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Analysis in Brief

Analysis on businesses majority-owned by women, first quarter of 2023

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This article provides disaggregated data to better understand the impact of COVID-19 on specific groups. Visit the [Gender, Diversity and Inclusion Statistics Hub](#) for more analysis, including disaggregated data on labour, public safety, health and more.

As the new year begins, different challenges continue to impact the ability of Canadian businesses to operate. Several factors such as size, industry and region of operation affect the ability of businesses to sell to their markets. The challenges experienced by businesses owned by different segments of the population can also vary and this article focuses on those faced by businesses majority-owned¹ by women.

From the beginning of January to early February 2023, Statistics Canada conducted the Canadian Survey on Business Conditions (CSBC) to collect information on the environment businesses are currently operating in and their expectations moving forward. This article explores results from the survey by looking at the businesses majority-owned by women and their expectations related to labour, costs, profitability as well as debt in the first quarter of 2023.

In general, all businesses expected labour-related obstacles in the first quarter of 2023 but businesses majority-owned by women were more likely to expect these challenges to have a high impact on their ability to deliver goods and services. Moreover, some differences were noted between businesses majority-owned by women and all private sector businesses pertaining to various cost-related obstacles, such as the rising costs in real estate, leasing or property taxes; rising interest rates and debt costs; and transportation costs. Additionally, businesses majority-owned by women were somewhat more likely to expect their profitability to decrease over the next three months compared to all private sector businesses. Meanwhile, businesses majority-owned by women were less likely to report being able to take on more debt compared to all private sector businesses.

Employment of women in Canada

According to the January 2023 results of the Labour Force Survey (LFS), 82.2% of core-aged (25 to 54 years old) women were employed in Canada, the highest rate on record since comparable data became available in 1976.² Also increasing is the proportion of women in decision-making roles. For instance, the share of women on boards of directors increased at an average annual rate of 2.5% every year from 2016 to 2019, bringing the total percentage of women in director positions to 19.2% in 2019.³

Businesses majority-owned by women accounted for 17.7% of all private sector businesses in Canada in the first quarter of 2023. They are concentrated in service industries such as health care and social assistance; professional, scientific and technical services; and retail trade. The distribution of businesses by size is similar between those majority-owned by women and all private sector businesses. The information and trends presented in this article are based on data collected via the CSBC. A variety of factors may influence the way that businesses majority-owned by women may respond, and it is not possible from the survey data to fully understand and explain all of these factors.

Businesses majority-owned by women had a higher proportion of female staff in all levels of employment compared to all private sector businesses in the first quarter of 2023. For instance, businesses majority-owned by women reported having more women on average in middle management positions (52.8%) than all private sector businesses (46.5%). Moreover, the average proportion of women employed in non-management positions was significantly higher in businesses majority-owned by women (71.0%) compared to all-private sector businesses (42.2%).

1. Majority ownership is defined as 51% or more. Majority-ownership was self-reported for private sector businesses only.

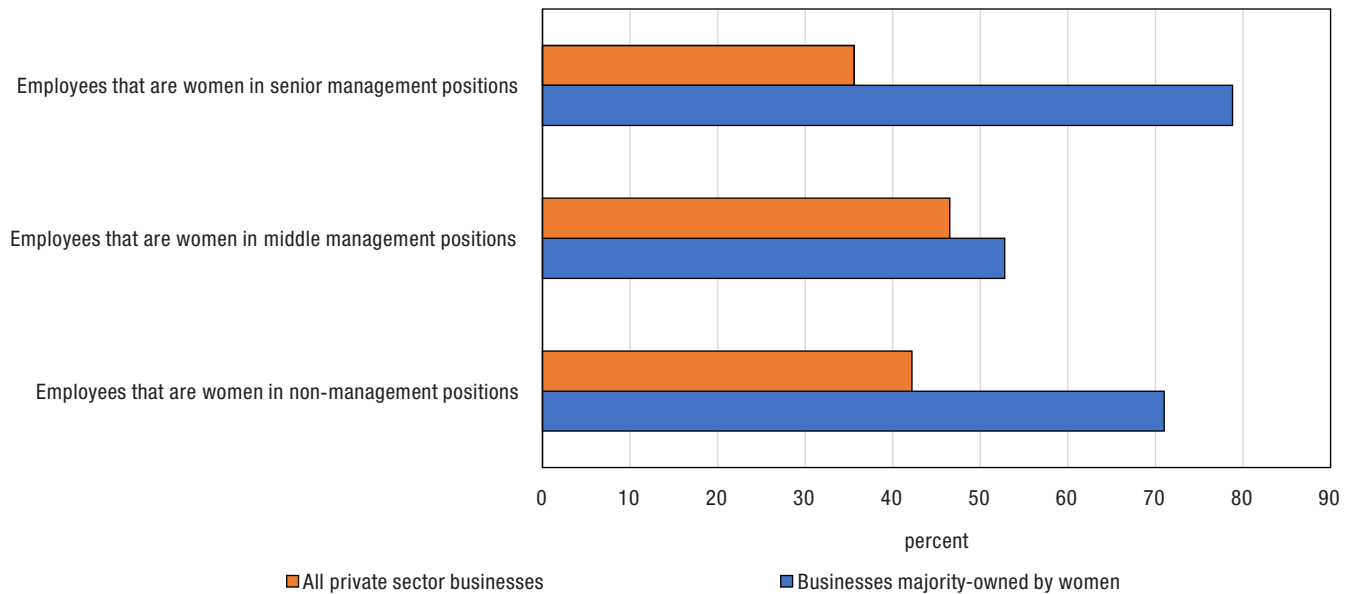
2. Statistics Canada. (2023). [Labour Force Survey, January 2023](#). *The Daily*. Statistics Canada catalogue no. 11-001-X.

3. Statistics Canada. (2022). [Representation of women on boards of directors, 2019](#). *The Daily*. Statistics Canada catalogue no. 11-001-X.

The average proportion of women in senior management positions was also significantly higher for businesses majority-owned by women (78.8%) compared to all private sector businesses (35.6%). Senior management positions may include owners and operators, especially for smaller businesses.

Chart 1

Average percentage of women in employment categories, first quarter of 2023



Note: Majority ownership is defined at 51% or more. Majority-ownership was reported for private sector businesses only. Respondents were asked to provide the proportion of employees of their business or organization that are women and men. Senior management positions may include owners and operators, especially for smaller businesses.

Source: Canadian Survey on Business Conditions, first quarter of 2023 (Table 33-10-0660-01).

All businesses expect labour-related obstacles but those majority-owned by women more likely to expect a high impact

While over one in four (27.5%) businesses majority-owned by women expected a labour force shortage in the next three months, roughly 3 in 10 (30.4%) of all private sector businesses had the same expectations. The proportion of businesses expecting this obstacle declined from the first quarter of 2022, when 32.3% of businesses majority-owned by women expected a labour force shortage and 37.5% of all private sector businesses anticipated the same.

In terms of recruiting skilled employees in the first quarter of 2023, businesses majority-owned by women (33.0%) were as likely to expect this obstacle as all private sector businesses (33.6%). While the percentage of businesses majority-owned by women who expected recruiting skilled employees to be an obstacle was relatively unchanged (33.4%) from the first quarter of 2022, the proportion of all private sector businesses who anticipated the same obstacle declined (38.6%).

The proportion of businesses who expected the retention of skilled employees to be an obstacle in the first quarter of 2023 was essentially the same for businesses majority-owned by women (23.5%) and all private sector businesses (24.5%). Similarly, in the first quarter of 2022, the percentage of businesses who expected retaining skilled employees to be an obstacle was identical for businesses majority-owned by women and all private sector businesses (30.3%), which suggests that this obstacle is becoming less prevalent.

Table 1
Labour-related obstacles for businesses majority-owned by women and all private sector businesses over the next three months, first quarter of 2022 and 2023

	Businesses majority-owned by women		All private sector businesses	
	Q1 2022	Q1 2023	Q1 2022	Q1 2023
	percent of businesses			
Shortage of labour force	32.3	27.5	37.5	30.4
Recruiting skilled employees	33.4	33.0	38.6	33.6
Retaining skilled employees	30.3	23.5	30.3	24.5

Note: Majority ownership is defined at 51% or more. Majority-ownership was self-reported for private sector businesses only. Respondents were asked from January 3 to February 6, 2023 which various business obstacles were expected over the next three months. Therefore, the three-month period could range from January 3 to May 6, 2023, depending on when the business or organization responded.

Sources: Canadian Survey on Business Conditions, first quarter of 2022 (Table 33-10-0469-01), Canadian Survey on Business Conditions, first quarter of 2023 (Table 33-10-0635-01).

Despite being as likely to expect recruiting or retaining skilled employees to be obstacles as all private sector businesses in the first quarter of 2023, businesses majority-owned by women (43.9%) were more likely than all private sector businesses (34.0%) to expect these challenges to have a high impact on their ability to deliver goods and services.

Differences in expectations of cost-related obstacles between businesses majority-owned by women and all private sector businesses

In the first quarter of 2023, businesses majority-owned by women (56.6%) and all private sector businesses (58.2%) reported similar expectations regarding rising inflation as an obstacle in the next three months. However, many cost-related obstacles persist for businesses in Canada and some differences can be observed.

Over one in three businesses majority-owned by women (36.4%) reported that the rising costs in real estate, leasing or property taxes was an anticipated obstacle over the course of the next three months while 29.6% of all private sector businesses reported the same.

Meanwhile, more than one in three businesses majority-owned by women (35.6%) expected rising interest rates and debt costs to be an obstacle over the next three months, compared to over two in five of all private sector businesses (42.4%). The proportion of businesses majority-owned by women who reported that they expected this obstacle declined from the previous quarter (42.1%) while the percentage was little changed for all private sector businesses (41.6%).

Of the businesses that expected rising interest rates and debt costs to be an obstacle during the first quarter of 2023, businesses majority-owned by women were slightly more likely to expect the selling price of their goods or services to increase (50.8%) compared to all private sector businesses (46.2%).

Additionally, businesses majority-owned by women (26.7%) were less likely to expect transportation costs to be an obstacle over the next three months compared to all private sector businesses (34.0%). While the proportion of businesses majority-owned by women (27.3%) who expected this obstacle was little changed from the first quarter of 2022, the percentage of all private sector businesses (36.2%) who expected the same obstacle slightly decreased from last year.

Businesses majority-owned by women somewhat more likely to expect their profitability to decrease

During these uncertain economic times, businesses majority-owned by women were somewhat more likely to expect obstacles related to their ability to make a profit. Over half of businesses majority-owned by women (53.6%) expected their operating expenses to increase over the next three months compared to 50.8% of all private sector businesses. Businesses majority-owned by women (25.5%) were also slightly more likely to expect their operating income to decrease over the same period than all private sector businesses (21.4%). Also, 19.7% of businesses majority-owned by women expected their sales of goods and services to decrease over the next three months compared to 15.9% of all private sector businesses.

Consistent with the expectations of higher operating costs and the lower levels of sales over the next three months, businesses majority-owned by women were also more likely to expect their profitability to decrease. In fact, around two in five businesses majority-owned by women (40.2%) expected their profitability to decline over the next three months compared to 36.6% of all private sector businesses.

Table 2**Selected expectations over the next three months for businesses majority-owned by women and all private sector businesses, first quarter of 2023**

	Businesses majority-owned by women	All private sector businesses
	percent of businesses	
Increase in operating expenses	53.6	50.8
Decrease in operating income	25.5	21.4
Decrease in sales	19.7	15.9
Decrease in demand	17.2	16.8
Decrease in profitability	40.2	36.6

Note: Majority ownership is defined at 51% or more. Majority-ownership was self-reported for private sector businesses only. Respondents were asked from January 3 to February 6, 2023 how various business aspects were expected to change over the next three months. Therefore, the three-month period could range from January 3 to May 6, 2023, depending on when the business or organization responded.

Source: Canadian Survey on Business Conditions, first quarter of 2023 (Table 33-10-0634-01).

Businesses majority-owned by women less likely to report being able to take on more debt

In the first quarter of 2023, businesses majority-owned by women remained slightly less likely than all private sector businesses to report being able to take on more debt. In fact, 54.7% of businesses majority-owned by women indicated that they were able to take on more debt, compared to 57.5% of all private sector businesses. Both were little changed from last quarter, when 53.0% of businesses majority-owned by women and 58.0% of all private sector businesses reported the same.

In addition, nearly three in four (75.9%) businesses majority-owned by women reported they had the cash or liquid assets required to operate in the first quarter of 2023, similar to all private sector businesses (76.2%). Compared to the first quarter of 2022, the proportion of businesses majority-owned by women (72.3%) who reported having the cash or liquid assets required to operate increased slightly while the percentage of all private sector businesses (75.8%) was little changed.

Methodology

From January 3 to February 6, 2023, representatives from businesses across Canada were invited to take part in an online questionnaire about business conditions and business expectations moving forward. The Canadian Survey on Business Conditions uses a stratified random sample of business establishments with employees classified by geography, industry sector, and size. An estimation of proportions is done using calibrated weights to calculate the population totals in the domains of interest. The total sample size for this iteration of the survey is 30,554 and results are based on responses from a total of 15,963 businesses.

References

Statistics Canada. (2023). Canadian Survey on Business Conditions, first quarter of 2023.