 Less than Grade 9 Less than Grade 9 Total P-3 Total 50 100 150 200 Source: Statistics Canada, Labour Force Survey

Self-Employment By Industry A Canada - U.S. Comparison



Self-Employment By Education A Canada - U.S. Comparison

Educational distribution of self-employed women



Change in distribution, 1989-97*

Self-employment rates by education, 1997***

Ratio of self-employment to total employment

Up to High School High School* 14.5% High school* 7.4% Some Post-Secondary** University Degree 13.7% University Degree 13.7% University Degree 14.5% Up to High School -5.8 -3.6 -3.6 -3.6 -5.8 -3.6 -4.7 -5.3 -5.8 -4.7 University Degree

^{**} Some High School or High School Graduate

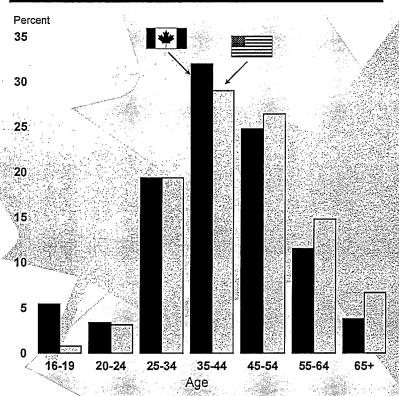
** Includes trade certificates and diplomas

*** Latest data available for the U.S. is for 1996.

Source: Statistics Canada, Labour Force Survey and the U.S. Current Population Survey (adjusted to Canadian definitions) as compiled and calculated by Garnett Picot, Marilyn Manser and Zhengxi Lin, "The Role of Self-Employment in Job Creation in Canada and the United States," International Conference on Self-Employment, Burlington, Ontario, September 1998.

Self-Employment By Age A Canada - U.S. Comparison

Age distribution of self-employed women, 1997*



* Latest data available for the U.S. is for 1996.

Source: Statistics Canada, Labour Force Survey and the U.S. Current Population Survey (adjusted to Canadian definitions) as compiled and calculated by Garnett Picot, Marilyn Manser and Zhengxi Lin, "The Role of Self-Employment in Job Creation in Canada and the United States," International Conference on Self-Employment, Burlington, Ontario, September 1998.

P-6

QUEEN HC 111 .M5 1998 no.3 Canada. Industry Canada. Mic Micro-economic monitor

DATE DATE DE F	DUE		
	38-296		
CARR MCLEAN			

