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SME PROFILE

OWNERSHIP DEMOGRAPHICS STATISTICS

Innovation, Science and Economic Development Canada
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EXECUTIVE SUMMARY

This report analyses how key statistics of small and medium-sized enterprises (SMEs) vary based on their majority ownership, including ownership by men, women, men and women equally, non-binary individuals, Indigenous persons, visible minorities, persons with a disability, members of the same family, and members of the 2SLGBTQ+ community. The data are drawn from the 2023 *Survey on Financing and Growth of Small and Medium Enterprises*.

The results show that most SMEs in 2023 were owned by men, with women-owned businesses making up a smaller share. Other ownership groups like non-binary individuals, Indigenous peoples, persons with a disability, and members of the 2SLGBTQ+ community represented much smaller proportions. Many SMEs sought external financing, mainly from domestic banks, but the rates at which they applied and were approved varied by ownership group.

When it came to growth and innovation, businesses owned by men and 2SLGBTQ+ individuals showed stronger growth and higher innovation rates, while non-binary and visible minority-owned SMEs experienced slower growth and lower innovation.

Common challenges across SMEs in 2023 included rising input costs, especially for Indigenous-owned firms, fluctuations in consumer demand for certain groups, and difficulties hiring and retaining skilled workers, particularly for non-binary, disabled, and Indigenous business owners. Concerns about corporate taxes and labour shortages were also prominent among these groups.

NOTES ON DATA AND STATISTICS

The 2023 *Survey on Financing and Growth of Small and Medium Enterprises* was designed to gather information on the types of financing used by SMEs and their recent attempts to obtain new financing. It also collects data on barriers to growth, ownership characteristics, and the extent of SME involvement in innovation and intellectual property.[1]

The target population for the survey was derived from Statistics Canada's Business Register (BR) and included the private sector, for-profit businesses with 1 to 499 employees and more than $30,000 in gross revenue in 2023, but excluded non-profit organizations, joint ventures, government agencies, and enterprises in specific industries identified by the North American Industry Classification System.[2] The sampling unit was the enterprise,[3] and the number of enterprises in the target population was 901,516. The main population was stratified by age of business, enterprise size, industry, and geography. A total of 22,084 SMEs was randomly selected without replacement to form the base sample. It is important to note that the current survey wave introduces two key innovations compared to previous ones. First, with the help of a sampling methodology developed by Statistics Canada and supported by ISED, SMEs owned by visible minorities and Indigenous peoples were oversampled. Second, the questionnaire included questions to identify SMEs owned by non-binary individuals and members of 2SLBGTQ+ community.

The survey was conducted by Statistics Canada from February to June 2024, with a response rate of 52.4%. Additional samples were also collected to represent specific sub-populations based on special lists provided to Statistics Canada. Combining the base sample and the samples from the supplementary sub-populations, the final unduplicated size of the sample was 29,100 enterprises. See the survey methodology report for further details.

The statistics presented in this report reflect the distribution of a given variable across different demographic groups. All results are weighted to ensure national representativeness.

However, it is important to note that the total weight for SMEs majority owned by members of the same family is not directly estimated. As a result, when these SMEs are included in a chart or table, all statistics are calculated using the total weight of the variable being examined across demographic groups, rather than weights specific to each demographic group. This approach ensures consistency in the statistics across demographic groups. Consequently, some estimates in this report may differ slightly from similar estimates based on alternative methodologies. Additionally, estimates for SMEs majority owned by non-binary persons should be interpreted with caution, as the estimated weighted count of SMEs for this group is of lower statistical quality.

1 See the survey questionnaire for further details.

2 For a full list of excluded industries, please refer to the survey methodology report.

3 Statistics Canada defines an enterprise as an institutional unit that directs and controls the allocation of resources relating to its business operations, and for which financial statements are maintained from which international transactions, an international investment position and a financial position for the unit can be derived.

1. INTRODUCTION

The Canadian business landscape is dominated by small and medium-sized enterprises (SMEs). As such, SMEs play a significant role in the Canadian economy, contributing notably to employment, exports, and gross domestic product (GDP). In 2023, SMEs accounted for over 99% of employer businesses in Canada, contributed nearly half of the total private-sector workforce, and generated close to 40% of the total value of exported goods. Between 2017 and 2021, SMEs were responsible for nearly half of the private sector GDP (ISED, 2025).[4] This report presents SME statistics by majority ownership type.

The ownership demographics of SMEs are of particular interest to policymakers, as they offer valuable insights into how specific groups—especially those that are underrepresented—compare to the broader SME population. The report is based on estimates produced by Statistics Canada, drawn from data collected in the 2023 *Survey on Financing and Growth of Small and Medium Enterprises*. It specifically analyzes responses to questions concerning firm characteristics, attributes of primary decision-maker, SME financing, growth activities and prospects, as well as challenges and barriers to growth. The analysis focuses on nine majority ownership groups: men, women, men and women equally, non-binary individuals, Indigenous peoples, visible minorities, persons with a disability, members of the same family, and members of the 2SLGBTQ+ community (Table 1).

Overall, the results show that SMEs majority owned by men accounted for 65% of all SMEs, compared to just 18% for those majority owned by women. Ownership by non-binary individuals, Indigenous persons, persons with a disability, and members of the 2SLGBTQ+ community each represented less than 2% of the SME population. In 2023, nearly half of SMEs sought external financing, mostly from domestic banks.

Application and approval rates varied by majority ownership group, with higher request rates among SMEs majority owned by Indigenous persons, members of 2SLGBTQ+ community, and persons with a disability, and the highest approval rates among SMEs majority owned by visible minorities and non-binary individuals. Businesses owned by men and those owned by members of the 2SLGBTQ+ community were the most likely to report average annual growth of 20% or more, whereas those owned by non-binary individuals and visible minorities were among the least likely.

Innovation rates were also highest among SMEs majority owned by members of the 2SLGBTQ+ community, while the lowest rates were observed among Indigenous-owned and visible minority-owned businesses.

Rising input costs were a common concern for SMEs, especially for those majority owned by Indigenous people. Fluctuations in consumer demand were most concerning for SMEs majority owned by members of the 2SLGBTQ+ community, visible minorities, and those equally owned by men and women.

4 Innovation, Science and Economic Development Canada (ISED), 2025. *"Key Small Business Statistics – 2024"* Ottawa: ISED.

Hiring and keeping skilled workers was a major challenge for SMEs majority owned by non-binary individuals, people with disabilities, and Indigenous people. Other groups also reported this as a major concern, though to a lesser extent. Concerns about the corporate tax rate were highest among SMEs owned by non-binary individuals, members of the 2SLGBTQ+ community, and those equally owned by men and women. Labour shortages were also a key obstacle, especially for businesses majority owned by non-binary individuals, persons with a disability, and Indigenous persons.

Table 1: Terms and definitions

Term	Definition
Primary decision maker	Person primarily responsible for making decisions about their business and generally presumes the role of majority owner, chairperson of the board of directors, president or general manager.[5]
Majority ownership	More than 50 percent of a business' ownership.
Men	Businesses majority owned by men.
Women	Businesses majority owned by women including cisgender and transgender women.
Men and women equally	Businesses equally owned by men and women.
Non-binary	Business majority owned by persons who are not exclusively men nor women, for example, agender, gender fluid, queer, or two-spirit.
Indigenous persons	Businesses majority owned by Indigenous persons, where Indigenous persons are individuals who identify with at least one Indigenous group (e.g., First Nations, Métis or Inuit).
Visible minorities	Businesses majority owned by visible minorities, where visible minorities are individuals, other than Indigenous persons, who are non-white in colour/race.
Person(s) with a disability	Businesses majority owned by person(s) with a disability, where disability refers to a limitation in kind or amount of a person's activity because of a long-term physical condition, mental condition or health problem.
Members of the same family	Businesses majority owned by members of the same family.
2SLGBTQ+	Businesses majority owned by persons who are Two-Spirit, lesbian, gay, bisexual, transgender, queer, and people who use other terms related to gender or sexual diversity.

Source: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023.

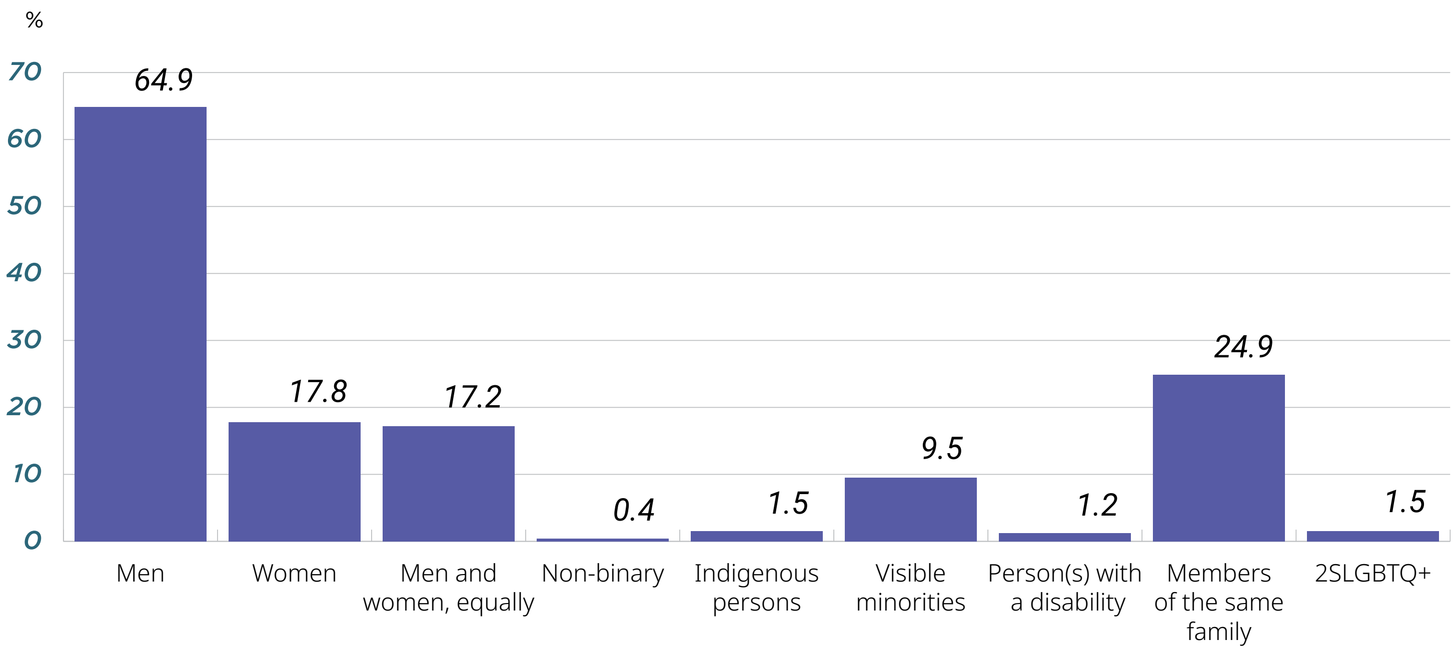
[5] The majority of SMEs have a primary decision-maker who is either the majority owner (57.4%) or the president (29.8%).

2. OVERVIEW

Figure 1 presents the distribution of SMEs across different ownership types in 2023. Most SMEs were majority owned by men (64.9%) compared to women (17.8%).[6] The proportion of SMEs equally owned by men and women is similar to the proportion of SMEs owned by women (17.2%).

Among the remaining majority ownership groups, the members of the same family owned the largest proportion of SMEs (24.9%), followed by the members of a visible minority (9.5%). Indigenous individuals, non-binary people, members of the 2SLGBTQ+ community, and persons with a disability each owned a much smaller share of SMEs, ranging from 0.4% to 1.5%.

Figure 1: SMEs by ownership type



Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

The majority gender of ownership for SMEs varies by business size (Figure 2). In small businesses (1 to 99 employees), men owned 64.7% of enterprises, whereas in medium-sized businesses (100 to 499 employees), this share rose to 82.3%. Conversely, women owned a higher proportion of small businesses (18.0%) compared to medium-sized ones (9.5%). A similar figure was observed for businesses equally owned by men and women, with 17.4% in small businesses and 8.1% in medium-sized businesses.

6 According to the SFGME 2023, a business is considered majority women-owned when 51% or more of the business is owned by women, including cisgender and transgender women. In this report, if the percentage of the business owned by women is less than 50%, it is classified as majority-owned by men. Therefore, the "men" category should be understood more broadly as encompassing all individuals who do not identify as women according to the survey's definition. As a result, it is possible that this category includes individuals who do not specifically identify as men. However, given the low proportion of businesses owned by non-binary individuals (0.4%) and members of the 2SLGBTQ+ community (1.5%), it is likely that the "men" category primarily includes individuals who genuinely identify as men.

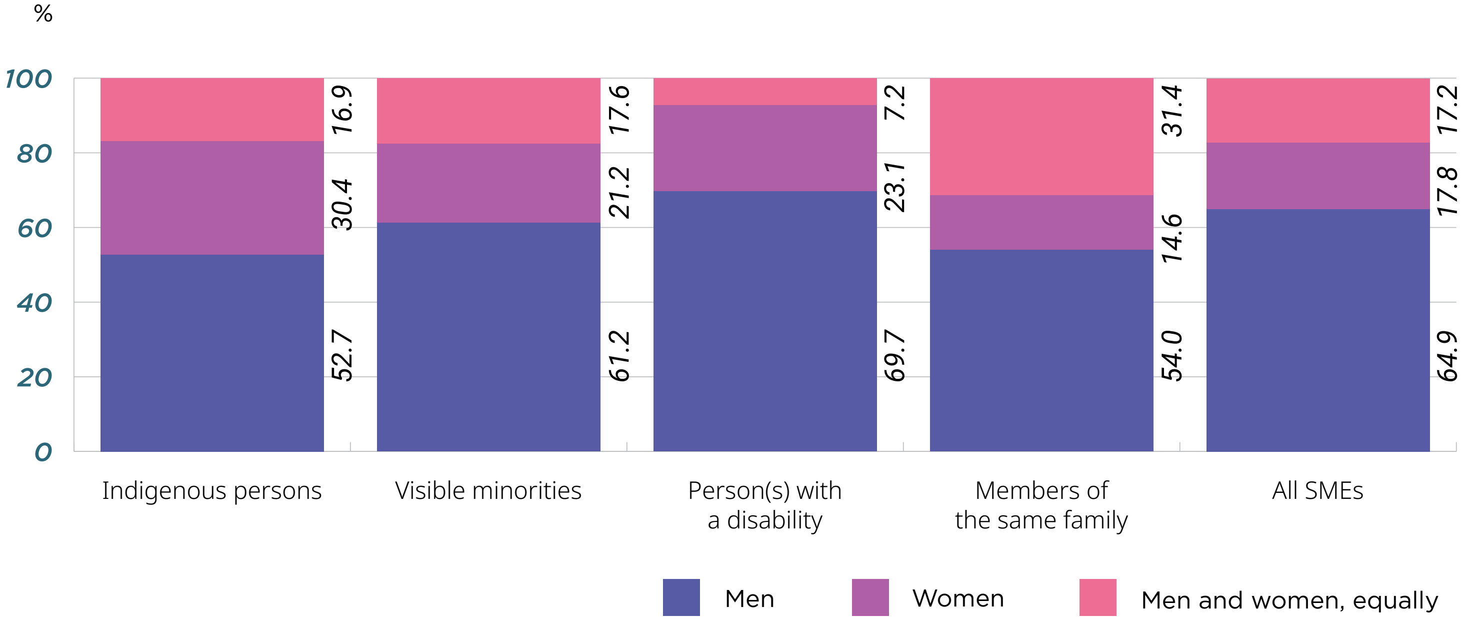
Figure 2: Majority gender of ownership by business size

Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

Figure 3 shows the distribution of majority gender of ownership among SMEs primarily owned by Indigenous persons, visible minorities, individuals with disabilities, and members of the same family.

The highest proportions of SMEs majority-owned by men were among businesses owned by persons with a disability (69.7%) and visible minorities (61.2%). Among businesses owned by members of the same family and Indigenous persons, the proportion of majority male-owned SMEs was 54.0% and 52.7%, respectively. Majority women-owned businesses were more common among businesses owned by Indigenous persons (30.4%) and persons with a disability (23.1%). The lowest proportion of SMEs owned by women was found among businesses owned by members of the same family (14.6%), followed by those owned by visible minorities (21.2%).

Figure 3: Majority gender of ownership by majority ownership type



Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

3. FIRM CHARACTERISTICS

This section presents firm size, industry, and structure by majority ownership type.

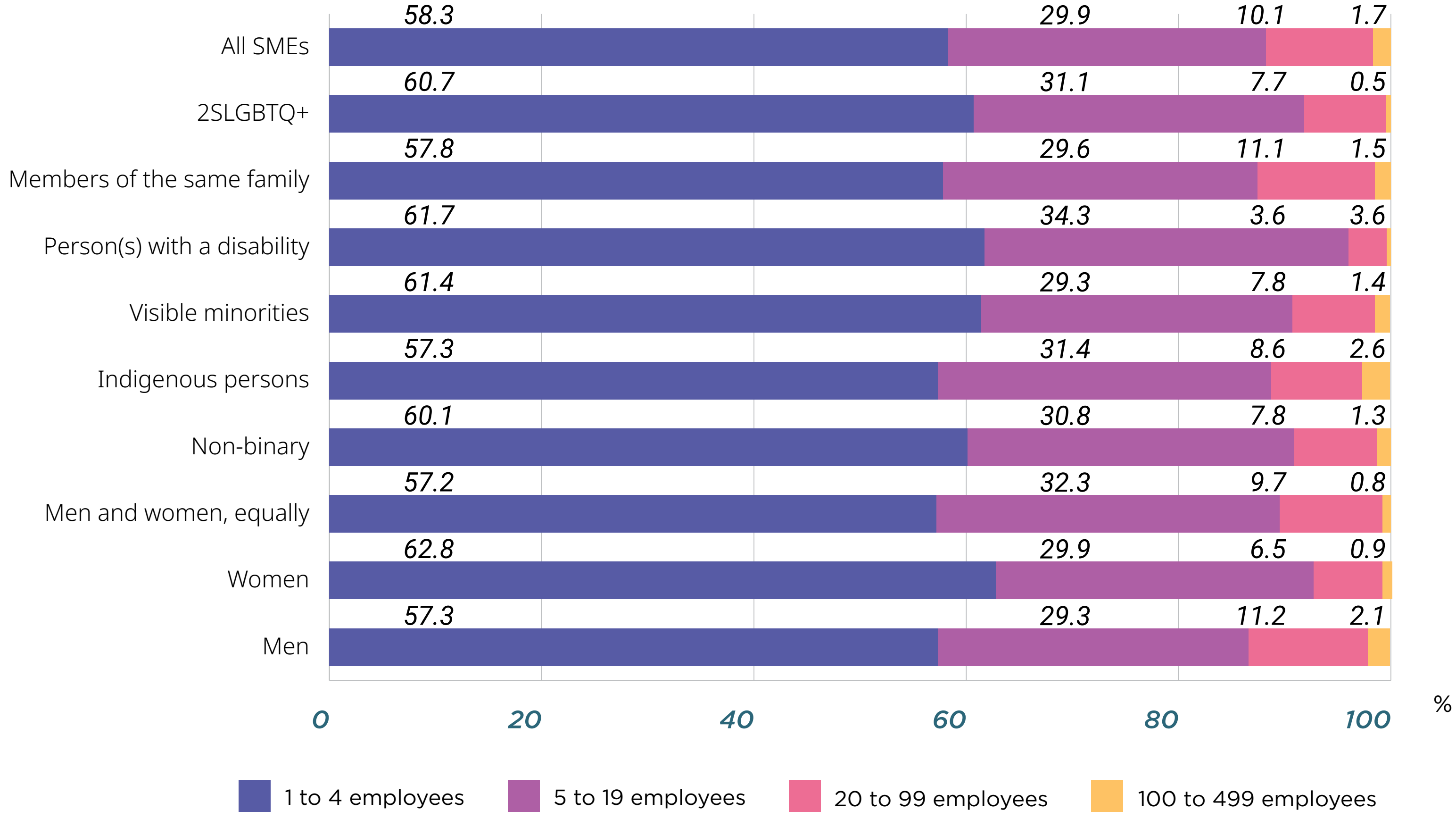
3.1. Firm size

Figure 4 illustrates the size distribution of SMEs across different majority ownership types. More than half of all SMEs (58.3%) were micro-enterprises with one to four employees, while approximately 30% had between 5 and 19 employees. Only 1 in 10 SMEs had between 20 and 99 employees. As a result, small businesses (1 to 99 employees) accounted for 98.3% of all SMEs in 2023, while fewer than 2% were medium-sized businesses (100 to 499 employees).

The proportion of SMEs with fewer than five employees ranged from 57.2% to 62.8% across majority ownership types, compared to 58.3% for all SMEs. Majority women-owned businesses had the highest share of micro-enterprises, while businesses equally owned by men and women had the lowest. Indigenous persons reported the highest proportion of businesses with 5 to 19 employees (31.4%) compared to visible minorities and majority men-owned businesses who reported each a share of 29.3%.

The percentage of SMEs with 20 to 99 employees was the highest among men (11.2%) and the lowest among persons with a disability (3.6%). Medium-sized businesses were more frequently found among Indigenous persons (2.6%) and least represented among persons with a disability (0.4%).

Figure 4: Firm size by majority ownership type



Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

3.2. Industry

Table 2 presents the industrial distribution of each majority ownership type and all SMEs. More than 60% of all SMEs belonged to the following sectors: all other category (21.4%), construction (16.4%), professional, scientific and technical services (15.1%), and retail trade (10.5%). Overall, about 27% of SMEs operated in goods-producing sectors, while 73% were in service-producing sectors.[7]

Among demographic groups, Indigenous persons had the highest share of SMEs in goods-producing sectors (35.9%), followed by majority men-owned SMEs, which were more likely than majority women-owned SMEs to operate in these sectors. Specifically, 31.6% of majority men-owned SMEs were in goods-producing sectors, compared to only 13.0% of majority women-owned SMEs.

[7] The goods-producing sectors include primary industries, construction, and manufacturing, while the service-producing sectors comprise the remainder industries.

Other demographic groups with high shares of SMEs in goods-producing sectors included family-owned businesses (31.0%), 2SLGBTQ+ business owners (27.7%), and non-binary entrepreneurs (26.3%). On the other hand, SMEs in service-producing sectors were most prevalent among majority women-owned businesses (87.0%), visible minorities (80.9%), and persons with a disability (77.9%).

Table 2: Industrial distribution by majority ownership type

	Industry											Special industry aggregations			Tourism industry subcategories aggregation				
Majority-ownership type	Primary[8]	Construction	Manufacturing	Wholesale trade	Retail trade	Transportation and warehousing	Professional, scientific and technical services	Accommodation and food services	Other services	All other category[9]	Total (%)	Information and Communication Technologies (ICT)	Knowledge-Based Industries (KBI)	All tourism	Transportation	Arts, entertainment and recreation	Accommodation services	Food services and drinking places	Other
Men	5.8	19.9	5.9	4.7	9.9	8.4	14.5	7.1	6.0	17.9	100	4.7	8.1	8.5	0.6	0.8	1.2	5.5	0.5
Women	3.2	7.0	2.8	3.0	12.6	4.2	18.9	8.2	9.1	31.1	100	3.5	5.1	9.1	0.1	1.7	0.9	6.6	0.5
Men and women, equally	7.7	12.9	4.5	4.3	10.6	6.8	13.7	9.2	5.9	24.4	100	6.2	7.6	11.1	0.6	1.8	1.4	7.4	0.3
Non-binary	5.7	20.6	0.0	2.2	10.5	24.1	0.0	7.7	13.1	16.1	100	18.0	0.0	18.1	0.4	0.0	0.0	7.6	9.3
Indigenous	8.0	22.3	5.6	2.5	7.5	5.3	12.7	5.0	13.1	18.0	100	5.9	2.4	6.4	0.8	1.7	0.8	3.9	0.3
Visible minorities	1.8	12.3	5.0	4.0	11.1	7.1	20.8	9.0	5.6	23.2	100	10.4	12.2	10.9	0.6	0.5	1.0	7.4	1.1
Person(s) with a disability	2.4	16.7	3.0	1.5	11.6	6.3	24.4	3.9	6.7	23.6	100	15.8	12.1	7.7	0.0	0.0	0.5	3.1	3.5
Members of the same family	8.6	16.6	5.8	4.5	10.9	6.1	12.8	8.7	5.8	20.4	100	5.0	6.3	9.6	0.7	0.9	1.6	6.7	0.1
2SLGBTQ+	5.5	20.4	1.8	2.4	12.3	4.1	11.5	11.6	8.1	22.2	100	10.9	4.1	13.7	0.0	0.5	6.1	4.6	2.8
All SMEs	5.6	16.4	5.1	4.3	10.5	7.4	15.1	7.6	6.5	21.4	100	4.8	7.5	9.0	0.5	1.1	1.2	6.0	0.5

Note: The 2023 SFGSME methodology report provides the list of NAICS codes included in the special industry aggregations.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

[8] The primary sector includes the following sectors: Agriculture, Forestry, Fishing and Hunting (NAICS 11) and Mining and Oil and Gas Extraction (NAICS 21). See the 2017 North American Industry Classification System (NAICS) for more details.

[9] The "All other category" includes the following sectors: Information and Cultural Industries (NAICS 51), Real Estate and Rental and Leasing (NAICS 53), Administrative and Support, Waste Management and Remediation Services (NAICS 56), Health Care and Social Assistance (NAICS 62), Arts, Entertainment and Recreation (NAICS 71).

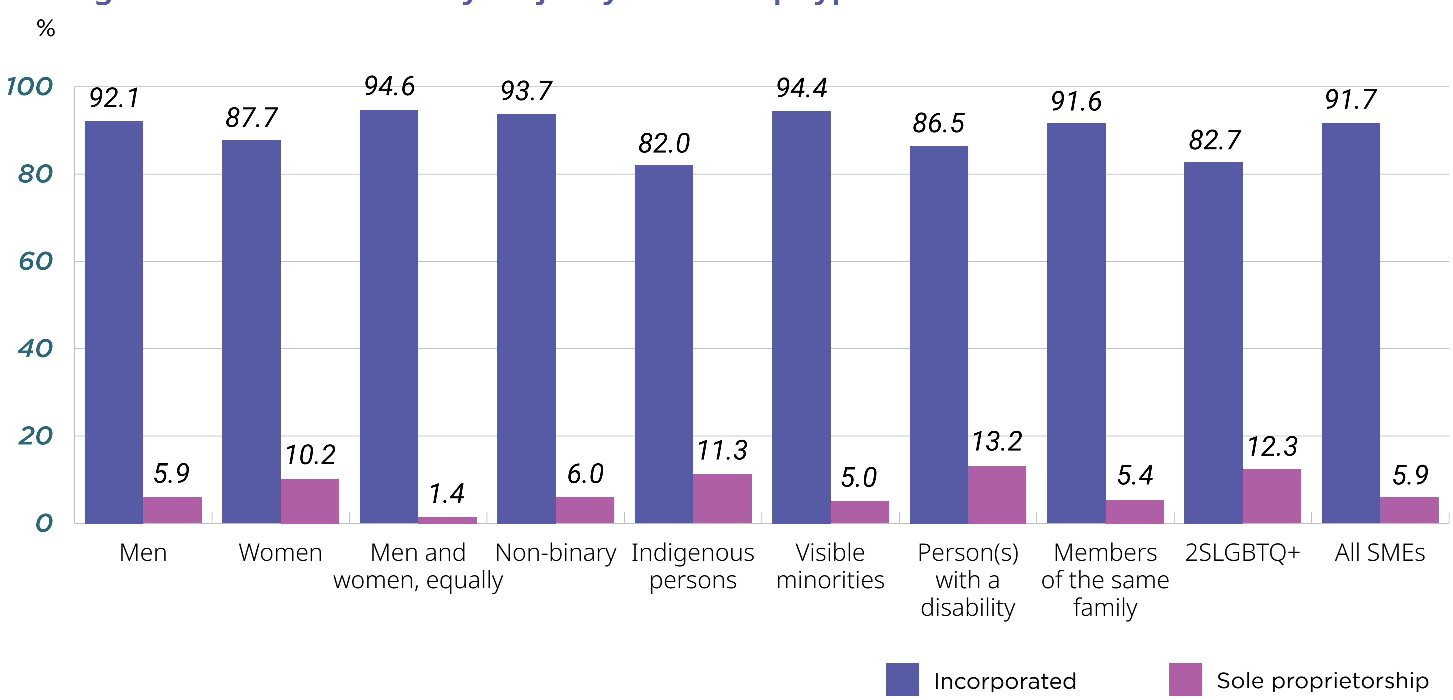
3.3. Firm structure

Incorporation may offer several benefits to businesses, including protecting owners' personal assets from business debts and lawsuits, facilitating access to capital, and enhancing firm reputation. Figure 5 illustrates the firm structure across different majority ownership types and all SMEs, showing that approximately 92% of all SMEs were incorporated, while only 6% operated as sole proprietorships.

The proportion of incorporated SMEs was higher among majority men-owned businesses (92.1%) than majority women-owned businesses (87.7%). Among businesses equally owned by men and women, about 95% were incorporated.

Beyond gender ownership, SMEs majority owned by visible minorities had the highest incorporation rate (94.4%), followed by non-binary business owners (93.7%) and family-owned SMEs (91.6%). In contrast, incorporation rates were lowest among Indigenous business owners (82.0%), followed by SMEs majority owned by members of the 2SLGBTQ+ community (82.7%) and persons with a disability (86.5%).

Figure 5: Firm structure by majority ownership type



Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

4. PRIMARY DECISION-MAKER CHARACTERISTICS

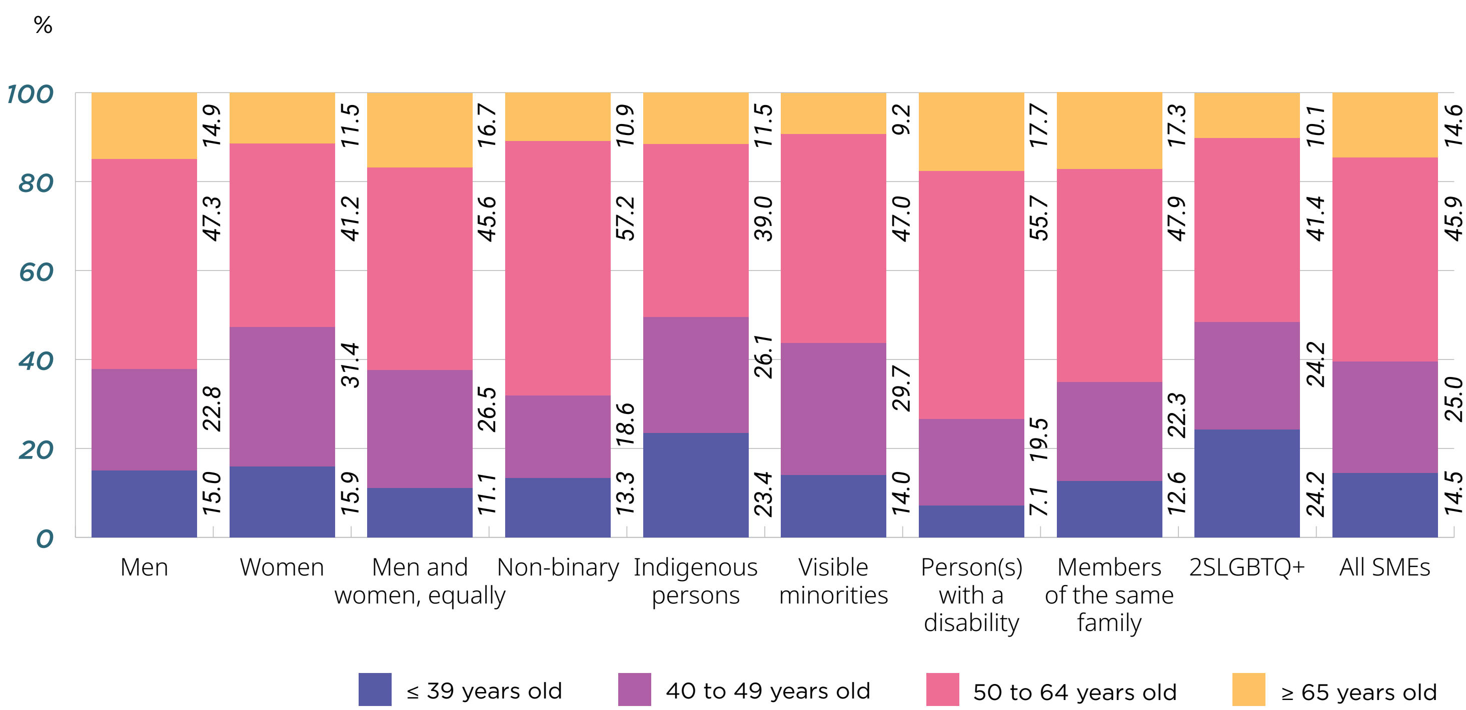
This section provides statistics on the age, education, and place of birth of the primary decision-maker, categorized by majority ownership type.

4.1. Age

Figure 6 shows that 14.5% of all SMEs had a primary decision-maker under the age of 40. Additionally, 25.0% had a primary decision-maker aged 40–49, 45.9% had one aged 50–64, and 14.6% had one aged 65 or older.

The proportion of SMEs with a primary decision-maker under the age of 40 was highest among members of the 2SLGBTQ+ community (24.2%), followed by Indigenous persons (23.4%) and majority women-owned SMEs (15.9%). On the other hand, SMEs with a primary decision-maker aged 65 or older were most common among businesses majority-owned by persons with a disability (17.7%), followed by family-owned businesses (17.3%) and businesses equally owned by women and men (16.7%).

Figure 6: Age of primary decision-maker by majority ownership type



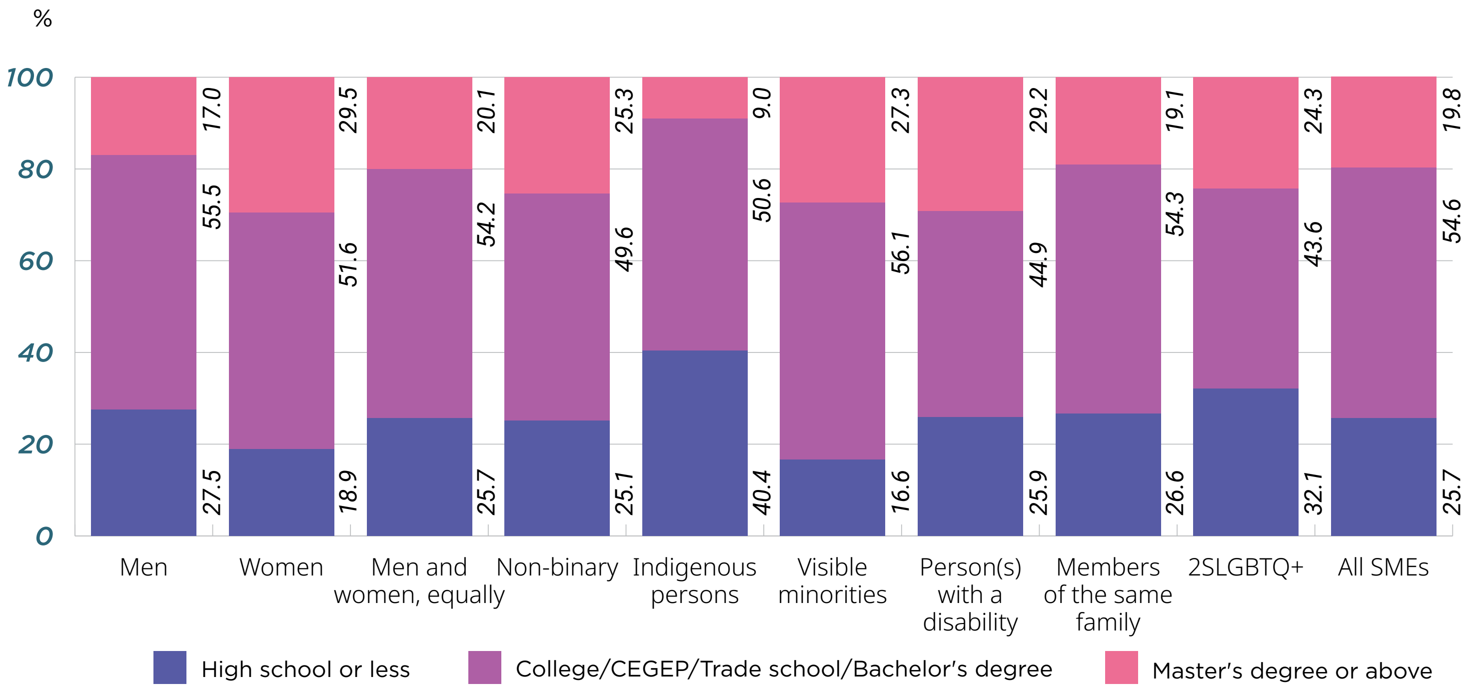
Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

4.2. Education

In approximately 26% of all SMEs, the primary decision-maker had no more than a high school education. Approximately 55% had a primary decision-maker with a qualification between a college diploma and a bachelor's degree, while around 20% had one with a master's degree or higher (Figure 7).

The highest proportion of primary decision-makers with the lowest level of education was found in businesses majority-owned by Indigenous persons (40.4%), followed by those majority owned by members of the 2SLGBTQ+ community (32.1%) and by men (27.5%). In contrast, the highest percentage of SMEs with a primary decision-maker holding a master's degree or higher was found among women-owned businesses (29.5%), followed by those majority-owned by persons with a disability (29.2%) and visible minorities (27.3%).

Figure 7: Highest level of education of primary decision-maker by majority ownership type



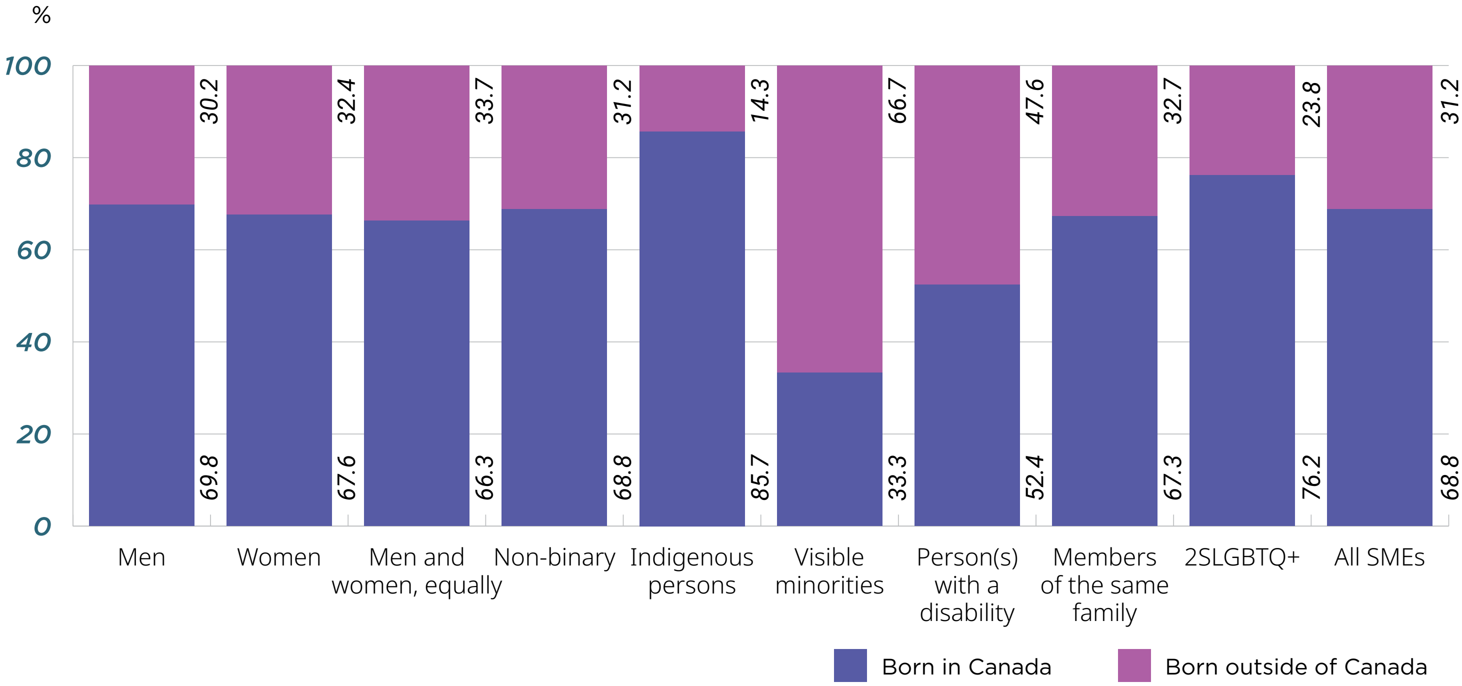
Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

4.3. Place of birth

Figure 8 shows the proportions of SMEs with primary decision-makers who were born either in or outside Canada. In 31.2% of all SMEs, the primary decision-maker was born outside Canada. More than half of these decision-makers had a native language other than English or French and had lived in Canada for an average of 27 years.

The highest proportions of SMEs with primary decision-makers who were born outside of Canada were found among those majority owned by visible minorities (66.7%), persons with a disability (47.6%), and men and women equally (33.7%).

Figure 8: Place of birth of the primary decision-maker by majority ownership type



Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

5. FINANCING

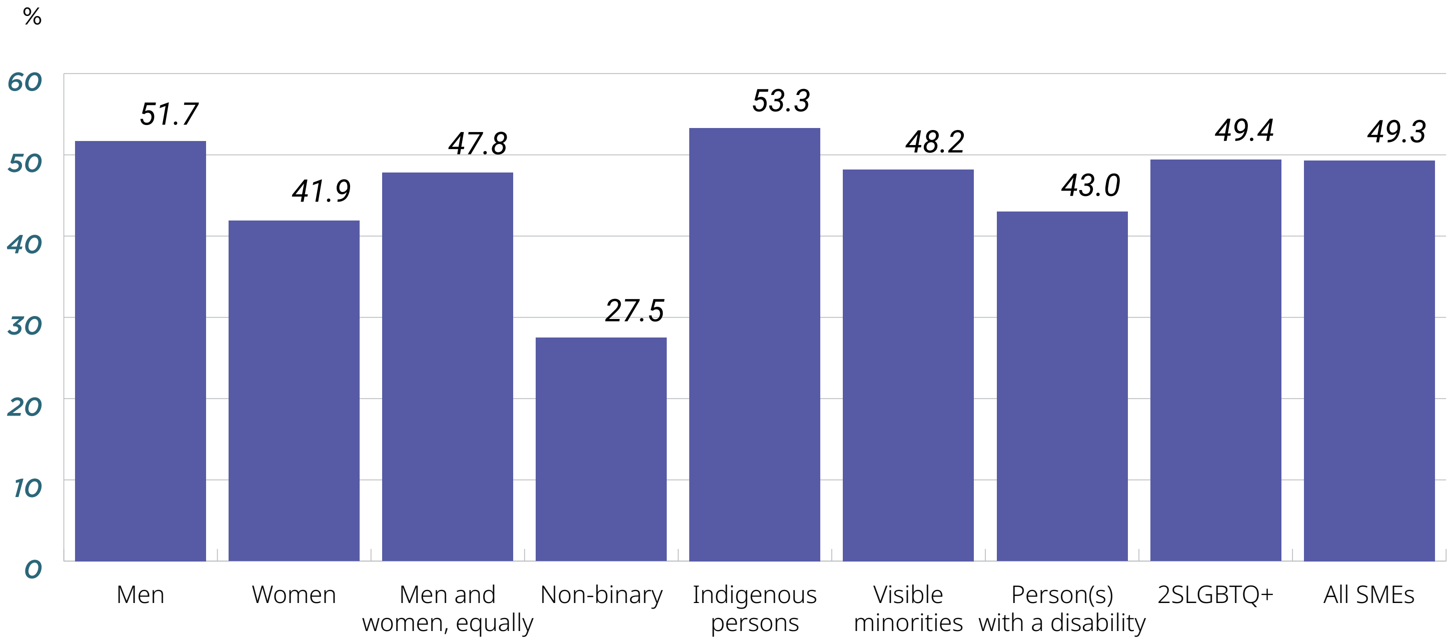
This section presents statistics on the external financing of SMEs, with a focus on debt and government financing.

5.1. External financing

Almost half of all SMEs requested external financing in 2023 (Figure 9).[10] The highest proportions of SMEs requesting external financing were found among SMEs majority owned by Indigenous persons (53.3%), men (51.7%), and members of the 2SLGBTQ+ community (49.4%).

[10] External financing includes non-residential mortgage or the refinancing of an existing non-residential mortgage, business line of credit or increase in the limit of the current line of credit, term loan, new business credit card or increase in the limit of the current credit card, new contract to lease any materiel or equipment, purchase of a product or service on credit provided by a supplier and pay that supplier at a later date, equity financing, government grants, subsidies, and government guaranteed loans or non-repayable contributions.

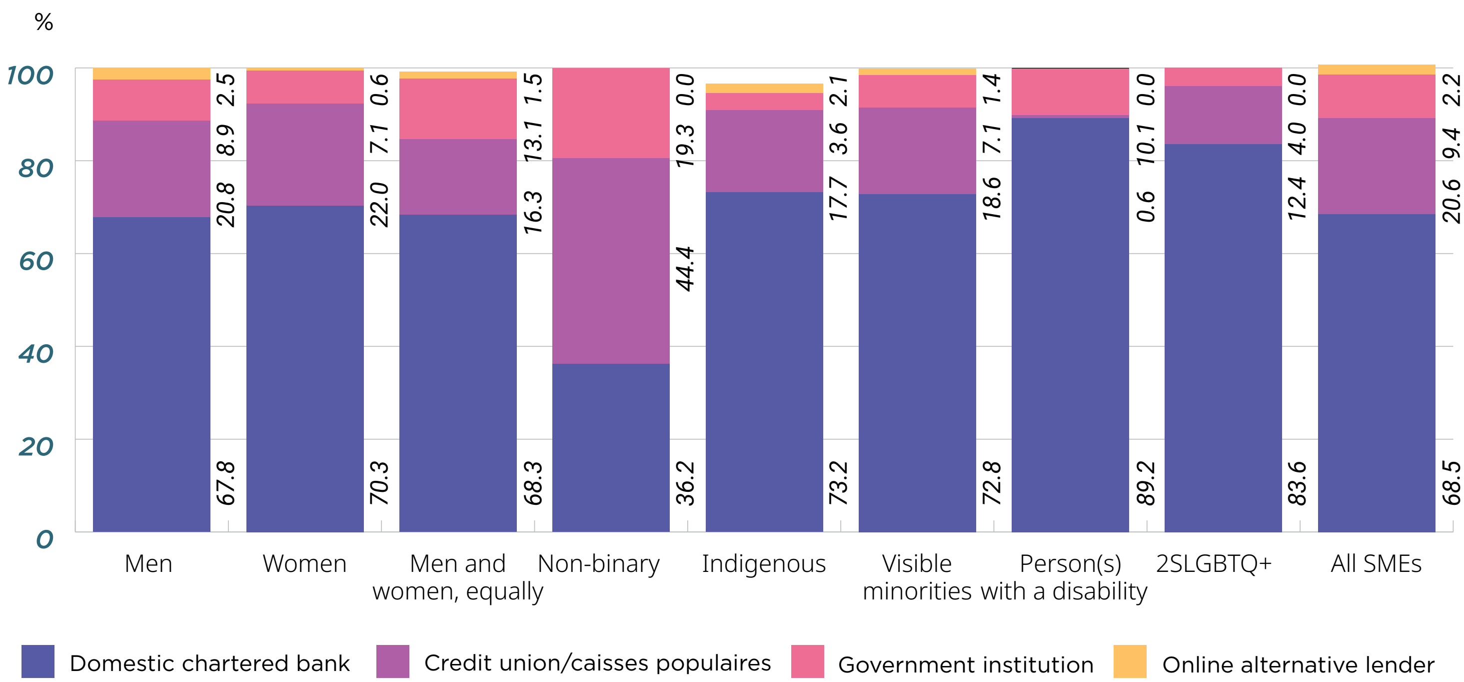
Figure 9: External financing request by majority ownership type



Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

Figure 10 shows that most SMEs sought external financing primarily from domestic chartered banks. However, 44.4% of SMEs owned by non-binary individuals obtained financing from credit unions or caisses populaires, compared to 36.2% who relied on domestic chartered banks.

Figure 10: Provider of external financing by majority ownership type



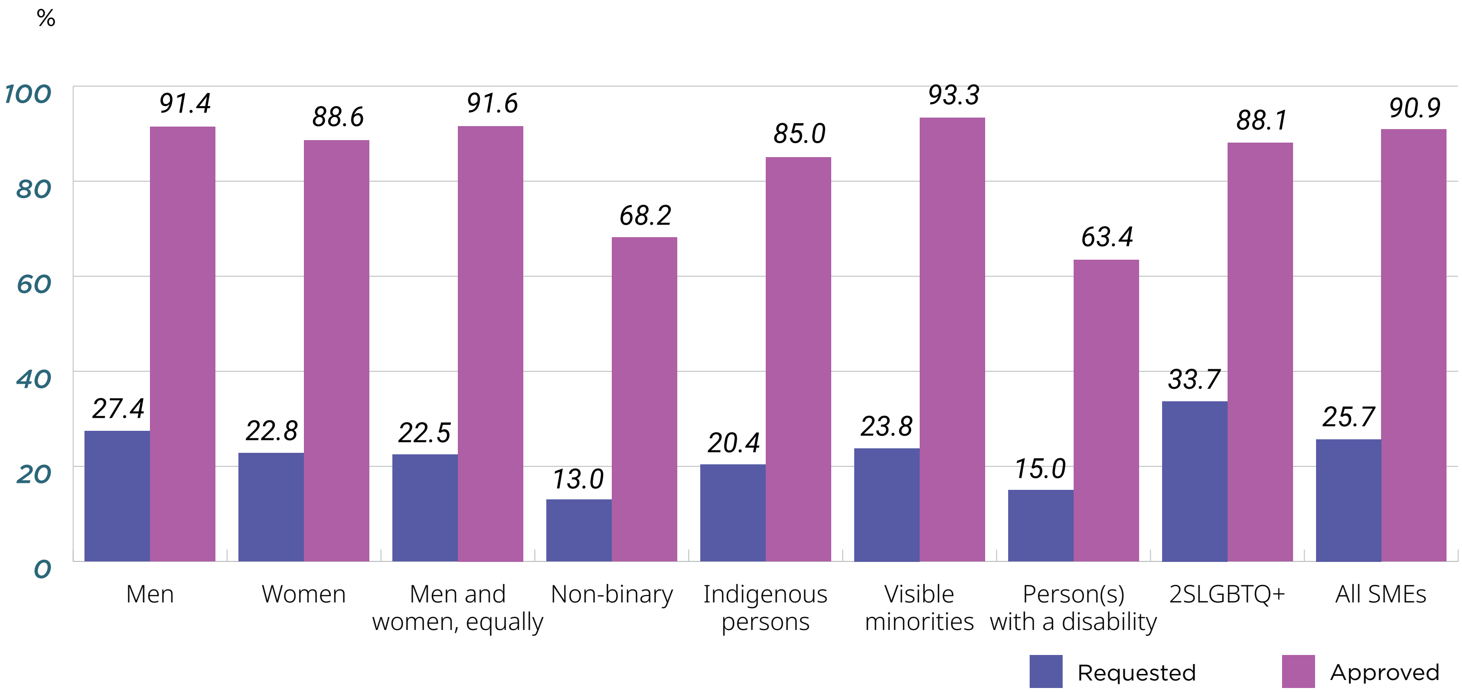
Note: Data may not add up to 100% because of rounding.

Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

5.2. Debt financing

Figure 11 shows that 25.7% of all SMEs requested debt financing in 2023, and among those SMEs, about 91% had their requests fully or partially approved.[11] The highest proportions of SMEs requesting debt financing were found among SMEs majority owned by members of the 2SLGBTQ+ community (33.7%), men (27.4%), and visible minorities (23.8%). The highest rates of approval were found among SMEs majority owned by visible minorities (93.3%), men and women equally (91.6%), and men (91.4%). The lowest approval rates were found among SMEs majority owned by persons with a disability (63.4%) and non-binary persons (68.2%).

Figure 11: Debt financing request and approval rate by majority ownership type



Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

5.3. Government financing

Figure 12 indicates that 7% of all SMEs applied for government financing in 2023. Among these applicants, approximately 74% had their largest financing request approved. The highest proportions of government financing requests were observed among SMEs majority owned by persons with a disability (12.7%), members of the 2SLGBTQ+ community (9.2%), and Indigenous persons (8.3%). Approval rates were highest among SMEs majority owned by non-binary individuals (91.7%), jointly by men and women (85.2%), and persons with a disability (80.4%). In contrast, the lowest approval rates were recorded among SMEs majority owned by women (61.1%) and men (73.7%).

[11] Debt financing includes non-residential mortgage or the refinancing of an existing non-residential mortgage, business line of credit or increase in the limit of the current line of credit, term loan, new business credit card or increase in the limit of the current credit card.

Figure 12: Government financing request and approval rate by majority ownership type

Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

6. GROWTH ACTIVITIES AND PROSPECTS

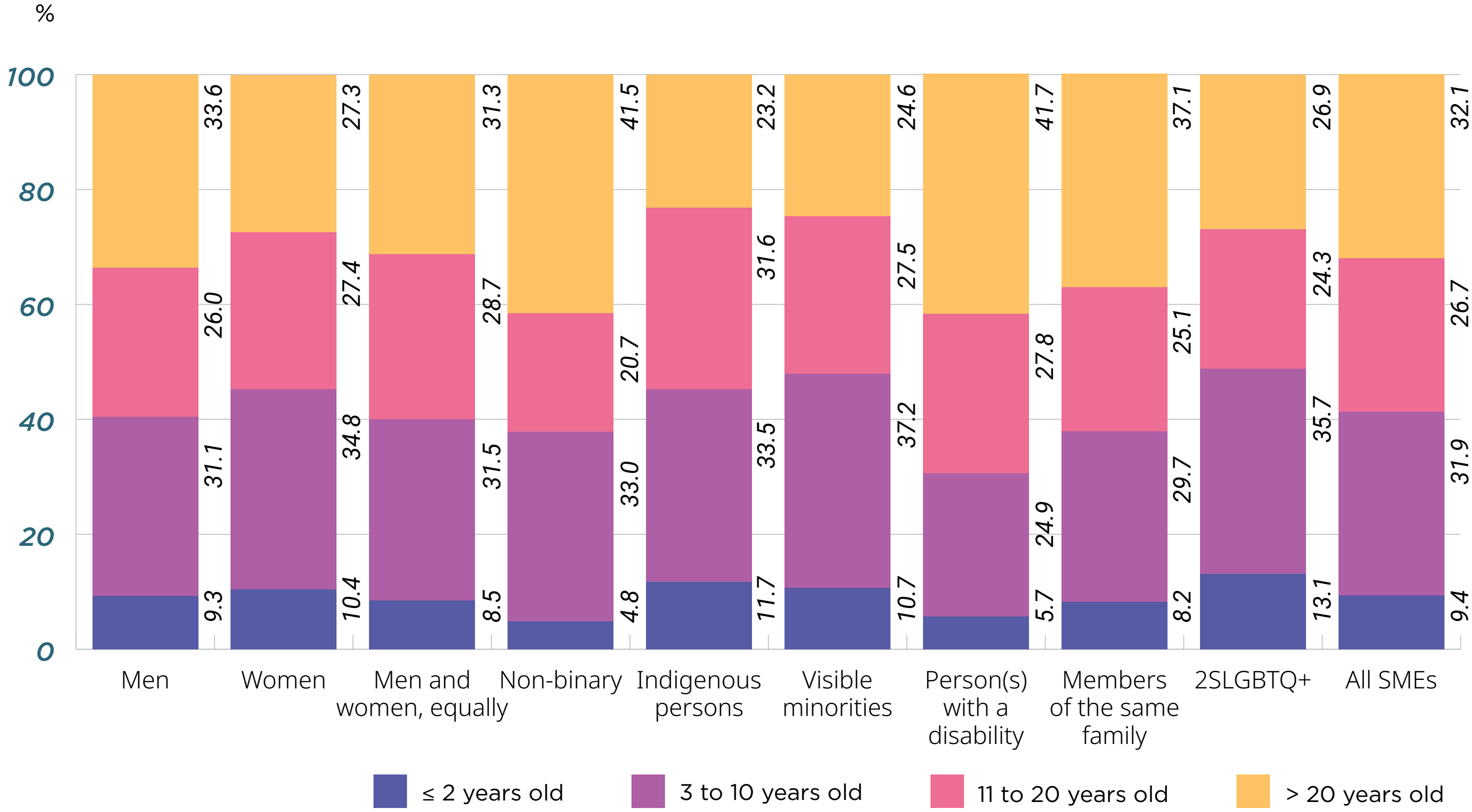
This section provides statistics on firm age, growth, exporting, innovation, intellectual property, online presence, e-commerce, and expansion into new markets, categorized by majority ownership type.

6.1. Firm age

Figure 13 presents the age distribution of firms by majority ownership type and for all SMEs. In 2023, 9.4% of SMEs were startups—firms that began operations in 2021 or later—while approximately 60% had been in operation for over 10 years.

Startups accounted for 10.7% of SMEs majority-owned by visible minorities, 13.1% of those owned by members of the 2SLGBTQ+ community, and 11.7% of those owned by Indigenous persons. More established businesses, i.e., those aged more than 10 years, were mostly found among SMEs majority owned by persons with a disability (69.5%), non-binary persons (62.2%), and members of the same family (62.1%).

Figure 13: Age of business by majority ownership type



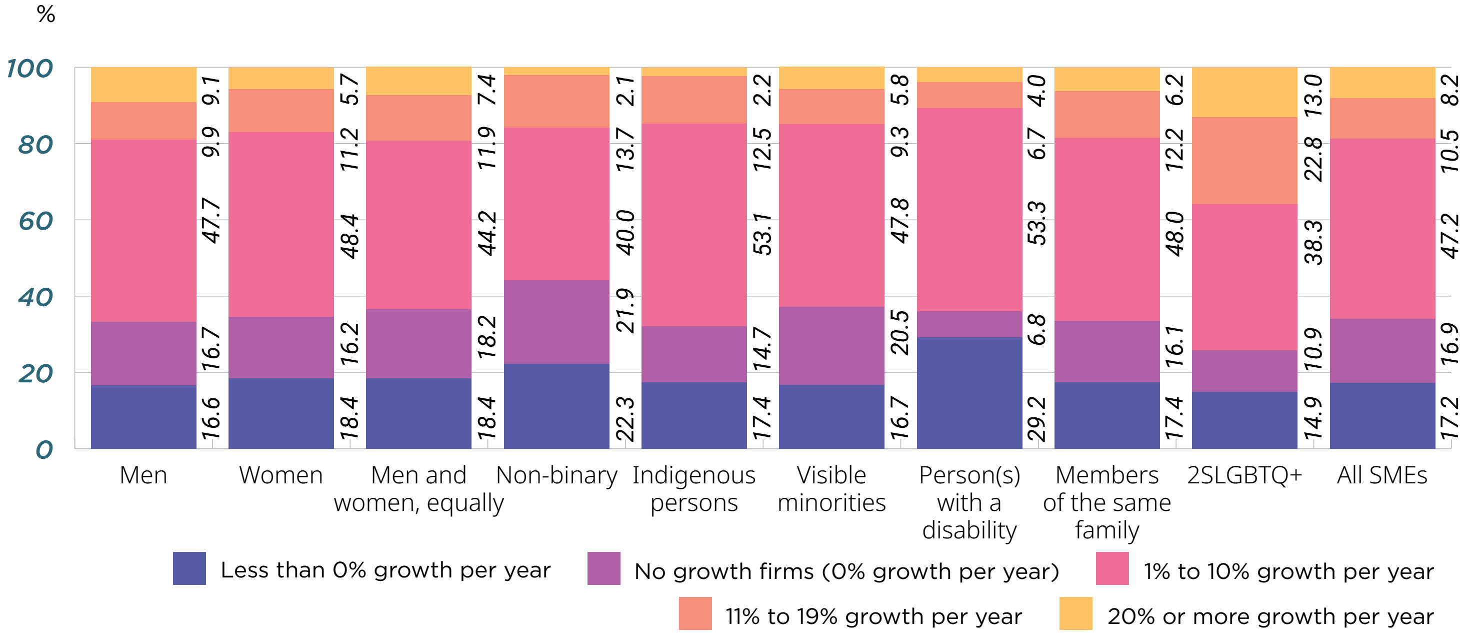
Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

6.2. Growth

Figure 14 presents the average annual sales or revenue growth from 2021 to 2023. During this period, 8.2% of all SMEs experienced average annual growth of 20% or more, while 34.1% reported zero or negative growth.

Among majority ownership groups, the highest proportion of businesses with average annual growth of 20% or more was observed among 2SLGBTQ+ owned businesses (13.0%), followed by those owned by men (9.1%), and businesses owned by men and women equally (7.4%). Conversely, the highest proportions of zero or negative growth were reported among businesses owned by non-binary individuals (44.2%), visible minorities (37.1%), and those owned by men and women equally (36.6%).

Figure 14: Average annual growth in sales/revenues from 2021 to 2023 by majority ownership type



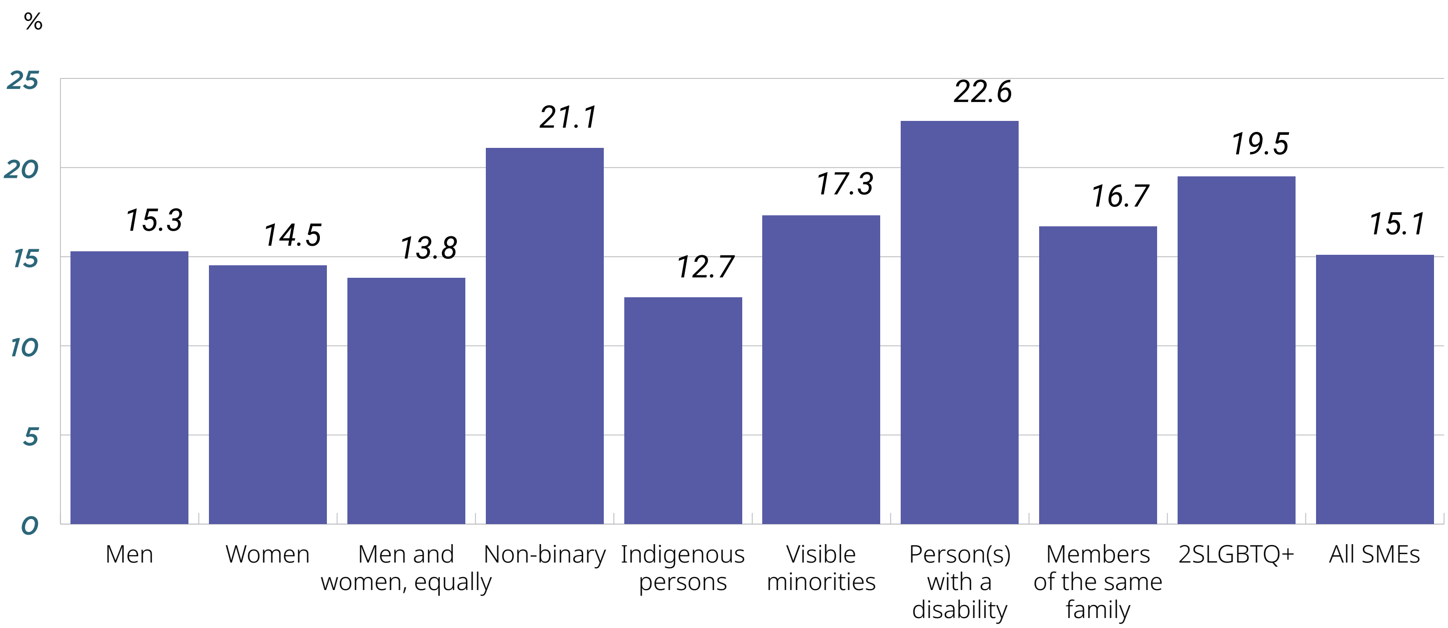
Note: Data may not add up to 100% because of rounding.

Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

6.3. Exporting

Figure 15 illustrates the export propensity among majority ownership groups and all SMEs. In 2023, approximately 15% of all SMEs exported goods or services.

Figure 15: Export propensity by majority ownership type



Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

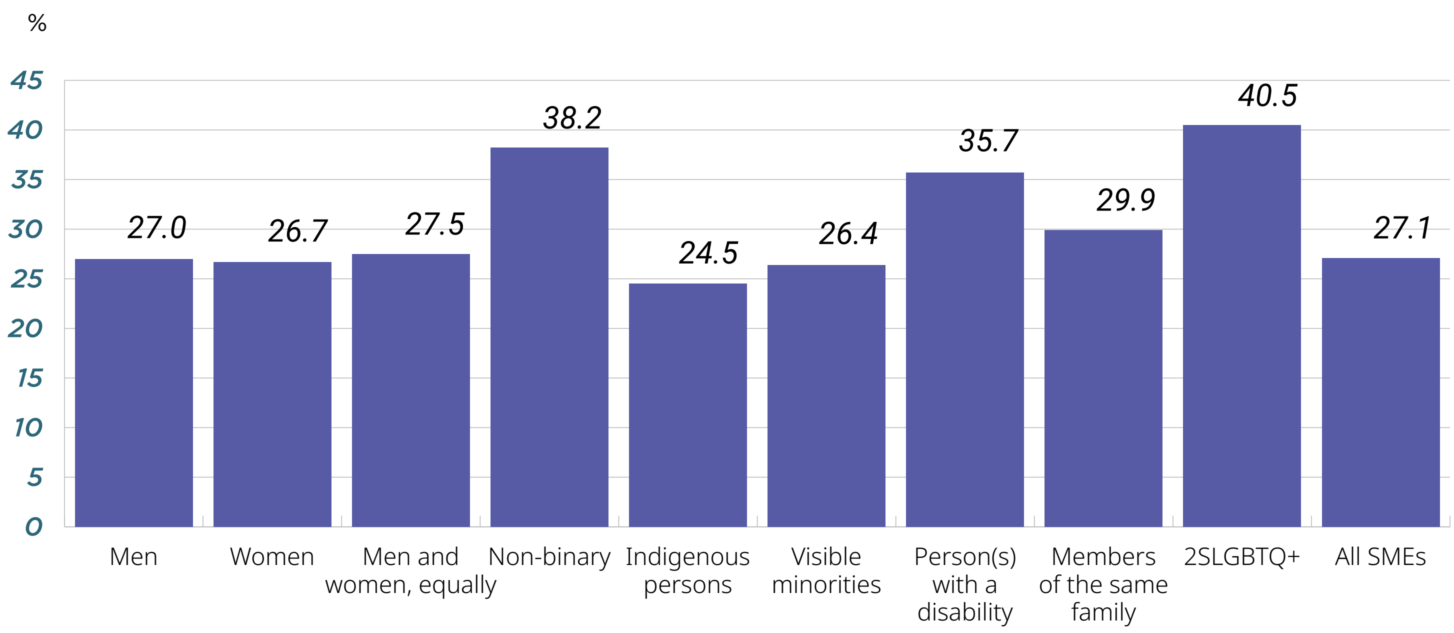
The highest shares of exporters were among SMEs majority owned by persons with a disability (22.6%), non-binary individuals (21.1%), and members of the 2SLGBTQ+ community (19.5%). In contrast, the lowest shares of exporters were observed among businesses majority owned by Indigenous persons (12.7%), owned by men and women equally (13.8%), and women (14.5%).

6.4. Innovation

Figure 16 illustrates the innovation propensity among majority ownership groups and all SMEs.[12] In 2023, approximately 27% of all SMEs introduced at least one innovation between 2021 and 2023.

The highest proportions of innovators were found among SMEs majority owned by members of the 2SLGBTQ+ community (40.5%), non-binary individuals (38.2%), and persons with a disability (35.7%). Conversely, the lowest proportions were observed among businesses majority owned by Indigenous persons (24.5%), visible minorities (26.4%), and women (26.7%).

Figure 16: Innovation propensity by majority ownership type



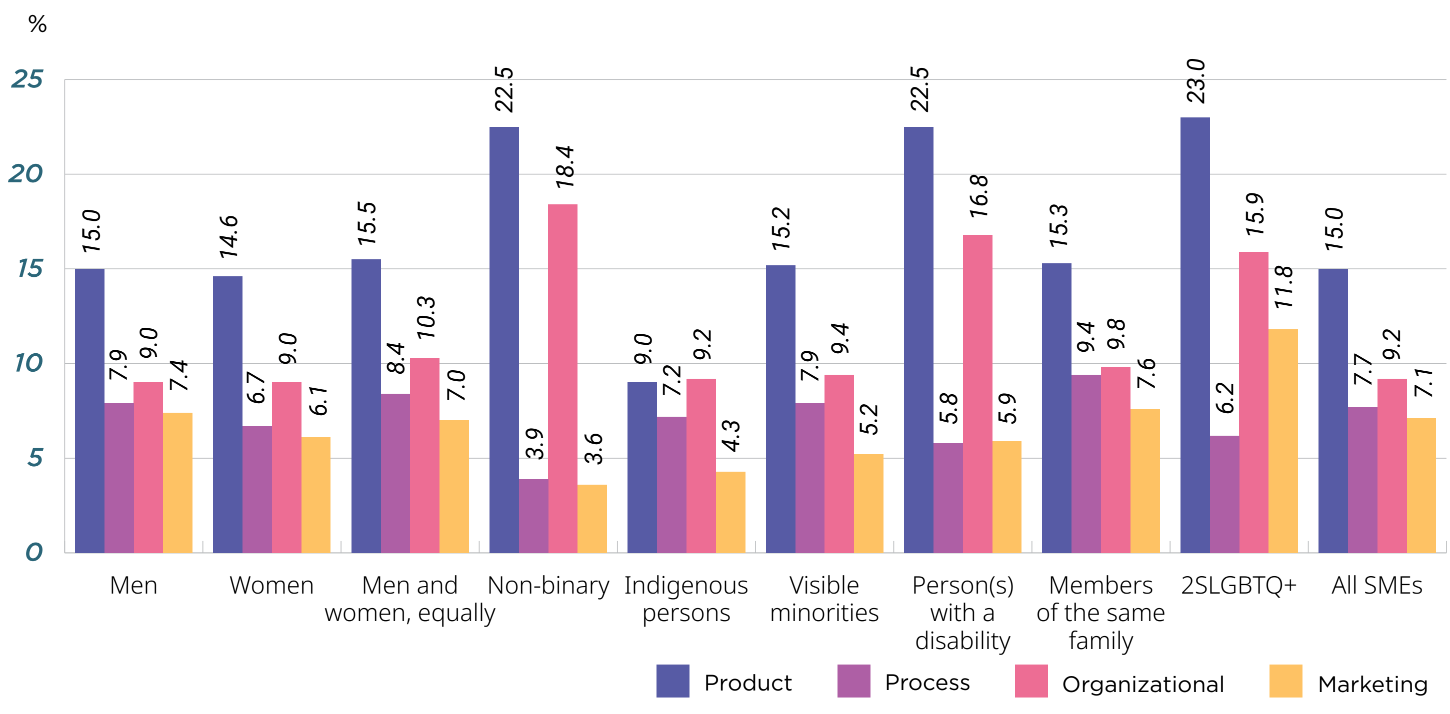
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

12 Questions on innovations activities apply only to SMEs that were not franchises.

Figure 17 shows that between 2021 and 2023, 15.0% of all SMEs introduced a product innovation (a new or significantly improved product or service), 9.2% introduced an organizational innovation (a new organizational method, workplace organization or external relations), 7.7% introduced a process innovation (new or significantly improved process or method), and 7.1% introduced a marketing innovation (a new way of selling their goods or services).

The highest share of product innovators was observed among SMEs majority owned by non-binary individuals and persons with a disability (22.5%). Process innovation was most common among SMEs majority owned by members of the same family (9.4%). Organizational innovators were most prevalent among businesses majority owned by non-binary individuals (18.4%), while marketing innovation was most frequently reported by SMEs majority owned by members of the 2SLGBTQ+ community (11.8%).

Figure 17: Innovation activity between 2021 and 2023 by type of innovation and majority ownership type



Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

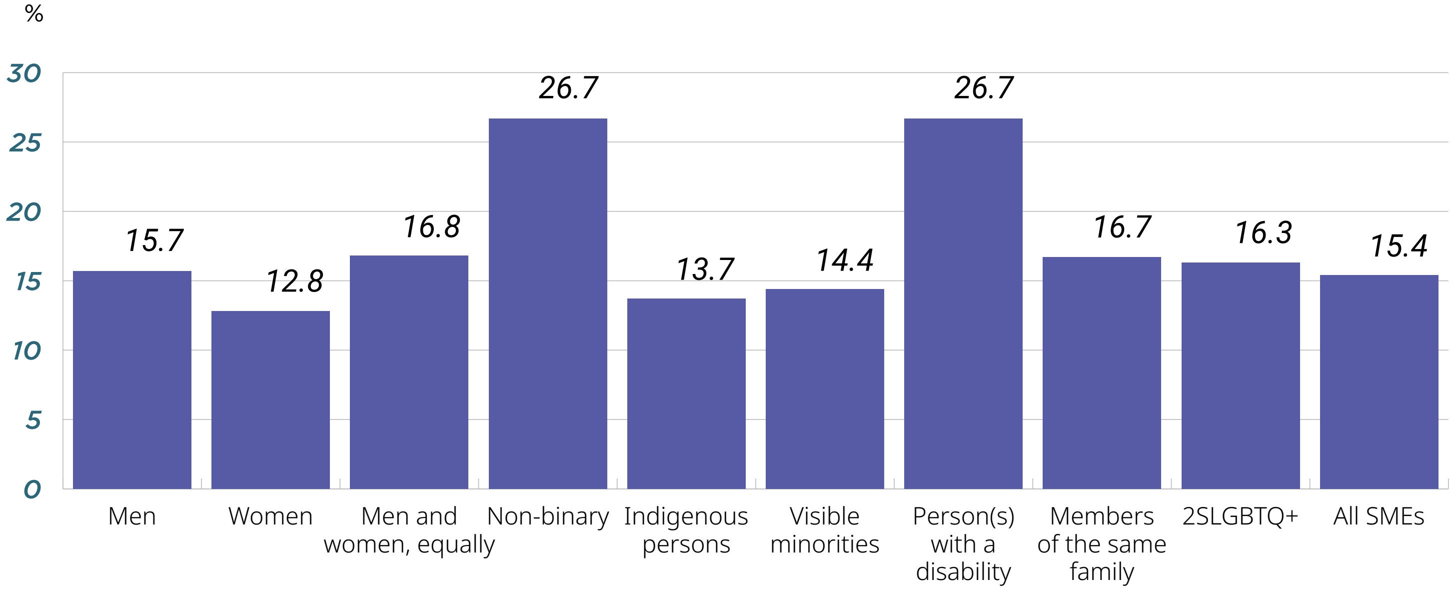
6.5. Intellectual property

Figure 18 illustrates the intellectual property (IP) propensity by majority ownership type and all SMEs. In 2023, approximately 15% of all SMEs held intellectual property (IP).[13]

The highest proportions of SMEs that held IP were found among SMEs majority owned by non-binary individuals (26.7%) and persons with a disability (26.7%). Conversely, the lowest proportions were observed among businesses majority owned by women (12.8%), and Indigenous persons (13.7%).

[13] Questions on intellectual properly apply only to SMEs that were not franchises. Some common IP includes registered trademarks, patents, registered industrial designs, trade secrets, non-disclosure agreements (NDAs), and any other type of intellectual property protection.

Figure 18: Intellectual property (IP) propensity by majority ownership type



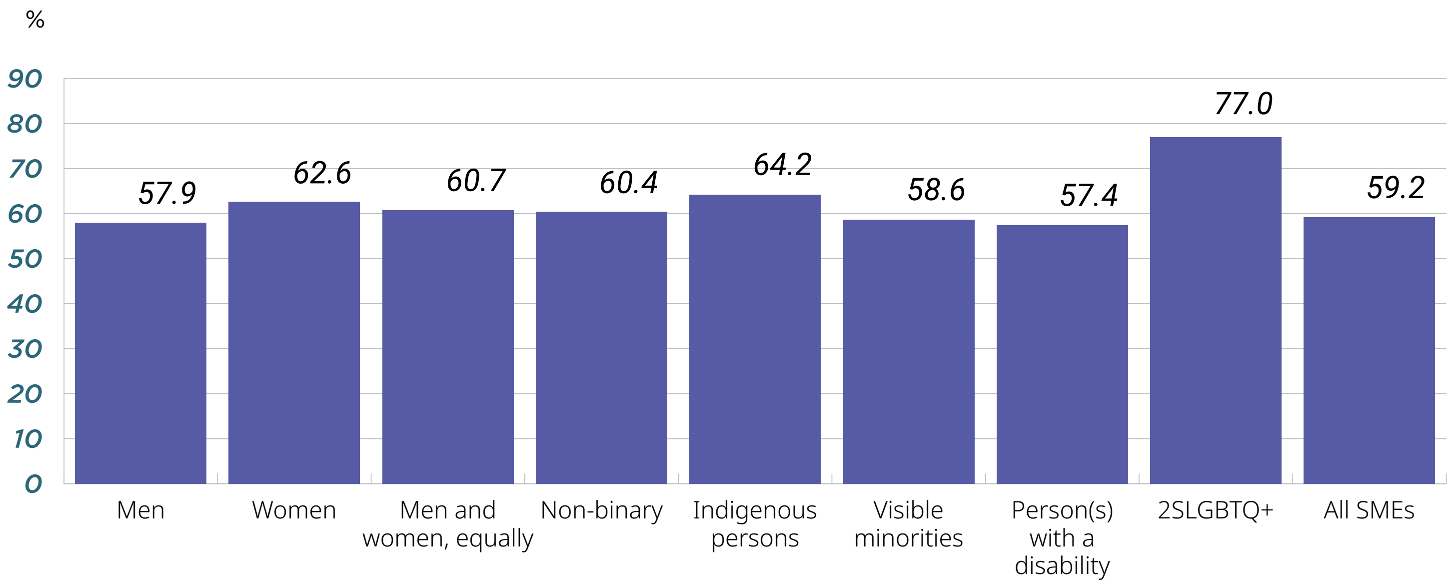
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

6.6. Online presence

Figure 19 illustrates the online presence propensity by majority ownership type and all SMEs. In 2023, almost 60% of all SMEs had an online presence.[14]

The highest proportion of SMEs with an online presence in 2023 was among those majority owned by members of the 2SLGBTQ+ community (77.0%). Among other majority ownership groups, approximately 60% of SMEs reported having an online presence.

Figure 19: Online presence of SMEs by majority ownership type



Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

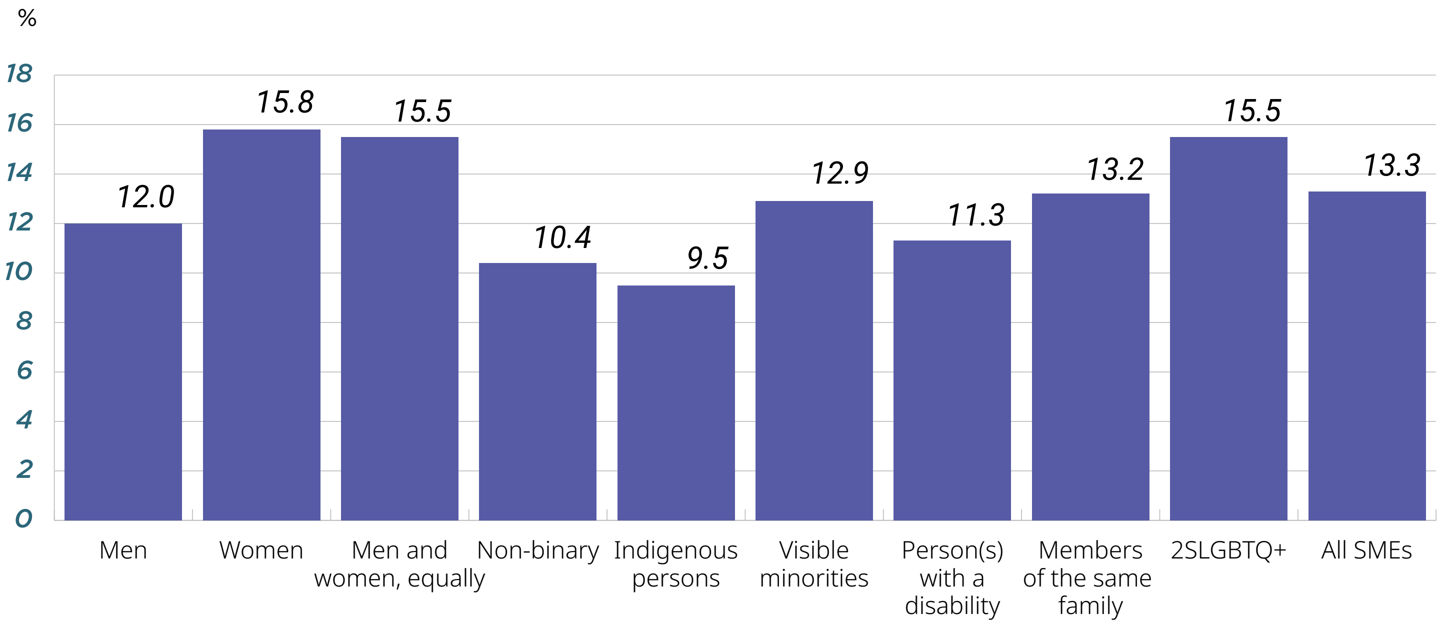
[14] A business's online presence may include its own website, social media accounts, and listings on review websites.

6.7. e-commerce

Figure 20 shows the e-commerce propensity by majority ownership type and all SMEs. In 2023, 13.3% of all SMEs used an e-commerce platform or payment system for their customers.

The highest proportion of SMEs with an e-commerce platform or payment system was among those majority owned by women (15.8%), followed closely by businesses majority owned by members of the 2SLGBTQ+ community and those equally owned by men and women (both at 15.5%). In contrast, the lowest proportions were observed among businesses majority owned by Indigenous persons (9.5%) and non-binary individuals (10.4%).

Figure 20: e-Commerce propensity by majority ownership type



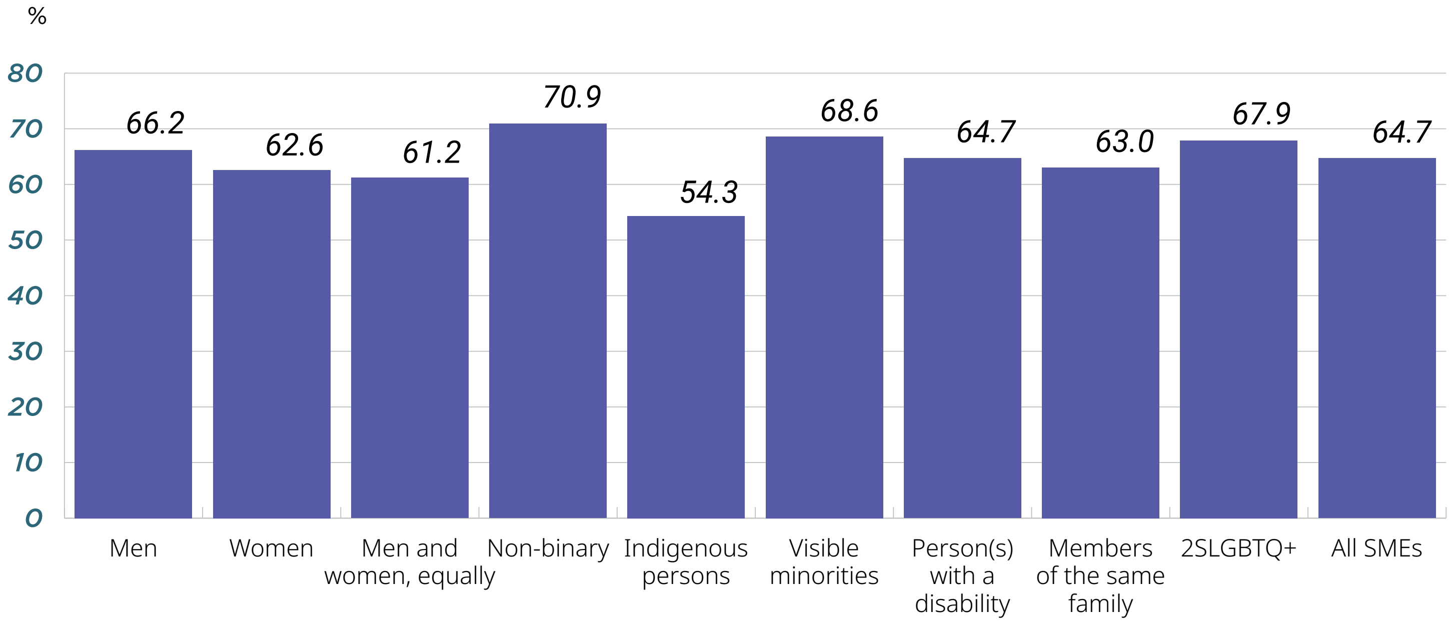
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

6.8. Expansion into new markets

Figure 21 shows the proportion of SMEs that intended to expand into new markets by majority ownership type and all SMEs. In 2023, approximately 65% of all SMEs intended to expand into new markets

The highest proportion of SMEs that intended to expand into new markets was among those majority owned by non-binary individuals (70.9%), while the lowest was among those majority owned by Indigenous persons (54.3%). Across other majority ownership groups, around 60% of SMEs expressed plans to expand.

Figure 21: Intention to expand into new markets by majority ownership type



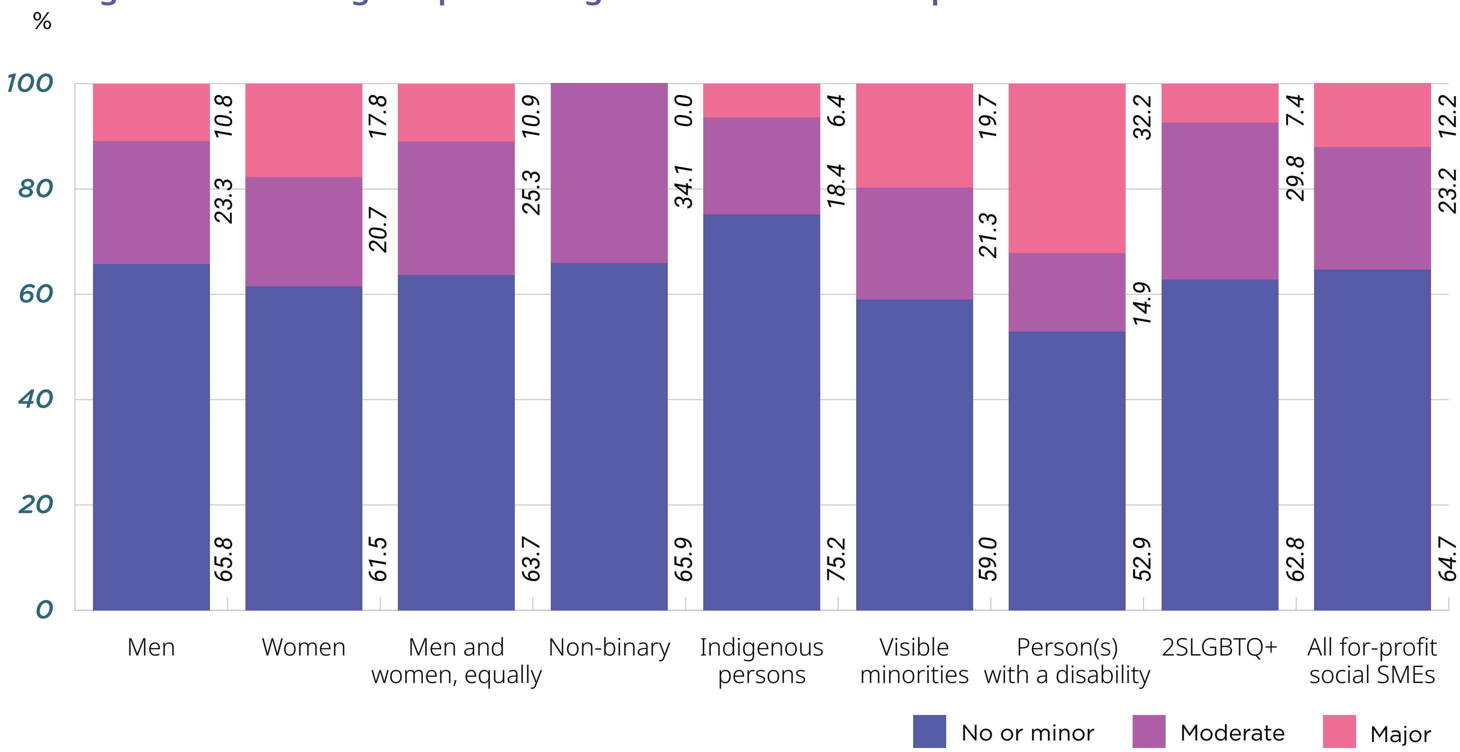
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

7. CHALLENGES OF PROMOTING THE BUSINESS AND ITS PRODUCTS

This section presents statistics on for-profit social SMEs' perceptions of challenges related to promoting their business and products.

Figure 22 indicates that 64.7% of all for-profit social SMEs perceived promoting their business and its products as either not a challenge or only a minor one. In contrast, 12.2% viewed it as a major challenge. The highest share of for-profit social SMEs identifying this as a major challenge was among those majority owned by persons with a disability (32.2%), while none of the for-profit social SMEs majority owned by non-binary individuals reported it as such.

Figure 22: Challenge of promoting the business and its products



Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

8. OBSTACLES TO GROWTH

In the 2023 *Survey on Financing and Growth of Small and Medium Enterprises*, the most frequently reported major obstacles to business growth among all SMEs were rising input costs, fluctuations in consumer demand, difficulties in recruiting and retaining skilled employees, the corporate tax rate, and labour shortages. This section explores the challenges associated with these obstacles, broken down by majority ownership type.

8.1. Rising input costs

Figure 23 shows that 35.7% of all SMEs considered rising input costs to be either not an obstacle to growth or only a minor one. In contrast, 39.5% perceive it as a major obstacle. The highest proportion of SMEs identifying rising input costs as a major obstacle was among those majority-owned by Indigenous people (43.4%). Among other majority ownership groups, around 40% of SMEs viewed rising input costs as a major obstacle to growth, except SMEs majority owned by non-binary persons (24.5%).

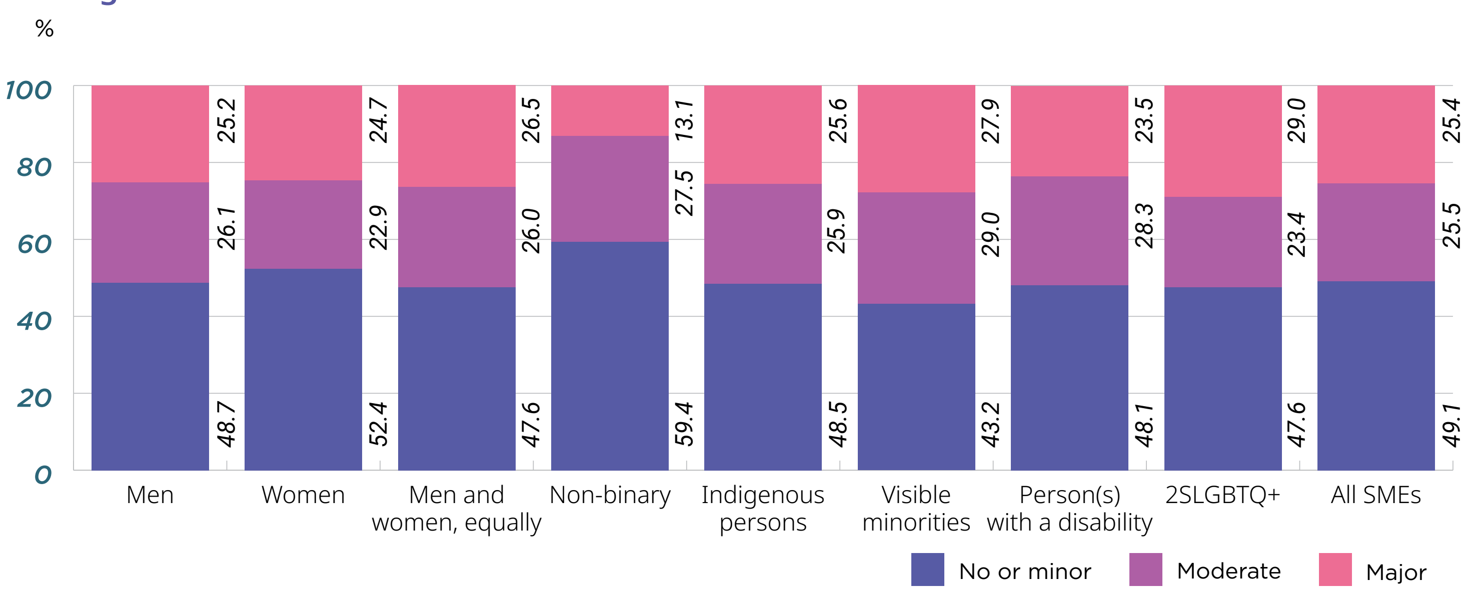
Figure 23: Obstacles related to rising input costs

Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

8.2. Fluctuations in consumer demand

Figure 24 shows that 49.1% of all SMEs considered fluctuations in consumer demand to be either not an obstacle to growth or only a minor one. In contrast, 25.4% perceived it as a major obstacle. The highest proportion of SMEs identifying fluctuations in consumer demand as a major obstacle was among those majority-owned by members of 2SLGBTQ+ community (29.0%), visible minority (27.9%) and men and women equally (26.5%).

Figure 24: Obstacles related to fluctuations in consumer demand



Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

8.3. Recruiting and retaining skilled employees

Figure 25 shows that 53.7% of all SMEs considered recruiting and retaining skilled employees to be either not an obstacle to growth or only a minor one. In contrast, 25.2% perceived it as a major obstacle. The highest proportion of SMEs identifying recruiting and retaining skilled employees as a major obstacle was among those majority-owned by non-binary persons (46.3%), persons with a disability (42.3%) and Indigenous persons (35.3%). Among other majority ownership groups, approximately 25% of SMEs viewed recruiting and retaining skilled employees as a major obstacle to growth.

Figure 25: Obstacles related to recruiting and retaining skilled employees

Note: Data may not add up to 100% because of rounding.
Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

8.4. Corporate tax rate

Figure 26 shows that 48.8% of all SMEs considered corporate tax rate to be either not an obstacle to growth or only a minor one. In contrast, 22.9% perceive it as a major obstacle. The highest proportion of SMEs identifying corporate tax rate as a major obstacle was among those majority owned by non-binary individuals (25.2%), members of 2SLGBTQ+ community (24.9%), and men and women equally (24.0%). Among other majority ownership groups, around 20% of SMEs viewed corporate tax rate as a major obstacle to growth.

Figure 26: Obstacles related to corporate tax rate

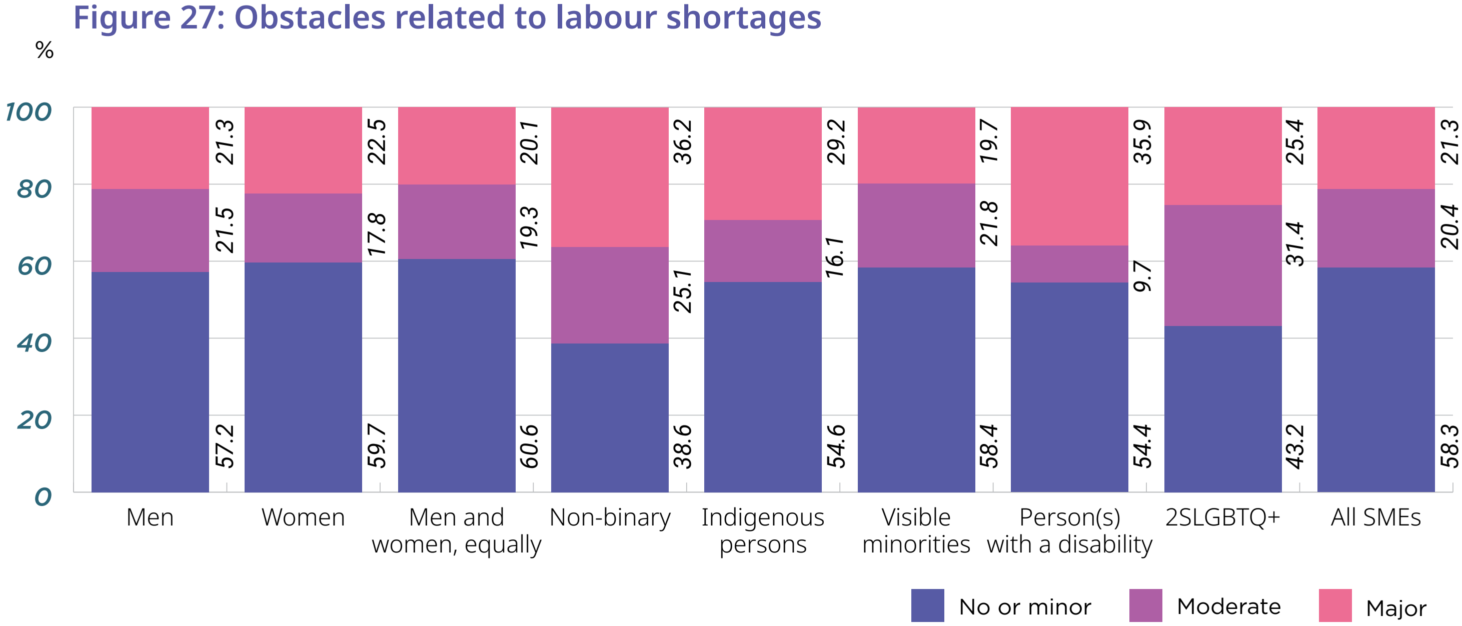
Note: Data may not add up to 100% because of rounding.

Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

8.5. Shortage of labour

Figure 27 shows that 58.3% of all SMEs considered labour shortages to be either not an obstacle to growth or only a minor one. In contrast, 21.3% perceived it as a major obstacle. The highest proportion of SMEs identifying labour shortages as a major obstacle was among those majority-owned by non-binary persons (36.2%), persons with a disability (35.9%) and Indigenous persons (29.2%). Among other majority ownership groups, approximately 20% of SMEs viewed labour shortages as a major obstacle to growth.

Figure 27: Obstacles related to labour shortages



Note: Data may not add up to 100% because of rounding.

Sources: Statistics Canada, *Survey on Financing and Growth of Small and Medium Enterprises*, 2023; and ISED calculations.

9. CONCLUSION

This report presents key statistics on majority ownership groups and all SMEs, based on data from the 2023 *Survey on Financing and Growth of Small and Medium Enterprises conducted by Statistics Canada*.

The findings provide valuable insights into how SMEs majority owned by specific demographic groups—particularly underrepresented groups such as Indigenous peoples, non-binary individuals, members of the 2SLGBTQ+ community, and persons with a disability—compared to their peers.