

RECOMMENDATIONS FOR FUNDERS

The varied funding pathways for women consist of many steps along the way. Just as their growth is a journey, so is the process of improving access to capital for women business owners. The need is there: 77% of women plan to apply for funding in the next 2 years, yet 61% say current funding options don't fit their needs.

VALUE DIFFERENT PATHWAYS

MARKETING & AWARENESS

- Only 46% of business service providers in BC believe the needs of their women clients differ from their male counterparts, and only half of service providers track their clients by gender.
- Only 16% of women entrepreneurs feel that banks and credit unions respond to their needs as a woman business owner, and less than 30% feel reflected in lenders' marketing.
- The symbols, role models and language that lenders choose in their marketing contribute to unconscious bias and can be a significant barrier to accessing capital.

FUNDING MODEL

- Sixty-five percent of women entrepreneurs do not feel that the types of funding currently available fit their needs.
- Many financial institutions are great at designing marketing programs for women entrepreneurs, but truly impactful funding models acknowledge slower growth patterns and different types of risk, rather than encourage women to alter their pathways to fit the lending box.
- A study by Boston Consulting Group found that startups founded and co-founded by women performed better over time, generating 10% more in cumulative revenue over a five-year period, and delivering more than 2 times per dollar invested.

APPLICATION PROCESS

- Over 40% of women business owners suggest a simplified application form and say advisory support through the process could improve the experience.
- When we see biased outcomes in lending, it means there's bias built into the processes and decision-making.

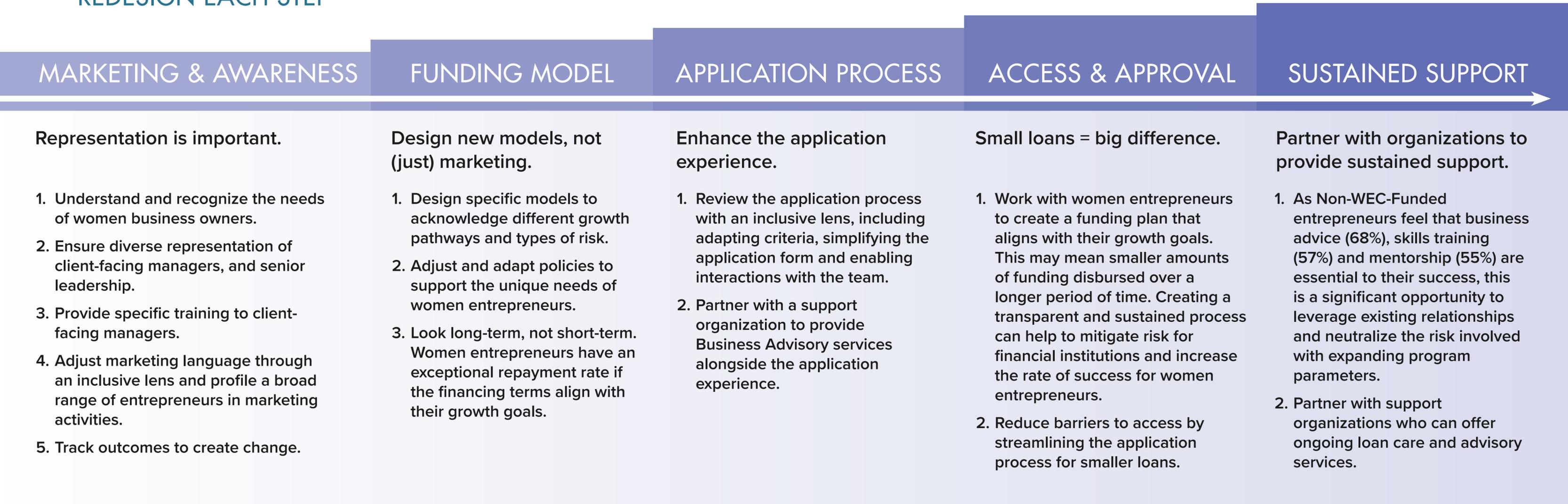
ACCESS & APPROVAL

- The most common amount requested by women business owners is \$10,000 - \$50,000, followed by <\$10,000 and between \$50,000 - \$150,000.
- Women entrepreneurs are risk-astute in their approach to growth—not risk-averse, as they have been traditionally characterized. Their slower, more intentional and informed path includes only taking on funding that is essential at each stage, and thus contradicts the traditional definition of success as fast growth.
- This may trigger a higher risk profile up front; however, by recognizing the value in different growth paths and adapting funding criteria to support different models, funders will be able to diversify their portfolio, mitigate risk and most importantly, support more diverse businesses to thrive.

SUSTAINED SUPPORT

- While many lenders report having programs for women, 56% of women entrepreneurs already have established relationships with non-profit organizations (the most cited being WEC).
- The supportive approach to capital is demonstrated to be highly effective; by providing integrated capital and support, Women's Enterprise Centre has a 96% repayment rate across all lending programs, (including unsecured and high-risk lending), and no loan clients have defaulted to date as a result of the pandemic. Furthermore, 75% of WEC businesses remain in business past five years due to this holistic support vs. the national average of 65%.

REDESIGN EACH STEP



**WOMEN'S
ENTERPRISE
CENTRE**

These recommendations focus primarily on debt financing, as a critical bridge in the early stages of business growth. However, the principles can be applied along the funding path leading into growth financing including angel investment, venture capital and private equity. When we value the broader definition of entrepreneurship and different growth pathways—and re-design systems to encompass these different needs—we can help more entrepreneurs at each step along the path, and assist their transition to the next one.

Together, we can build a stronger pipeline of diverse and thriving businesses igniting the Canadian economy!