

# ENTREPRENEURSHIP AND BARRIERS TO SCALING UP

## EXPLORING THE ENTREPRENEURIAL ACTIVITIES OF NEWCOMERS IN THE GREATER TORONTO AREA

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Findings from a collaborative project by researchers at Ryerson University and funded by Immigration, Refugees and Citizenship Canada (IRCC)

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## About the Project

*Entrepreneurship and Barriers to Scaling Up: Exploring the Entrepreneurial Activities of Newcomers in the Greater Toronto Area* was a collaborative research study by researchers from the Ryerson Centre for Immigration and Settlement (RCIS), which explored entrepreneurship as an option for economic integration for newcomers living in the Greater Toronto Area. The project ran from 2018 to 2021 and was funded by Immigration, Refugees and Citizenship Canada (IRCC). The objectives of the study were to:

- Examine the level of entrepreneurial activity amongst newcomers in Ontario, particularly women newcomers;
- explore the pathways to and the role of social capital in newcomers' entrepreneurial activities;
- understand the barriers faced by newcomer entrepreneurs seeking to scale up their businesses; and
- examine the regulatory framework governing entrepreneurship in Ontario in terms of incentives and impediments and how these affect newcomers' entrepreneurial activities in particular.

## Background and Methodology

Considering the high levels of newcomer arrivals to Ontario and some preliminary evidence around their entrepreneurial activities, this project aimed to build knowledge and capacity around newcomer entrepreneurship. There is a well-established link between entrepreneurship and economic growth, and as the province of destination for the majority of newcomers to Canada, it is crucial for Ontario to have an evidence-based understanding of newcomer entrepreneurship. The study's findings have captured the creativity and innovation within newcomer entrepreneurial communities and the need for new supportive policies and programs to benefit future or interested newcomers to Canada who are contemplating entrepreneurship. The project also considered barriers to scaling up. Many newcomers have already opened up businesses or developed entrepreneurial projects since arriving in Canada. It is important for Ontario to help them grow their businesses, especially in light of newcomer businesses' potential to attract foreign markets.

Newcomer entrepreneurship has been an underdeveloped domain of research in Ontario. Though there is ample research showing that newcomers are critical to Canada's prosperity through their positive effect on labour market stability and long-term growth (Momani, 2016), the perception of newcomers as a drain on Canadian resources can still be found in public discourse. It is time to change this conversation in the light of emerging evidence of newcomer success stories and accounts of self-motivated entrepreneurial activities (Cohn & Adebayo, 2016). The research team treated integration as a dialectical process in which both newcomers and host societies undergo significant transformations. Exploring the factors contributing to successful entrepreneurship and the barriers to scaling up, including economic exclusion and marginalization, this research generated valuable insights and empirical knowledge for systemic change. The unit of analysis for understanding entrepreneurship and integration ranged from the individual, to the family (broadly defined), to the community, to society at large.

## **Research Activities**

The research program involved collaboration with newcomer entrepreneurs, drawing on their experiences to capture the complexity and diversity (factors of influence) of economic integration and entrepreneurship in the Greater Toronto Area. The research team completed qualitative interviews with 100 newcomer entrepreneurs to gather information about their lived experiences of entrepreneurship and gain insight into the obstacles encountered by those who have endeavoured to start small businesses before. The research team also completed a quantitative survey with 229 newcomer entrepreneurs to develop a profile of newcomer entrepreneurship in the Greater Toronto Area. The quantitative survey provided insight into the different motivations for and pathways to entrepreneurship for newcomers in the Greater Toronto Area and information about the influence of specific factors affecting entrepreneurs' experiences. Participants in the qualitative interviews and the quantitative survey were people over the age of 25, with experience starting a business in Canada, who came to Canada within the last 30 years through an immigration pathway (e.g. refugee, economic, family).

The research team also conducted interviews with Business Improvement Associations (BIAs), both mainstream and ethnic-racial, to better understand the regulatory environment impacting entrepreneurial activity in the Greater Toronto Area. Participants in these informational interviews were knowledgeable individuals from service provider organizations offering resources and support to new entrepreneurs in Ontario.

Table 1. Breakdown of research activities

Activity	Setup
Qualitative interviews	<ul style="list-style-type: none"><li>• 100 newcomer entrepreneurs in the Greater Toronto Area</li><li>• 25 representatives of Business Improvement Areas in the Greater Toronto Area</li></ul>
Quantitative survey	<ul style="list-style-type: none"><li>• 229 newcomer entrepreneur respondents in the Greater Toronto Area</li></ul>

## **Limitations**

Business owners generally responded positively to the project, with some explicitly expressing that Canada's government needs to undertake more such studies to hear people's opinions. Many business owners were also incredibly generous with their time, responding hospitably to members of the research team conducting recruitment and regularly offering refreshments, specialty dishes, and product samples even when quite busy with customers. However, due to challenges encountered during the recruitment process and other factors, there are some limitations to the project data.

## ***Inclusion and exclusion criteria***

The participants included in the project are not a representative sample of entrepreneurs who came to Canada and set up businesses in Toronto. During recruitment efforts, members of the research team encountered many successful business owners from all over the world who were not eligible to participate because they had come to Canada more than 30 years ago. Some business owners were disappointed that they

were ineligible to participate because they had more years of experience and could speak to the changing entrepreneurial environment. A few business owners who were ineligible because they were second-generation said they faced discrimination even though they were Canadian-born. Some business owners, in particular, reported facing significant barriers while conducting their business affairs and expressed a need for a larger platform to discuss their experiences.

There was also some confusion about the word 'newcomer' being used to describe anyone who had come to Canada within the past 30 years. Several business owners took issue with the term and felt that it did not accurately describe them. In some cases, prospective participants were offended by the research team members asking if they had immigrated to Canada, which was necessary to determine their eligibility to participate in the study. One participant said that this was a racist question, though eventually completed the survey after being thoroughly introduced to the project's purpose.

### **Recruitment**

Generally, business owners responded most positively to in-person recruitment efforts. However, persistence was vital. Though time-consuming, the research team had more success arranging appointments with business owners when they would complete the survey, rather than asking business owners to complete the survey on the spot. When business owners were not on the premises, the research team members would get their contact information from staff and then reach out to them for their availability. Participants often preferred to have the survey dropped off and picked up later, though some wanted a research team member to sit with them while completing the survey.

Members of the research team often travelled to visit business locations in person. However, the time and cost associated with travel, without the assurance of returning with any completed surveys, made recruitment in some further sections of the Greater Toronto Area prohibitive. The research team used snowball recruitment methods and – where applicable – often experienced success recruiting within their ethnic or cultural communities; however, these networks were eventually exhausted. In addition to in-person recruitment methods, the research team successfully identified prospective participants through resources such as newsletters from municipal representatives, which often included lists of local businesses in their areas. Similarly, religious organizations' publications (e.g. temple calendars) often had the names of several entrepreneurs advertising their businesses, and bulletin boards at non-profit organizations and settlement agencies often featured advertisements for local businesses. Personnel at specific organizations were also sometimes able to identify newcomer entrepreneurs in their personal or professional networks.

Despite several attempts to explain the project's legitimacy, some business owners refused participation because it would require divulging personal information. In particular, those who had come as political refugees were sometimes reluctant to share their information. In some cases, public-facing business owners were concerned that the research team would reveal their identity or that their business would be impacted by participation. With the survey in particular, which was hosted online via the Survey Monkey platform and administered in-person through paper copies, several participants were initially unwilling to give their information because they were concerned about scams. It took a combination of callbacks, emails, and messaging to reach them without

aggravating them before they responded. Though the online survey was password-protected, and prospective participants needed to contact the research team before participating, some surveys were determined to be fake and were removed from the sample.

Some business owners indicated that they could not participate because they were busy working with customers, had to prepare food or services, or ran several businesses. Business owners were also not necessarily on location during recruitment. Some had managers handling public-facing stores, and others worked in their stores but were difficult to reach because they worked between businesses at other sites. Some business owners were not interested in the honorarium offered for participation.

While some qualitative interviews were completed in languages other than English, some business owners could not speak English and could not participate in the survey. A few business owners spoke some English but said they would not understand the survey questions and therefore would not do it justice. One participant used a dictionary to complete the survey, and another had a family member translate for them. In some cases, the research team picked up surveys only to learn that participants had not answered most of the questions.

### ***The impact of COVID-19***

Recruitment for the qualitative interviews finished in January 2020. However, recruitment for the survey was still ongoing when the COVID-19 shutdowns began. Resultantly, the data collection process needed to be reimaged, and members of the research team eventually needed to shift to an online recruitment model. While many participants were able to complete the survey online, technology barriers prevented some business owners from participating. For example, some participants only had access to computers at work and could not answer the survey during the lockdowns. As the pandemic progressed, business owners frequently intimated how COVID-19 had affected their businesses. Some prospective participants in contact with the research team went out of business during the COVID-19 shutdowns. In one particular case, a business owner passed away. After March 2020, business owners frequently indicated that they could not participate in the study because they were busy caring for someone with COVID or dealing with a COVID-related issue.

## **Findings from Interviews with Representatives from Business Improvement Areas and Service Provider Organizations**

Semi-structured interviews were conducted with 25 service provider organizations offering resources and support to new entrepreneurs in Ontario. The interviews explored themes such as the types of programs and services available to entrepreneurs; the regulatory environment in Ontario for small businesses; participation of women in entrepreneurship; barriers faced by entrepreneurs, especially for scaling up; and suggestions to improve the environment for entrepreneurship. The research team collected data from a variety of service providers, including Small Business Centres (8), Business Improvement Areas (6), Chambers of Commerce (3), Community Centres (3), Employment Services (3), a Community Fund, and a United Nations entity. Of the participants, 15 were women, and 11 were men. The majority of the organizations interviewed were based in Toronto (15), with other organizations based in Brampton (3), Markham (3), Mississauga (3), and Milton (1).

### **Types of Services Offered**

There is an ever-expanding range of resources available for current and future entrepreneurs in Ontario at the federal, provincial, and municipal levels. In addition, non-profit organizations offer a wide variety of programs and services to promote entrepreneurship. Participants noted that a number of province-wide organizations and non-profit organizations do outreach to newcomers. Business Improvement Associations (BIAs) serve established businesses, offering many programs cost-free. Participants described several types of programs, including teaching, coaching, and mentoring; education and training; developing resources; and networking and outreach to other organizations to get more information. Some participants described their services as a hub model with wrap-around services.

Participants noted a limited number of resources specific to newcomer entrepreneurs but reported that many resources are suitable for anyone who wants to start a business. Skills for Change offers a Newcomer Entrepreneurship Hub focusing on building newcomers' entrepreneurial spirit and enabling them to break entrepreneurship or employment barriers. The Newcomer Centre of Peel offers newcomer entrepreneur counselling and training to establish new businesses in Canada. ACCES Employment has built a strong reputation through their Entrepreneurship Connections program, a free intensive training program covering all different aspects of entrepreneurship that includes mentorship and networking opportunities.

In addition to organized programs and services, some non-profit organizations arrange financial resources for new businesses:

- Futurpreneur Canada is a non-profit organization helping Canadians to become business owners by connecting potential entrepreneurs with mentors for two years and offers small loans, which could in some cases be matched by Business Development Canada. This program is available to those in the 18 to 39 age range.
- Access Community Capital Fund is a non-profit organization established in 1999 to offer loans up to \$15,000 to entrepreneurs in the Greater Toronto Area and Hamilton. The organization runs networking events, business workshops, and business



expositions in and outside of the Greater Toronto Area and provides free booths to newcomers to provide orientation to the Canadian business environment.

- Rise Asset Development is a registered Canadian charity dedicated to helping people with mental health conditions or addiction achieve financial independence through self-employment or small business ownership. They offer low-interest small business loans up to \$10,000 and mentorship services and peer-supported training.

The Federal and Provincial governments also provide several web-based resources. For example, FedDev Ontario's Small Business Services help Ontario entrepreneurs access government business information and services online, including a selection of multilingual resources to help newcomers overcome language barriers. Another example is the Canada Business app launched by the Government of Canada, designed to help small business owners navigate government services. Certain Chambers of Commerce were mentioned as offering mentorship. Though Chambers of Commerce do not necessarily provide specific programs for newcomers, some, such as the Ireland Canada Chamber of Commerce, provide info on work permits, how to get a business licence in Ontario, and how to incorporate.

Participants representing Business Improvement Areas (BIAs) noted several entrepreneurship offerings attuned to their neighbourhoods' changing dynamics, and new communities sharing space:

- The Danforth and Greektown BIA organizes networking events, profiles businesses, and also supports a façade improvement program.
- Digital Main Street is a non-governmental organization created by the City of Toronto and the Toronto Association of Business Improvement Areas to assist main street businesses to adapt to digital technologies, tools, and services.
- Downtown Brampton BIA offers several programs cost-free. An Economic Development Centre operates at City Hall, and the city has a lot to offer in terms of training programs and support. According to the participant, lots of help is available to break down barriers.
- BIA York region is focused on start-ups for all, not just for newcomers. Agencies such as Start-up York Small Business Enterprise Centres offer valuable services to start-ups.

## **Regulatory Environment**

Overall, the majority of participants described the regulatory environment for entrepreneurship in Ontario as complex. There are municipal, provincial, and federal regulations related to various businesses, and participants indicated that these three levels typically do not communicate, necessitating navigation of multiple layers of permits and by-laws. Participants suggested that getting relevant information to prospective business owners is a challenge, as business regulations are very industry-specific, and there is a lack of consistency regarding the rules governing entrepreneurship across various municipalities in the Greater Toronto Area.

Online info is helpful but not enough to understand the unique requirements for specific businesses, as the regulations are more straightforward for some types of businesses than others.

Participants reported that resources are often difficult to understand and use industry-specific jargon and complex words devoid of context. Other participants said that

while there is substantial useful information available, it is not easy to find and requires lots of research. Particularly regarding the certificate requirements for businesses in specific industries, participants said that the technical vocabulary is vague and confusing. Participants reported that the 'red tape' business owners must navigate acts as a deterrent to starting a small business. For example, a participant indicated that 21 permits are required for opening up a restaurant, and that this involves a great deal of paperwork.

Newcomers are faced with more regulations and more processes when compared to their countries of origin, especially those who had already owned businesses before arriving in Canada. Misinformation or outdated information from long-time business owners can further complicate matters. In particular, participants felt that there is much misleading information about landlords and not enough about the dangers of private investors.

Requirements are also more complex for entrepreneurs requiring physical space outside their home. Toronto has its standards, and the soundness of the business idea, as well as the location (and the history of the location) are important considerations. BIAs help as much as possible and reach out to new entrepreneurs by offering welcoming packages including information about resources available to newcomers, and resources for advertising a business. Participants felt that newcomer business owners would benefit from the demographic diversity in Toronto.

### **Women's Participation**

Assessing immigrant women's level of participation in entrepreneurship is made difficult by a lack of relevant data. Estimates of women's participation ranged from 30% to 50% in some cases. The majority of participants reported almost equal participation of women in entrepreneurship, with a new trend of more women entrepreneurs establishing professional services such as tutoring, music lessons, and accounting. Most popular businesses among women are home-based and focused in such areas as childcare; food catering and culturally oriented cooking and baking; and garments, jewelry, and fashion. Importing ingredients and products and selling to one's own community is another popular home-based business. Some participants noted a trending increase in the number of women entrepreneurs participating in programs, workshops and webinars.

Participants highlighted the issues women face, particularly regarding balancing transportation and training hours with childcare. Some programs and resources specific to women were also identified. For example:

- The YWCA provides a package of resources for women, including a food-handling certificate for commercial cooking and labelling laws.
- The City of Brampton, which has several entrepreneurship programs, runs training programs mainly for women, including courses focused on sewing and alterations.
- Non-governmental organizations like the Newcomer Centre of Peel offer hands-on training for women. Aspiring women entrepreneurs are familiarized with government websites providing information about licences and advised to visit the city's zoning department to learn about zoning regulations for home-based businesses and commercial kitchens.
- Some non-governmental organizations in the Thorncliffe area provide information specific to women about different aspects of starting and running a business.

- UN Women and WE Empower give access to funding and trade deals at the European level.
- Newcomer Entrepreneur Club partners with Futurpreneur and Access Community Capital Fund to provide resources for newcomer entrepreneurs, prioritizing women and individuals with vulnerable status particularly.
- Many federal programs are also specifically focused on women who have permanent residency status.

### **Support for Scaling Up**

Some participants felt that scaling up meant that the entrepreneurs prove themselves and are prepared with all background work. Support from family is critical for any business, but especially for scaling up. Most participants were not aware of any special programs for scaling up existing businesses; however, some indicated that resources are available online. For example, participants mentioned resources in Economic Development at City Hall and Business Development Bank.

Business incubators (e.g. the DMZ, Fashion Zone, TBDC) are available to assist start-ups with scaling up. Still, spaces are limited and very competitive and are often reserved for tech-based companies or other industry-specific businesses. Some participants felt a significant gap exists regarding scaling resources for newcomers and individuals starting retail or service-based businesses. Models requiring further consideration are Entrepreneurship Canada and COSTI internet-based businesses.

### **Barriers to Entrepreneurship**

Several factors were identified as barriers to newcomers starting or scaling up a business. Many participants felt access to funding or capital was the most significant barrier preventing newcomers from starting or scaling up their businesses. This is often due to lack of credit history, though sometimes also immigration status, as access to federally funded start-up resources is limited to those with permanent residency status or refugee status.

In addition to barriers to capital, taxes are very high in the Greater Toronto Area. Language barriers, especially understanding official jargon, are also an impediment. Certain resources may also be limited to participants that meet a certain Canadian Language Benchmark level or other language proficiency levels. There is, of course, a steep learning curve for new entrepreneurs; however, participants suggested that processes involved in incorporation are unduly confusing, and that these are only further complicated in the digital environment. Participants also felt that there are too many emails in the course of setting up a business, stating that letting people know of the changing regulatory environment is a challenge, and that this is often done by word of mouth.

Cultural differences pose considerable barriers, especially for women, who were perceived by participants to be more reluctant to move out of their comfort zones due to language and cultural issues. In addition to settlement issues, women entrepreneurs face the challenge of balancing home life and business life.

### **Advice to Newcomers**

Some participants pointed out that sometimes people start businesses because they cannot find suitable labour market positions. Most participants concurred that they would advise newcomers to start a business; however, they cautioned that it is important to consider the complex and challenging business environment in Canada, which is competitive, expensive, and highly taxed. Success depends on both the type of business and the landlord (where applicable). Finally, the importance of networking, outreach, and information gathering cannot be overemphasized, especially when considering scaling up.

### **Suggestions**

- Increased funding for incubators and accelerator spaces is needed to assist recently established newcomer entrepreneurs with scaling up their businesses. These spaces would provide entrepreneurship training program graduates with the resources and mentorship needed to effectively grow their business to a point where they are ideally able to branch out on their own.
- More opportunities for networking and establishing connections are needed. Language services needed. Relevant information, especially language-specific information, is required.
- New entrepreneurs need support during the early years. Offering free space for the first year for those completing entrepreneurship programs is one way of doing this.
- Newcomers interested in business ideas should be encouraged to follow through.

## Findings from Interviews with Newcomer Entrepreneurs

### **Executive Summary**

From March 2019 until June 2020, the research team conducted semi-structured individual interviews with 100 entrepreneurs based in the Greater Toronto Area who had immigrated to Canada within the last 30 years. These interviews were completed to examine the level of entrepreneurial activity among newcomers in Ontario, explore the various pathways to entrepreneurship, and understand the barriers faced by newcomer entrepreneurs. With the assistance of several community organizations, chambers of commerce, and business improvement areas across the Greater Toronto Area, the team collected informative and compelling data from a diverse group of participants. Some interviews were completed over the phone, with the majority being conducted in person at various locations across the Greater Toronto Area. The interviews lasted anywhere from 30 minutes to well over an hour.

Connecting with newcomer entrepreneurs from over 30 countries worldwide, all participants owned small businesses employing fewer than 100 people. Two-thirds of the participants arrived in Canada with some post-secondary education or training, with a third of these participants pursuing additional education in Canada. Only fifteen participants arrived with entrepreneurial experience from their previous country of residence. One-third of the participants reported starting a business in the field they had previously worked. Other participants chose to start their business based on necessity rather than their former training or experience. Participants' businesses spanned several sectors, including business/marketing services, consulting services, financial services, food services, restaurants/bakeries, and software-based businesses.

Participants reported many motivations for starting their businesses, including having family and friends who were entrepreneurs; experiences of credential non-recognition and deskilling; wanting to be their own boss; career dissatisfaction; and the perception of Canada as a good place for business. Participants also faced many barriers when establishing and scaling up their businesses, including widespread financial challenges primarily centred around high start-up costs and the inability to secure loans or alternative funding sources. Other significant barriers included various marketing and sales challenges contributing to difficulty attracting customers; a lack of support from family, friends, and the government; limited personal and professional networks; complications related to hiring employees; and experiences with various forms of discrimination (e.g. racism, accentism, sexism, ageism, homophobia, etc.).

Participants expressed a desire for more newcomer-specific supports in the form of mentorship programs, pre-incubation courses, incubators, accelerators, and financing options. Participants also felt that the government could do a more effective job of communicating with newcomers and connecting them to existing entrepreneurship and employment supports and services upon their arrival. There is also a strong need for more newcomer women entrepreneurs and more supports for women in business in general, particularly for women working in male-dominated industries. Participants need more resources dedicated to assisting women entrepreneurs that want to start families, as there is a notable gap in services regarding affordable childcare and practical maternity leave. Refugees would also benefit from additional programming, as they face significant barriers and arrive under different circumstances than other newcomers.

## **About the Participants**

The research team completed individual interviews with 100 entrepreneurs based in the Greater Toronto Area who had immigrated to Canada within the last 30 years. Participants' countries of origin included Bangladesh, Brazil, Cameroon, China, Colombia, the Czech Republic, the Dominican Republic, Egypt, Greece, Hungary, India, Iran, Ireland, Italy, Japan, Jordan, Mexico, Nigeria, Peru, Poland, Serbia, South Korea, Sri Lanka, Sweden, Syria, United Arab Emirates, Ukraine, the United Kingdom, Venezuela, and the former Yugoslavia. Participants had arrived in Canada between 1990 and 2019, with the median amount of time since arrival to Canada being 13 years. Participants' businesses had opened as early as 1998 and as recently as 2019, with a median amount of seven years since a participant's business had opened.

## **Education and training**

*We are well educated. We didn't come without education.*

– Participant 204

The interview participants reported significant education and qualifications. Two-thirds (67) of participants reported arriving in Canada with some post-secondary education or training, and the most common credentials reported by these participants were Engineering degrees and Business degrees.

Participants' educational trajectories were not necessarily linear. Some participants had left their home countries before finishing their education, and some participants had credentials from multiple countries. Of the participants who had completed post-secondary education before arriving in Canada, one-third (21) had pursued additional education or training in Canada. Some of these participants had relicensed or bridged their previous training to Canadian standards, and other participants had transitioned to a different field entirely. For example, one participant whose Chemical Engineering degree was not recognized in Canada completed a Canadian diploma program in Web Design. Only eighteen participants had completed all of their post-secondary education or training in Canada.

## **Prior entrepreneurial experience**

*I've always been an entrepreneur. That's the only thing I've ever done. I've never worked for anybody. Even in South Africa, I ran my own business. I moved to Canada with exactly that intention.*

– Participant 100

Fifteen participants reported having been business owners in their previous country of residence. In some cases, participants had simply transferred their business holdings to Canada when they immigrated; other participants had needed to rebuild their original business or a similar business in Canada. One-third (33) of participants reported starting a business in the same field they previously worked in as employees. Amongst these participants, the most commonly represented business areas were Business and Marketing and Banking and Accounting.

### **About the Participants' Businesses**

Participants' businesses spanned several sectors. The most common types of businesses were Consulting services; Marketing and Business services; Food services, Restaurants, and Bakeries; and App and Software Development-based businesses (see Table 2 for breakdown).

### ***Business partners and employees***

All of the participants' businesses were small businesses with fewer than 100 employees. Many were joint efforts with family members – usually a partner, sibling, or parent – or friends. In these arrangements, participants and their business partners had generally divided up responsibility for the business components based on their different strengths (e.g. public-facing roles, such as direct sales, versus behind the scenes roles, such as administration, web design, accounting, and marketing).

Participants' selection of business partners was strategic. Participants went into business with people who had specific experience or skillsets that they thought would make the business successful, such as previous marketing and sales experience, experience working with large corporations, and web development skills. In some cases, the participant had had an idea for a business and then went into business with a business partner who could provide the money to fund the business or vice versa. Other participants also partnered or merged with other companies that do similar work, allowing them to share skills and clients, gain experience, and save money on expenses. In several cases, participants' original business partners had eventually discontinued with the business due to changing career goals or family commitments. In other cases, participants had split their business into two different businesses with their original business partner when their priorities had changed.

Many participants could not afford to pay additional employees, so they took care of all aspects of the business themselves or with a business partner. Other participants began their business solo and slowly added employees as the business expanded and became more profitable. In some cases, participants were the sole owners or had paid for everything themselves but had worked closely with a small team from the beginning to build their business from the ground up.

Several participants discussed specifically hiring other newcomers and even preferring them to Canadian-born workers because they perceived them to be exceptionally hardworking. Participants who frequently did business with overseas companies employed immigrants with the language and communication skills necessary to assist them with their problems. However, some participants mentioned there is a very high turnover rate of employees.

Table 2. Breakdown of participants' businesses

Banking, accounting, and insurance services	Food services, restaurants, and bakeries	Real estate and property management services	Apps and software development and products	Health, dental, and beauty sales and services	Marketing and business services	Manufacturing and sales	Legal and immigration services	Cleaning, maintenance, and repair services	Tutoring/Instructing services	Other consulting services	Trade services	Childcare services	Other
Mortgage broker	Food vendor in marketplace and restaurant/kitchen owner	Real estate and insurance broker	App development for new businesses	Beautician and facial prosthetist	Marketing agency	Leather goods design, manufacturing and sales	Law firm and family mediation service	Overnight cleaning, maintenance, and repairs for stores	Tutoring children with disabilities	Diversity recruitment strategy consultant	Welding shop	Weekend daycare	Runs a genealogy website
Investment portfolio management company	Restaurant	Real estate	Research software (writing software and data security software)	Acupuncture clinic	Video marketing agency	Selling art and crafts	Paralegal	Commercial cleaning service	English language school for international students	Entrepreneurship coach	Electrician	Daycare	Runs an Arab newspaper
Chartered accountant	Specialty deli meats (wholesale)	Property management company	Substance impairment detection equipment	Pharmacy	Higher education recruitment marketing service	Online e-commerce and jewellery store	Immigration consultant	Industrial cleaning and maintenance services	After school and camp-based technology school for teens	Life coaching	Electrician		Visual artist/multi-media professional
Insurance	Butcher shop	Apartment unit business – managing rental properties	App designer	Shopper's Drug Mart owner (franchise)	Business marketing agency	Jewellery	Immigration consultant	Air duct cleaning business	Musician and music instructor	Consulting			Cargo/freight forwarding
Broker	Raw food restaurant		Real estate app developer	Specialty supplements and health foods store	Social media marketing for other companies	Leather boots/shoe maker	Immigration consultant	Cleaning/housekeeping service		IT consultant			
Language-specific financial services	Bakery		Mobile app development company (incubator)	Pharmacy	Content agency (digital, social media, limited print content)	Toys/dollmaker	Immigration consultant	Cleaning service		Interpreter			
Insurance	Japanese cake shop		Ecommerce platform	Dental business	Business promotion and social media consulting	Pillow maker		Dry cleaning business and alterations and repairs		Event planner			
	Fried chicken restaurant		Software development and IT consulting		Business consultant helps clients internationalize their businesses/expand into the Canadian market	Shoes		Tailor and shoe repair		Offers home decor services and sells Toronto art			
	Wholesale bakery		ICT services			Specialty lightbulb sales				Photography			
	Mexican restaurant		Consulting firm and virtual health technology			Supplying raw ingredients for cosmetic manufacturers				Photography			
	Greek restaurant					Importing textile products (e.g. uniforms)				Photography			
	Home baking business					Manufacturing cotton fabrics				Photography			
	chocolate maker					Wholesale electrical sales and repairs				interpreter			
										Sound/audio engineer			



### **Starting the businesses**

Participants had not necessarily started their business as soon as they got to Canada. Of those who had begun their businesses soon after arriving in Canada, most had been entrepreneurs in their previous country of residence. Several participants had started their business as a part-time venture or “side hustle” (participant 123) to supplement their income. These participants initially offered their services on an ad hoc basis and then gradually shifting to full-time as their business became profitable. Some participants were still in this process. Other participants had left their business for several years to work in another field or role and returned to entrepreneurship later.

Participants also did not necessarily incorporate their businesses immediately. Some participants had done this before setting anything else up for their business, in some cases up to a year before opening to the public. Others had done this more than three years in. One participant was only now transferring into incorporation after being in business for 11 years, and another participant ran their business for 20 years before registering in 2010. Some participants said that their advertising options had been limited because their businesses had initially been unregistered.

Some participants had more than one business. For example, one participant owned a restaurant and was also a real estate agent on the side. In some cases, participants were using the profits from one business to pay for another business. For example, one participant had purchased an apartment building and used the money gained from managing the rental units in the space to purchase equipment and supplies for their butcher business. Other participants had been business owners several times over, beginning with one business and then moving on to a different business when it was no longer successful.

Participants' reasons for choosing their areas of business varied. Some participants had chosen their business type based on necessity rather than based on former training or experience. For example, several participants reported starting cleaning or cooking services because they saw these as quick ways of entering Canada's labour market. Some participants specifically described deciding to start a business because they saw it as a means of avoiding entry-level work incommensurate with their skills or experience. Some participants described starting a business as a favourable alternative to spending time retraining in a field they had already worked in for several years.

Even where participants were new to entrepreneurship, not all businesses were brand new ventures, as some participants had purchased existing businesses. These participants reported that whereas original businesses might need more time to become profitable, purchasing an existing business with established infrastructure had enabled them to begin making money more quickly.

### **Business infrastructure and client reach**

*I have staff from every corner of the world that have worked for me. We speak together maybe twenty languages. That has set us apart, and that helps me get businesses that other people cannot get because they don't focus on this.*

– Participant 105

Participants' businesses were based in Toronto (70) and the surrounding area, including Brampton (2), Etobicoke (10), Halton Region (4), Hamilton (2), Mississauga (7),

Richmond Hill (1), Scarborough (1), Vaughan (2), and Whitby (1). Not all businesses had storefronts. Some participants had begun their business offering in-person services and had eventually shifted to an online-model. Several participants also combined in-person and online services to maximize their client reach. For example, participants who provided consulting services discussed running in-person workshops for local clients and digital workshops for remote clients.

Several participants' client bases were located outside of Canada (mainly in the United States, Europe, and South America). Some participants reported struggling to establish a client base in Canada. Some participants had recently immigrated to Canada and still ran their businesses from abroad but were slowly shifting their client base to Canada. Other participants with older businesses said that though they had intended to find clients in Canada over time, their largest market continued to be in their country of origin or another country (usually the United States). Several participants made their products in Canada; however, a few participants imported their products from other countries (usually South Asian countries).

Many participants had narrowed their focus to a specific service niche or client base. For example, an immigration consultant described marketing their services specifically to Americans needing visas. Another participant said that they had focused their services specifically on Polish, Russian, and Ukrainian communities in the same "socio-demographic neighbourhood" as themselves (participant 141). This participant said that this had enabled them to market their product more effectively because they could identify prospective clients at festivals and cultural events. Some participants said that being from a specific culture themselves or hiring a culturally or linguistically diverse team had given them a competitive edge by helping them reach a wider clientele.

Several participants were running their business through e-merchant intermediaries like Shopify or Etsy. Some participants worked as brokers for other businesses, using their connections in their previous country of origin to their advantage and connecting importers and exporters to their network in Canada. Some participants whose businesses involved app or software development talked about the benefits of partnering with or marketing to universities and colleges and not-for-profit organizations to have a testing environment to receive feedback and make changes to offer better service.

### **Participants' Motivations for Entrepreneurship**

Participants reported many motivations for starting their businesses, including having family and friends who were entrepreneurs; experiences of credential non-recognition and deskilling; wanting to be their own boss; career dissatisfaction; and the perception of Canada as a good place for business.

#### ***Family and friends as entrepreneurs***

*I started networking, seeing a lot of people here who were being successful, who started here as immigrants, and then they started their business. Those stories were very inspiring to me, and it also helped me to know that it was possible to do it.*

– Participant 82

Nearly two-thirds (62) of participants reported having friends or family members who were entrepreneurs, and many attributed their decision to start a business to their connections with other entrepreneurs. These connections provided them with information and helpful resources to develop a business plan and build their network. Being surrounded by entrepreneurs who were candid with their experiences also influenced participants' decision-making, expectations, and confidence level concerning starting their business. Simultaneously, some participants described having a false sense of confidence about entrepreneurship based on their connection with other entrepreneurs. These participants felt that they had been “pushed” (participant 141) into starting a business without fully understanding what they were getting into and without the necessary preparation.

***Experiences of credential non-recognition, deskilling, and retraining***

*When I came to Canada, professionally, I was no one. My professional degrees were not recognized.*

– Participant 115

Almost half (47) of the participants discussed deskilling experiences in which they had arrived in Canada and been unable to find employment commensurate with their skills or experience. Deskilling was a strong motivation for many in starting their own business. Participants reported a wide range of former professions; however, those most commonly reported by participants who discussed deskilling experiences were Engineer and University Professor. Several participants attributed their deskilling experiences to credential non-recognition and language skills. Some participants felt that their English skills had not been good enough to prove their experience.

Several participants expressed surprise at how little support had been available to them when they arrived in Canada. These participants described having to do everything themselves. They consistently remarked that there is a lack of support for newcomers entering Canada's labour market, particularly regarding having their education recognized. Some participants said that they did not have the correct information when they first arrived and wished that someone had assisted them in bridging their degrees because they might have been able to work in their field.

The necessity of retraining was a shock to several of the participants. Some participants reported being aware that they would need to do some retraining but had expected to have some of their prior experience and training recognized: "I absolutely accept that there's a difference and there is a fundamental difference, but that was quite a shock, just that I wasn't doing a sort of a fast-track" (participant 83). Participants said it is challenging for newcomers to retrain if they arrive in Canada when they are older.

*They want to say no, but they cannot say 'no, we cannot hire you,' so instead, they say that we need Canadian experience.*

– Participant 207

Some participants discussed the requirement for Canadian experience as a veiled form of racism, saying that employers invoked this requirement when they did not want to hire immigrants. Participants agreed that there is a need to learn the "rules and regulations of Canada" (participant 152). However, they said that newcomers should have more options to prove that "they are capable of doing the same job" (participant 152).

Several participants said that they had given up on pursuing their original careers after a few years in Canada because of regulatory requirements.

Participants said it is common for highly educated newcomers to work for minimum wage and outside of their profession. Participants described Canadian employers as often paying newcomers under the table for below minimum wage and said that low-wage industries were not regulated enough to protect newcomers: "They are treating people like slaves" (participant 151). Some participants said that the experience of deskilling had taken a toll on their mental health and that this was common amongst immigrants: "I know a lot of families here, and you could say ninety percent of those immigrant families here suffer from depression" (participant 151).

Some participants (8) had found work in their field but still described experiencing discrimination based on factors such as age, race, gender, and immigrant status. Many felt that there was not enough diversity in their workplace or field. They said that this had caused them to experience specific barriers or challenges despite having appropriate qualifications and being effective in their role.

### ***The allure of self-employment and turning a passion project into a job***

Several participants (39) described having pursued entrepreneurship to turn a personal interest into a job, address a gap or problem in their field, or give back. Participants described finding ways to apply their education and skills to help people as particularly rewarding. They credited the support they received from their clients as motivating them to branch out on their own. Some participants reported that starting their own business had always been a dream of theirs. Other participants (19) described starting a business on a whim because they saw an opportunity or a gap in the market or because of some sort of unanticipated event.

The prospect of working for themselves, being in control of their schedule, and having autonomy over work-related decisions were significant motivating factors for many participants' entrepreneurial activity (26). Participants (21) said that owning their own business had provided them with a sense of independence, flexibility, and freedom not felt in their previous careers.

### ***Dissatisfaction with previous career and lack of opportunities***

*I find that more than ever, people are just doing their own thing because the jobs are not there.*

– Participant 122

Many participants (21) reported dissatisfaction with their previous careers as a driving force for starting their own business. Common reports of dissatisfaction included working in a restrictive role with little opportunity for growth, facing bureaucratic barriers, low income, and not feeling stimulated enough by their work. A few participants reported that starting their own business had given them more job security than their previous roles. Some participants said that the move to entrepreneurship had felt relatively low risk than continuing in a lacklustre employment situation. Some participants also reported that the potential of making more money is more significant when you work for yourself. In some instances, participants (5) said that they ended up making more and working less when they started something independently. The need to increase their income to provide for a growing family (12) was also mentioned as a motivating factor by several participants.

Several participants also reported difficulty finding employment in Canada. These participants described experiencing frequent rejections in their job search and said that they were initially selective about which jobs they would apply for; after a few months, they needed to resort to doing any available job to make money. Some participants said that though they could find work in their field in Canada, their credentials were valued more highly in their countries of origin. Therefore, the salary they were offered in Canada was significantly lower than expected – this was especially true for participants who had worked in Business and Marketing in their previous countries.

Some participants felt that they had been misled about Canada's availability of employment and said that it was unfair for Canada to "bring those resources here" when they were not needed (participant 64). For example, one participant previously employed as a teacher in Dubai immigrated with their partner to Canada because they had been told that Canada was looking for teachers. However, when they arrived, they realized that there were no teaching jobs.

### ***Perceptions of Canada as a good place for business***

Some participants (13) who had moved to Canada to start a business described Canada as a country offering a better quality of life than their country of origin. Certain protections and legislation also made Canada a more favourable place for entrepreneurship. Participants reported that Canada is perceived as open, pro-business, and friendly towards immigrants abroad. There is also a perception of the Canadian government as being more supportive of specific industries, such as solar energy. Some participants reported higher demand for certain businesses in North America versus their country of origin and that the prospect of an untapped market had drawn them to Canada. Business opportunities appeared better, particularly in media-focused and internet and digital technology-based industries such as photography and artificial intelligence.

Some participants reported that having a pre-existing network in Canada or having previously visited Canada had influenced their decision to move to Canada to start their business. The ability to start a business and bring their family with them had also influenced participants' choice of Canada over other countries.

## **Challenges Encountered by Participants in Entrepreneurship**

### ***Financial challenges***

*The way that I like to summarize it in one sentence is that to earn one dollar has become significantly more difficult, and what that dollar is worth has diminished significantly.*

– Participant 134

Participants (56) had encountered many different financial challenges, though primarily centred around the high start-up costs of entrepreneurship and securing bank loans or alternative funding sources. Participants discussed how Canadian banks are very reluctant to provide loans or even business credit cards to anyone without a Canadian credit history. The reluctance of financial institutions combined with narrow assessment criteria for demonstrating that their business would be profitable prevented many participants from securing funding. Some participants felt that government grants were too competitive, with funding only available to businesses operating in select industries, such as technology and manufacturing. Participants also reported limited financing

options from the Business Development Bank of Canada and other similar investment groups. Some participants reported that Canada's financial system is primarily designed to help corporations and not small or medium-sized businesses, contrary to the perception many newcomers have about Canada when they arrive. Participants said that newcomers specifically face much financial uncertainty when starting their business, especially those lacking formal business training. Some participants said that businesses no longer offered the same financial return as in the past.

Participants unable to secure financial backing had needed to finance their businesses using personal savings and income. As a result, many participants reported working full or part-time jobs to finance their businesses. Some participants specifically worked flexible jobs, such as ride-sharing or telemarketing, to dedicate more time to their businesses. Though overall, participants who maintained employment while also running their own business described having a hard time doing both effectively.

Finding an affordable property was also a significant challenge for many participants seeking to open a storefront. The high rental costs associated with commercial space in the Greater Toronto Area led many participants to online selling platforms like Shopify. In some cases, participants had moved their businesses to other locations due to rising rent costs. Finding the right location for the business to thrive was also a challenge for participants, as they had to determine the best location for them to live and operate their business. Participants also noted that landlords could be very selective about choosing tenants.

Another financial challenge reported by participants was a lack of funds to invest in marketing and advertising. Participants without advertising budgets mainly relied on word-of-mouth recommendations and found it challenging to maintain consistent business as a result. The membership fees associated with joining a Chamber of Commerce, Board of Trade or Business Association were also cost-prohibitive for many participants, with participants reporting hesitancy in joining such organizations as it was not clear if or how their businesses would benefit.

### ***Advertising and sales***

In addition to the financial burden of marketing and advertising, over one-third of participants (35) reported experiencing difficulties attracting customers. Some participants found it particularly difficult to find customers outside of their own ethnic or religious communities. Others reported struggling to find local customers able to afford their products. Those searching for corporate clients found it very difficult to establish communication with large companies. Participants additionally noted several challenges associated with building a reputation in Canada based on the experience they bring from their country of origin. Participants felt that their lack of Canadian experience was a significant factor in their inability to find customers and gain the trust of their clients.

Participants who had moved previously established businesses to Canada had to determine the best way to reach their new target audience, as well as the right products to market. In some cases, Canada had presented a drastic change in customer demographics, necessitating a complete overhaul of advertising strategies. Some participants introducing new products to the Canadian market reported struggling to market them to Canadians successfully. Participants reported that gaining clients' trust is crucial for long-term-oriented businesses seeking repeat business at regular intervals,

such as wholesale distributors. However, the time needed to build such relationships when entering a new market, especially when relying on phone or email to communicate, was frustrating to many.

Some participants reported feeling a lack of control around advertising. These participants suspected that they were wasting time and money investing in advertising that was not benefitting their business but were also hesitant to change their approach for fear of losing business. Participants described determining where advertising money is best spent as a costly, time-consuming process. Others felt shy or uncomfortable advertising in general, or even speaking about their business to others, especially within their cultural communities.

Several participants reported needing assistance with marketing their business content online using social media platforms. Participants who had invested in social media advertising found that it helped create awareness but did not necessarily translate into sales. Some participants running online stores felt that customers not being able to see and feel their products had impacted their sales and that customers were hesitant to buy expensive products online. Some participants reported making most of their sales at pop-up markets, events, and when visiting clients in person.

### ***Lacking support***

Some participants (27) reported a lack of financial and emotional support from friends and family members when they started and described being discouraged and advised to seek mainstream employment. In particular, women participants noted a lack of entrepreneurship support for newcomer women in the Greater Toronto Area.

Speaking about their own ethnic and cultural communities, participants reported that while some communities are quite supportive of new entrepreneurs, others are less helpful. Participants had experienced instances of people taking advantage of them and other recent newcomers and their situations. Participants had also experienced instances where larger businesses or distributors were unwilling to do business with them due to the perceived risks involved in working with an unproven start-up or small business. Participants working with business partners had also run into trouble when their partners were no longer willing to support the businesses.

Some participants felt that they needed regular mentorship to help them grow their business to the next level. However, several participants reported being unable to find anyone willing to mentor them, despite actively seeking advice and guidance from other entrepreneurs in their field. In some cases, participants said that more established entrepreneurs had discouraged them, given bad advice, or had been unwilling to offer assistance at all.

Participants felt that the Canadian government does not provide the same support to entrepreneurs as employees. In particular, participants expressed frustration with the government's requirement that business owners provide staff with minimum wage, vacation time, and vacation pay while not creating conditions for business owners to experience these guarantees themselves. Participants also expressed frustration that employees who sign predatory contracts have more government protection than business owners. Some participants from countries where business contracts are protected expressed surprise that the government provides no protections to business owners who sign bad business contracts in Canada.

Participants whose businesses had been negatively impacted by construction or gentrification reported a lack of support from their local political representatives. Some participants in these situations also reported reaching out to their mayors or Business Improvement Areas for support but not receiving any follow-up.

### ***Lack of network***

Participants described needing to dedicate considerable time towards networking. Whereas Canadian-born new business owners tend to rely on the network of family and friends they have developed throughout their lives for initial sales and referrals, newcomers do not have this option. Participants also reported that it is not uncommon for newcomers to move several times when first settling in Canada, preventing them from developing solid networks from the start.

### ***Hiring employees and independent contractors***

Participants (22) said that finding and keeping trustworthy, hardworking, and affordable employees is a constant challenge. In particular, participants struggled to find skilled workers with the right qualifications at an affordable rate and reported challenges around training inexperienced workers. Participants whose businesses involved emerging technologies, such as artificial intelligence and LED lighting, reported difficulties finding employees with the training to work with these new products.

In some circumstances, participants reported being unable to accept business due to a lack of employees. Participants also described the hiring process, for example, developing job postings and conducting interviews, as an intimidating and unfamiliar process for newcomer entrepreneurs. Some participants had also experienced issues hiring reliable, independent contractors. In general, participants noted that finding employees who shared their passion and work ethic was a significant challenge.

### ***Work-life balance***

*It's a lot harder than just going to work and coming back home, in least that because you're working for a set number of hours, whereas over here you're pretty much working all day, all year long.*

– Participant 107

Some participants (21) reported challenges balancing their personal and professional lives. Participants' businesses often consumed much more time than a regular full-time job. Some participants reported working every day of the week, and others reported not having taken a day off for several years. A few participants reported getting very little sleep, particularly during their first few years of operation and when they did not have help or the ability to hire employees. This lifestyle was reported as more difficult for participants to maintain as they age. Participants whose businesses involved hazardous work or strenuous activity such as manual labour or public speaking reported physical and mental exhaustion from their work over time and difficulty maintaining their productivity as they aged.

Participants with children reported difficulties balancing their parenting duties with the time they dedicated to their business – this was particularly an issue for participants with very young children or children with special needs. Participants identified finding and organizing safe places for their children to be while they were working as a significant



challenge to owning a business. Some participants reported postponing entrepreneurship until their kids were old enough to stay home alone. Participants also reported struggling significantly to maintain their businesses when needing to take on full-time caregiving responsibilities for a family member, such as a parent with dementia.

***Working from home***

*It wasn't easy for me to set up a home-based business when everybody else, on a weekend, for example, or on a public holiday, is at home just relaxing and enjoying family time.*

– Participant 113

Some participants ran their businesses out of their homes as a way to save money. Participants reported difficulties separating their work and leisure time when working from home, saying that it takes discipline to maintain a consistent work schedule and focus during downtime. Some participants had started home-based businesses more than a decade ago when it was far less common. These participants described going to great lengths to conceal that their business was home-based, as they felt that it impacted their credibility.

Even with the increased normalization of home-based businesses, participants found holding business meetings in their homes less than ideal. They opted to meet with clients in public libraries or free spaces in employment centres instead. Participants noted a limit to how much your business can grow when using a home-based office.

***Lack of information and experience***

Participants (21) said that they lacked the information needed to help them with their businesses. In some instances, participants reported not realizing that entrepreneurship resources were even available until long after settling in Canada. Many participants found researching business information to be a stressful process. They said that it is overwhelmingly difficult to determine which resources to trust as there were many different websites, programs, and organizations touting entrepreneurial information. Participants also noted a considerable amount of outdated information available that is no longer relevant or useful and undermined their ability to find definitive answers to their business-related queries. Participants reported that much of the readily available information is generic and not especially beneficial, particularly to newcomers, and the industry-specific information regarding certifications, permits, and regulations requires extensive research. In particular, participants advised that the Canadian government's entrepreneurship resources are often confusing and difficult to navigate, especially for newcomers with language barriers. Participants were largely unaware of any resources simplifying this process.

Some participants (14) said they lacked the information they needed to handle their taxes and accounting. These participants felt that taxes need to be better explained for business owners from countries with different taxation systems. Even participants with extensive entrepreneurial experience reported having difficulty understanding how to file their business taxes in Canada properly. Participants said that hiring employees further complicated their accounting. Overall, participants said that they found the accounting side of their businesses time-consuming. Some participants had hired accountants for

help, but others reported not being able to afford accounting services with their budget and relied on resources online.

Some participants described starting their businesses with a lack of fundamental business knowledge, which they said had impacted their business plan, delayed their plan for opening, created administrative challenges, led to poor experiences with franchisers and lease agreements, and in some cases prevented them from recognizing when their business was failing. For example, a few participants reported confusion around trademarking and believed that this had been taken care of when they registered their business; ultimately, they were forced to rebrand and delay their opening to avoid potential lawsuits.

Participants (7) also reported challenges with incorporating their businesses in Canada and struggling to interpret the various rules and regulations governing different business structures, including which licenses and certifications they needed before they could open and whether to incorporate at the provincial or federal level. Participants mentioned issues incorporating their businesses before acquiring permanent residency status. In Ontario, entrepreneurs without permanent residency status may incorporate if they have a Canadian citizen on their board of directors; however, this rule does not apply in all provinces.

Participants reported needing to keep updated with compliance changes brought forward by new governments, and those who had immigrated from countries with few rules or regulations governing entrepreneurship noted adapting to Canadian requirements as an additional challenge to establishing their business in Canada. Participants in specific highly regulated industries, such as shipping and exporting, reported being required to complete additional paperwork. Participants whose businesses involved international shipments reported needing to maintain their knowledge of the customs regulations in Canada and the other countries where they were doing business to avoid issues.

### ***Unhelpful resources***

Some participants (15) reported that the resources they accessed were not helpful, and in some cases, were not as described. Participants reported that some of the employees at small business centres do not have first-hand experience owning or running a successful business. Participants said that there are not enough experienced business owners involved in training new entrepreneurs in general and that this is instead often done by government employees. Some participants with previous entrepreneurial experience reported that they knew more than the instructors or advisors they had encountered in small business centres. Participants reported that Business Improvement Areas are also very bureaucratic, underfunded, and have limited resources.

Entrepreneurial resources were only accessible to those with permanent residency status, excluding those in Canada on work permits. Some participants felt that business incubators and accelerators in the Greater Toronto Area are only interested in helping companies with tech components and do not cater to service-based industries.

### ***Not what participants expected***

Participants (4) realized that running a business is much more complicated than they believed it would be. Some participants said that they had been too optimistic; they

had a basic idea of doing things but did not truly understand how hard it would be and how much they would need to learn. Participants who sought to turn their passion into a career said that they have struggled to balance their love for their work with their customers' demands.

### ***Market competition***

Some participants (16) reported trouble breaking into the Canadian or a global market with well-established competition. They described needing to compete with larger corporations' low prices and services in their fields and noted that consumers are generally more willing to give their money to a brand they recognize. Participants competing in global markets reported struggling to compete with prices and outsourcing from countries like China and India. At the local level, participants noted an increasingly crowded market in the Greater Toronto Area, with more start-ups competing for business in their areas than when they started. Participants said that in many industries, such as cleaning, childcare, and construction, competitors with little experience could flood the market using platforms like Kijiji and Etsy, offering prices that small business owners cannot.

Participants have also struggled to adapt to changes in the market over the years with a shift toward online purchasing. Some participants also suggested that the market has become more volatile and difficult to predict over time, giving the example of the unanticipated impact of the COVID-19 pandemic.

### ***Discrimination***

Participants (11) recounted experiences with many different forms of discrimination. Racialized participants felt they were not viewed as equal to white Canadians until they proved themselves through their work and described experiences of having customers doubt their skills because of their race: "Technology is easy, the problem is Canadian society...when I came in, they don't trust me. The only trust their countrymen. They think, this guy, maybe he can't do it" (participant 67). Participants also described experiencing accent-ism from customers, despite speaking English fluently. Some participants discussed encountering racial discrimination from their employees, especially during instances where they had to discipline or terminate an employee born and raised in Canada: "It's this idea of 'hey, I'm from this culture, I know all of this stuff, who are you to come in here and employ me?'" (participant 56). Participants also sometimes appropriated or internalized stereotypes about immigrants as not being hardworking or as 'abusing the system' (participant 104) in their interviews.

Participants who identified as LGBTQ+ reported having lost business due to their sexual orientation or gender identity and struggling to maintain integrity while working with clients who disrespected them and invalidated their identities. Participants noted this type of discrimination as more prominent in small towns and cities outside the Greater Toronto Area.

### ***Challenges facing women entrepreneurs***

Some women participants (9) felt that their gender worked against them in business. During encounters and interactions with men, some participants described needing to have another man present with them to be shown respect and taken seriously.

Participants felt that some men take advantage of women in business and do not view them as equals; some women reported actively avoiding doing business with men who made them feel scared and intimidated. Women participants also reported needing to charge lower rates to get clients because of clients' subconscious expectations to pay women, particularly newcomer women, less money. Participants said that while this did bring in more business, they had to work much harder to make the same amount of money as men and struggled to earn as much as other companies doing the same work.

Women reported feeling that they do not have as much freedom in the business world as men. It is challenging for them to enter traditionally male-dominated industries, such as construction and food services. Participants also discussed experiences with their cultural communities not accepting women working on their own or in certain fields and men discouraging them and refusing to work with them to go against these principles. Participants suggested that men often feel intimidated and jealous of women having success in their fields.

Women participants reported that the pressure on women to establish and grow their business could lead them to postpone goals in their personal lives, such as starting a family. Participants reported waiting to have children until they were sure they were in a good place with their career or business. Some women participants with children (6) discussed the challenges of balancing their family and entrepreneurial responsibilities and reported that women generally have more childcare responsibilities and expectations than men. Some participants reported having started their own businesses searching for more flexible hours and the ability to work from home with their children, as it had been overwhelmingly difficult for them to care for their children while working a standard nine-to-five job. Participants said that Canada lacks the social support structure for women and children that they were used to in their home countries.

### ***Fear of failure***

Some participants (10) said they had trouble maintaining confidence about their leadership abilities and chances of success in Canada. They also felt intimidated by the professionalism of their competitors. Especially when leaving a large established company to start their own firm, participants reported being unsure that they would find the same success when representing an unknown brand. Some participants also reported being discouraged from starting their own business by former colleagues and told that they would never get hired, acquire clients, or be sustainable.

### ***Finding the right products***

In some cases, participants used suppliers in their home countries and imported the products into Canada. When importing from other countries, participants (6) reported difficulties sourcing the right products and materials and described shipping challenges. Participants reported that delivery companies and Customs agents could inspect, damage, and, in some cases, misplace, product shipments with no accountability.

### ***Language barriers***

Some participants (6) reported being reluctant to reach out to people outside of their ethnic communities due to language barriers. Language barriers also prevented them from reaching out to potential clients over the phone. Participants who had started

businesses in neighbourhoods where they did not need to speak English spoke about this as detracting from their efforts to learn English. Some participants also discussed having expectations of learning English faster than they did because of how quickly they had learned other languages when they were younger. A few participants had initially gone to Quebec because of specific programs attracting newcomers to the province but had left because they felt that the French language barrier was more significant. Many participants felt their success in Canada had been delayed due to language barriers that made communication a time-consuming and challenging process.

Some participants said that the language requirements for employment in Canada are too strict. In some cases, participants reported being required to pass language tests as part of the regulations in their field. For example, one participant described being able to speak and understand English fine but said that they could not pass English tests because of their spelling which they felt was unnecessary for employment. In some cases, participants reported employing their children who spoke English fluently to work directly with customers and suppliers in their businesses while they took care of things behind the scenes.

Language barriers also impacted participants' understanding of professional and legal terminology. Some participants felt that although they had an understanding of English, legal terminology was another language entirely. Participants said that the language used on government websites is confusing for those whose first language is not English.

### ***Running a business while dealing with immigration challenges***

*One point that is very difficult for people, for entrepreneurs who decide to come and live in Canada, is the time to process the visa. My wife spent almost one hundred days just to receive the open work permit, and during that time, we were spending money all the time. I think the government should think about some subsidy, or something to accelerate the process of issuing the visa.*

– Participant 124

Some participants said that they had not been eligible for Canada's immigration programs due to age or other factors and had needed to come on a visa instead. Several participants had experienced visa or immigration issues while running their businesses and said that these caused much stress and interruptions in their work schedule. A participant who had come to Canada through the Start-up Visa program said that the experience of starting a business while dealing with immigration had felt like "building something on sand" (participant 123).

Participants discussed how Canada's immigration system had changed over time and said it had previously been more accessible to come to Canada as part of the Business class. One participant said that they would not be eligible if they tried to immigrate now because the "pretty significant investment" required by the Business class limits the pool to "mostly upper-middle-class" applicants (participant 134). Participants said that there is a need for more support for newcomer entrepreneurs while waiting for their work permits.

***Asking for payment and dealing with predatory clients and contracts***

Participants felt they lost business when they began asking customers to sign contracts and pay deposits and when they raised their prices to counteract increasing business expenses. Some participants who had initially offered their services for free to gain Canadian experience and network found transitioning to asking for payment for their work very uncomfortable. Participants also experienced pressure and ethical dilemmas when asking for compensation for their work with certain social service groups and community-based organizations.

Participants in various industries reported challenges in recovering money from ‘predatory’ clients for the services they had provided, with some customers going to great lengths to avoid paying. Participants in fields such as Immigration Consultancy and Law also reported facing pressure from individuals looking for assistance in committing illegal activities. Others found themselves at risk of signing predatory contracts with larger companies looking to take advantage of them.

Participants running service-based businesses that required them to do work in their clients’ homes or businesses, such as cleaning or repair services, reported experiencing client disputes. Some of these had involved accusations of theft or property damage that had to be settled through the legal system. Other participants had experienced clients or customers behaving particularly aggressively towards them and had created policies and protocols to protect themselves, their employees, and their clients as a result.

**Resources and Strategies used by Participants**

***Financial resources***

One-quarter of the participants (24) reported self-financing their businesses in Canada. For participants with low overhead costs and significant savings, financial help was unnecessary, and self-financing was a realistic and practical option. However, most participants reported needing to invest all of their savings into their business because they could not secure financial support from banks or investors. Some participants reporting expecting to self-finance from the beginning due to the lack of entrepreneurship financing supports in their home countries.

Some participants (14) had received loans or lines of credit from banks or credit unions to finance their businesses. A few participants had also received financial support in the form of low or no-interest loans from supportive, wealthy members of their communities.

*You need a regular form of income just to support your family and to support yourself. My wife was supporting me until I got established and until I started finding my buyers.*

– Participant 120

Participants (7) also reported receiving financial support from family, including parents, children, and extended family members. In several cases, participants’ partners had worked to support them until their business became profitable. In a few cases, participants (5) received financial support in government grants, awards, and scholarships. Participants said that the financial support they received had allowed them to focus their

full attention on their businesses, rather than needing to devote time to another job to support themselves.

### **Entrepreneurship resources**

#### **Courses, programs, and workshops**

Nearly half (40) of the participants reported accessing entrepreneurship courses, programs, or workshops. Many participants enrolled in non-profit organizations, such as ACCES Employment, MaRS Discovery District, Skills for Change, and Toronto Business Development Centre. They indicated that many organizations run programs both online and in-person explicitly designed for newcomers to Canada interested in starting a business. These programs helped newcomers integrate into the Canadian labour market and covered entrepreneurship basics by teaching participants about business plans, financing, market research, advertising, sales, accounting, and consultancy. Participants reported receiving considerable knowledge from these programs and said they helped them refine their business ideas. One participant described the program they had participated in as a “short-cut to starting a business” (participant 129).

Some participants reported attending free workshops and programs organized by municipal and provincial governments and hosted at libraries and other public spaces. At these workshops, participants said that they mostly learned about the paperwork associated with registering a business and filing business taxes. A few participants (4) reported attending seminars offered by universities to learn more about specific business areas such as networking and funding. Some women participants reported joining groups offering entrepreneurship training specific to newcomer women, and some Francophone participants reported receiving help from organizations that offered business training in French. Several participants said that these courses provided networking opportunities.

*Thanks to the support of incubators like LatAm start-ups and now the Fashion Zone...those companies are crucial – critical – to our improvement here in the country.*

– Participant 123

A few participants (3) had been accepted into business incubators, where they reported receiving considerable support and information. Participants said that these incubators often provided training, office space, and other resources. For example, some business incubators scan foreign markets for companies with Canadian market potential, while others are closely affiliated with Canadian post-secondary institutions. Participants reported that business incubators were critical to their success and the speed at which they could open their business.

#### *Online resources, technology, and internet-based businesses*

*The Canadian government actually has quite a lot of resources online for small businesses, so you know, guidelines on how to incorporate, how to register your business name, how to register your domain, like all of that defined from an operational standpoint.*

– Participant 113

Many participants (35) reported finding some of the business information they needed online, with some participants relying exclusively on online resources. Some participants

reported that they had accessed extensive resources and information on federal and provincial government websites.

*You can have a business online and be able to make money from your bed. If you have a talent, you can really explore that.*

– Participant 122

Participants said that the availability of technology and the internet has made starting a business more accessible and expanded the scope of what a business can look like.

***Previous experience and business background***

*I was doing a lot of administrative stuff for the company already, so when I left, I was comfortable with doing contracts, with hiring processes.*

– Participant 205

Participants (19) relied on their previous background and experiences when starting their businesses. Participants with formal business educations reported having more advanced business knowledge and increased access to resources and information. Participants that arrived in Canada with entrepreneurial experience from their country of origin were also able to apply their knowledge to their Canadian business endeavours. Several newcomer entrepreneurs described how they received information and significant support from clients, coworkers, and suppliers they met working in previous positions and past companies.

***Business networks***

Some participants (19) emphasized the importance of building a network of entrepreneurs who shared experiences and supported one another in overcoming challenges. Participants discussed entrepreneurship as a lonely career path and reported actively looking to connect with others who could relate to their experiences. Participants also indicated that networking is a fundamental method of acquiring new clients and information for newcomer entrepreneurs who often lack Canadian-born entrepreneurs' social networks.

*You gain knowledge, but at the same time, you network with many people, and that's important in Canada, especially for immigrants because we don't have friends from school, and this kind of stuff, right?*

– Participant 137

Participants described connecting with other entrepreneurs at various networking programs and events hosted by non-profit organizations throughout the Greater Toronto Area. Other participants joined Boards of Trade and Chambers of Commerce or established groups or meetings with other local small business owners within their industries. Several participants said that social media networking had also been important for growing their business. Participants reported receiving referrals from friends and colleagues and in-kind support from other entrepreneurs in the form of services such as photography and web design for free or in exchange for products.



### ***Business mentors***

Some participants (15) described receiving support and information from a business mentor. Participants reported that mentors had helped them build connections with people in their communities, set and achieve realistic goals, and provided advice when necessary. Participants considered mentorship essential for those starting a business in a new country and those who did not grow up in entrepreneurial families.

Participants reported looking for mentors with extensive (Canadian) entrepreneurial experience who owned businesses similar to theirs. Participants said that booking informational interviews and coffee meetings with entrepreneurs was beneficial to them when they first started. Newcomers that reached out to entrepreneurs they admired found that most were gracious and could even find informal mentors this way. One participant reported being able to work for and learn from their mentor for a year, allowing them to gain valuable experience before branching out independently. While some participants connected with formal mentors through community or non-profit organizations, others opted for more informal mentorship from friends or family members in business. Some participants had received mentorship from a college professor or business partner.

Participants reported that certain employment centres in the Greater Toronto Area offered mentorship programs or had connected them with mentors as part of their entrepreneurship courses. In some cases, these relationships had lasted for several months. A few participants reported having gone on to become mentors for non-profit organizations, feeling compelled to mentor other newcomers to become successful entrepreneurs.

### ***Family, friends, and community support***

Many participants (37) reported benefiting from the support of family and friends. Several participants relied on the business experience and knowledge about Canada of their personal connections when first opening their businesses, with some participants reaching out and formally interviewing people in their network for advice and information. Participants with friends in entrepreneurship reported supporting and motivating each other, sharing experiences, challenges, and best practices. Friends and family members also supported participants by lending their skills and resources to help with business plans, accounting, marketing, graphic design, and financing. Familial support was especially key for participants running home businesses because of the need for the whole family to adapt to the changes. Participants in relationships also emphasized the importance of having the full backing of their partners due to the financial risks involved with starting a business.

Some participants (6) reported relying heavily on the support of their ethnic communities, especially when first starting their businesses, estimating that up to 90% of their clients came from within their community.

### ***Government resources, regulatory bodies, and professional authorities***

Participants (11) reported getting information and support from various institutions at different government levels, such as the Ministry of Labour, the Canada Revenue Agency, the Work Safety Information Bureau, and City Halls. Some participants reported receiving emails from Immigration, Refugees and Citizenship Canada with a list of

organizations that could assist them with job searching and entrepreneurship. Some participants had participated in government entrepreneurship initiatives for students. Participants also relied on business directories in public libraries, such as the Toronto Reference Library.

*I went to the Mississauga Library, and they have a business section there, and there was actually a guidebook. A practical guidebook to incorporating and stuff like that.*

– Participant 112

Participants working in industries strictly controlled by a regulatory body receive considerable guidance regarding operating within their specific guidelines. These bodies provide participants with the knowledge required to operate under their existing legal and regulatory framework. In some industries, participants were also required to pass exams to meet licensing requirements and become regulated. In some cases, participants (12) reported hiring accountants and lawyers or legal services to help them set up their finances and guide them through the process of incorporation.

## **Participants' Experiences with Scaling up their Businesses and Perspectives on Expansion**

### ***Participants' strategies for scaling up***

#### ***Identifying a gap and finding a niche in the market***

Some participants (7) described adding more value to their companies by updating their products or services to fill a gap or meet a need in the market. Participants reported researching and looking for a niche in the market: a unique opportunity or selling points like specialty products or services to set them apart from the competition. Participants indicated that these niche products could be more expensive but that entrepreneurs can be successful provided that the product quality matches the price. Some participants reported that they are always searching for different new products and ideas to increase business, saying that entrepreneurs have to be keenly aware of developments in their industries to stay relevant.

*As soon as you get into a specific niche, then you can scale to all the other companies in that niche. We're selling to large corporations, which is arguably a lot harder. Generally, the easiest is to consumers, then enterprise, then government, which is the hardest...typically, they can take ten to twenty years before they adopt a product.*

– Participant 56

#### ***Marketing and advertising***

Several participants described increasing their advertising as key to growing their businesses. Participants who had grown their businesses said it was a slow process because they could not effectively market their products or business until they had made enough money to invest in advertising properly. While newspaper advertisements and fliers used to be more common marketing tools, several participants said they relied on word-of-mouth through friends, family, colleagues, and social media channels like Facebook, Instagram, and Google.

*Nowadays, it is more challenging because sometimes you do a little mistake, and everybody can read about it on social media.*

– Participant 206

Participants emphasized the importance of mastering social media and using different platforms to their advantage in order to grow their client base. Some participants said that social media, while offering positive advertising benefits, also required that they be more publicly accountable.

### ***Market and industry research***

Participants (6) reported researching their competitors, analyzing their clients, prices, services, and websites to inform their own business decisions. Participants additionally sent surveys to prospective clients and similar businesses. Participants emphasized the importance of understanding market performance and the rules and metrics that apply to Canada's business owners because these often differed greatly from their home countries.

Some participants began their research process before arriving in Canada, and some had visited Ontario to do extensive market research in person before immigrating. Participants with international businesses reported that global expansion necessitated researching markets in several different countries to expand into new territories strategically.

### ***Setting goals***

*Excessive growth is a factor that kills a lot of companies.*

– Participant 59

Scaling up happened gradually, with most participants' businesses having started as small projects within their local communities or family-based businesses. Participants (6) set short and long-term goals to keep them motivated and productive and based on their ambitions for the business, such as financial gain and helping to meet a need. They attributed long-term success to prioritizing ethics, compliance, and legalities over financial goals and recognizing when something is not working and change course. Participants said that setting concrete business targets was also an effective way to track their business progress and ensure that they were growing their business in a scaled way that would not sacrifice quality for growth.

### ***Challenges or deterrents to scaling up***

#### ***Access to funds***

*The big challenge was obviously cash flow, trying to always stay afloat, trying to make enough money so that I can sustain the business, trying to make enough money to cover all the expenses, personal expenses as well as professional expenses. And then, obviously, the salaries that came along with the business when I started hiring people.*

– Participant 85

Participants (21) reported that entrepreneurs' ability to expand their businesses in Canada relies heavily on access to credit and business loans. Several participants reported that they recognized a demand for their businesses but were held back by

financial limitations. Financial limitations notably prevented participants (15) from finding the right personnel to expand their businesses. Participants said that they lacked the funds to recruit and retain qualified employees and reported that investing in training for unqualified employees could sometimes even exceed the cost of recruiting an already qualified team. Some participants said that the time required for coordinating the hiring and training of new personnel made expansion infeasible.

*The main difficulty with growing the business is that sometimes you've taken on as much work as you can handle, and you have to say no to some offers.*

– Participant 150

***Import and export challenges***

*Canadian authorities were a huge hindrance for our growth in the way that they handled things at the time...The lack of clarity and the lack of resources from the Canadian Food Inspection Agency when it comes to labelling especially was an issue. They have made a huge leap forward with the materials that are available online.*

– Participant 134

Participants reported difficulties expanding their business into international markets due to importing and exporting fees and regulations impacting their ability to move their products. Participants who had successfully internationalized their businesses reported doing so only once they had an established customer base willing to pay higher prices for their products to justify their investment. Participants additionally reported needing to keep up to date with restrictions and regulations impacting imports and exports. However, this had become more straightforward over time as information became increasingly accessible online.

***Not ready or not wanting to expand***

*This place here is a perfect size. It's easy to run. We make a living here, and that's good enough. Why have all that pressure?*

– Participant 202

Some participants (15) reported that they were happy with their businesses' existing scope and size and were not considering expansion. They reported not needing more money and were unwilling to take on more risk to grow their businesses, and others were concerned about how expansion would impact their work-life balance. Some participants were still getting used to entrepreneurship and said that it was too early to consider expansion.

**Participants' Advice for Newcomers Considering Entrepreneurship in Canada**

***Newcomers should build up credit and make money first***

*I would advise you sit down and build a credit history. Nobody is going to come here and, within one year, build a successful business.*

– Participant 131

Participants stressed that "it takes time to grow a business" (participant 137) and recommended that newcomers take a job to build up savings and account for the high cost of living in Toronto. Participants also said that having employment in Canada would

help their chances of securing financing from a bank. In general, participants said it was unrealistic for newcomers to expect to start a business within the first year in Canada. Some participants recommended that newcomers might need to take up to three years to save up for their business.

Some participants said that they had come to Canada intending to open a business much sooner than they ultimately had because they had not been aware of the initial costs associated with opening a business – which participants noted varied considerably depending on the type of business.

***Newcomers need to do their research first because Canada is different from other markets***

*You don't know what you don't know. That is one of the biggest challenges, and the assumptions that you make are often based on another country – a totally different environment – which is really dangerous.*

– Participant 100

Participants said that newcomers should always take some time to learn about the Canadian market before starting a business, regardless of their entrepreneurship history. Several participants said that their prior experience running a business was not as helpful as they expected because Canada's regulations differed from their countries of origin. Participants described Canada as a highly regulated market and said it was important to understand how the different industries work from a compliance perspective: "In each country, they have their own rules and their own way of doing the same job" (participant 201). Participants felt that newcomer entrepreneurs were at a disadvantage to Canadian-born business owners because of the steep learning curve.

Participants additionally stressed that "the appetite for your product from the market can be very different to what your home market was" (participant 83). For example, one participant described the difference in shopping habits between Canada and their country: "It's different in our country, where people can buy whatever they want. They buy at one time twenty jackets. Here the people are very simple because they don't have big places...They want just five things" (focus group with participants 76, 77, 78, 79). Participants also reported that it could be intimidating to find your place in Canada's very diverse multicultural marketplace. Some participants felt that Canadian consumers are conservative, averse to trying new things, and take a long time to make business decisions.

Some participants felt that the weather in Canada impacted their business. Participants reported receiving fewer customers during the winter months and needing to take steps to increase business during this time. Participants advised against starting a business during the winter. Participants recommended that newcomers visit small business centres and attend trade shows and entrepreneurship workshops to understand the Canadian market.

***Start small and try to find a business partner***

*You really have to love it, because if you don't, some days are hard. Some days you're like, why am I doing this?...What do you mean this is what I'm making every hour?*

– Participant 200

Participants advised that prospective entrepreneurs start small to mitigate potential financial fallback: “In the first three years, eighty-five percent of start-ups fail. There is a very good reason for that” (participant 112). Participants also suggested that entrepreneurs have another source of income for protection when they are first starting out: “Don’t put both feet in your own company, put one foot and only then put the second one in” (participant 101). Participants cautioned prospective entrepreneurs not to expect that their business will pay off financially right away. Some participants reported making very meagre returns when they first started, and some participants also described situations in which clients did not pay on time. Overall, participants emphasized that the income from a small business is not steady: “You don’t get a paycheck every two weeks like everybody else, so you have to balance that” (participant 52).

Participants said that entrepreneurship is easier if you have a partner who can support the business by either working within the business or bringing in extra income to supplement the income from the business. Participants also recommended business partnerships over sole proprietorship as offering “a pillar to lean on” (participant 61).

***Importance of networking and seeking out mentors and advocates***

*How accessible and how humble the successful Canadian people are is just amazing, and I am taking advantage of that in order to fast-track our improvement and, of course, to understand and become a better company.*

– Participant 123

Several participants recommended that prospective entrepreneurs network with other business owners as a means of learning about the Canadian market. Some participants said that getting meetings can initially be difficult because of a lack of credibility or history in the Canadian business scene. However, other participants specifically remarked that successful business people in Canada are more approachable and more willing to share advice than in their country of origin and recommended that prospective entrepreneurs take advantage of this.

Participants said that not everybody they spoke with knew the answers, but they did provide “a few soundbites” (participant 81) to help them do further research. Participants advised that entrepreneurs confirm the information they were receiving with other entrepreneurs before acting on it.

*There’s a lot of misleading and wrong information out there, which I found very bizarre, but everybody seems to have a different opinion on a different aspect, whether it’s tax law, or company formation law, or employment law, or the way you do business...Take second and third opinions for sure in terms of advice.*

– Participant 81

***Starting a business is not for everyone and does not offer any guarantee of financial independence or stability***

*Opening a restaurant is not like, oh, I can do this because I know how to do tostadas, but I need to know how to do enchiladas. It’s not like that. It’s very complicated, and other newcomers have to do their best.*

– Participant 204

Participants consistently emphasized that starting a business is not ideal for every individual and that it takes more than "business acumen" and "being marketing savvy" because of the significant personal commitment and the financial risks (participant 113). Participants said that "being smart doesn't necessarily mean you're going to be successful in business" (participant 131) and that monetizing a hobby was much more complicated than people realized. Participants also stressed that starting a business does not necessarily guarantee financial independence or stability and that this is something prospective entrepreneurs should be aware of and reconcile with before starting a business:

*People sometimes think that even though you have more time stability in a sense, that you don't have to work at all, but you actually have to work even more...you have to fight against the tide every day.*

– Participant 117

Participants said that the business should be something that the person cares about – "something that's going to be beneficial to them mentally as well" (participant 140) – otherwise, they will burn out: "If you go in and just have your eyes on the dollars without an honest intent in new business, it's going to be a hard journey and not very satisfying, and not really a contribution to anything around you" (participant 82). At the same time, while they emphasized that prospective entrepreneurs should be passionate about what they are doing, participants cautioned newcomers always to ensure that they were being compensated: "Don't get in the habit of underselling yourself" (participant 130).

Participants overall described entrepreneurship as "a mentally demanding way of life" (participant 127); however, some participants said that the benefits outweighed the costs: "You will have a lot of anxiety, and you need to work 24/7, but still, if you appreciate your freedom, take the opportunity and mobility, right? You have to do it" (participant 143). Some participants cautioned that the risks associated with starting a business might not be worth it if a prospective entrepreneur has others relying on them because of the lack of stability: "I think taking risks in life is useful, but you have to be realistic; if you have kids, if you have family that you have to take care of, you have to think about it" (participant 118). Participants also said that being an entrepreneur depends a lot on their ability to work with other people and warned that the responsibility for employees' wellbeing is a lot to take on:

*After you grow, you suddenly have fifty people depending on you, with families. There is no turning point on that. I can't just fire everyone and leave them homeless, so the weight just gets bigger, and bigger, and bigger. You must be a little crazy in order to invest in that, and thank god that there are some crazy people around, because those are the ones who provide jobs to people that need jobs.*

– Participant 123

***Canada as a better start-up location, depending on your country of origin***

*If you go to the website IRCC, there is a menu that shows what kind of opportunities you have, what kind of financial support you could have. Everything is there.*

– Participant 80

Several participants who had experience starting a business in another country felt that Canada was a much easier place to start a business and described the information available to entrepreneurs as more organized than in their country of origin. Participants emphasized, in particular, the support available to entrepreneurs in Canada as being very strong in comparison to countries such as Brazil, Dubai, India, Iran, Hungary, and Morocco, provided that an entrepreneur can meet the requirements set by the government. However, some participants from European countries such as the United Kingdom and France suggested that it was more difficult for them to start their business in Canada and that the chances of success were meagre compared to in their countries of origin.

Some participants specifically recommended that entrepreneurs should choose to start their business in Canada rather than the United States because the foreign exchange rate to the United States dollar is more expensive than to the Canadian dollar, and because entrepreneurs could set up their companies in Canada while still providing services to a United States market. However, participants also said Canada could provide a market because of its growing population, particularly for businesses already at the supplying phase.

Participants who had had a very straightforward experience starting their businesses credited their success to start-up programs' organization and Canada's "long-term vision" of entrepreneurship (participant 126). However, while describing Canada as an excellent place to start a company, several participants noted that Canada's job market is particularly poor.

***Entrepreneurship as empowering and a way of giving back***

*I built this. This is my own business. I feel confident and proud of myself. I am in charge.*

– Participant 135

Participants described the sense of accomplishment that comes from starting a business as empowering and discussed entrepreneurship as providing a space for “personal growth” and asserting their self-worth. Several participants also considered entrepreneurship to be “a way to serve back society” (participant 109). In addition to contributing to Canada’s economy, creating jobs for more people, and incentivizing the creation of more resources to support other business owners, participants said that newcomer entrepreneurs could bring “progress” and “innovation” to Canada: “You coming here could change the landscape...It can make an indent in the Canadian industry” (focus group with participants 76, 77, 78, 79).

***Entrepreneurship as a good choice for newcomers; entrepreneurship as an alternative to downward mobility***

*A lot of immigrants come here and often they do not find the life of their dreams in Canada...It's a typical example of a lot of immigrants: why did I come to this country? Yeah, I am okay, and my kids are going to have a better future, but not often immigrants themselves.*

– Participant 66

Participants said that while newcomers' children benefit from life in Canada, newcomers themselves often experience downward mobility. Several participants advocated



entrepreneurship as an option for newcomers whose credentials were not being recognized by employers. Participants particularly emphasized this option as helpful to older working-age newcomers whom they said were less likely to want to invest extra time in retraining.

*You'd have a hard time moving into the same kind of role that you do back home over here as you would there...often these people are equally as skilled, so why not disregard the opinions of these big companies, and just find a niche.*

– Participant 56

Participants said that “newcomers have to be creative in Canada” in order to find employment because “the system here is very difficult for us” (participant 58). Participants said that many newcomers end up pursuing entrepreneurship despite the risks because “it’s better than doing minimum wage jobs for your whole life” (participant 151). However, while participants recommended that newcomers consider entrepreneurship, they cautioned that starting a business is “exceptionally hard” for anyone, “and for a newcomer, they have their own set of challenges” (participant 112). Participants characterized starting a business while still trying to adapt to life in Canada as “chaotic” and “very challenging” (participant 100).

## **Recommendations for Supporting Newcomer Entrepreneurs**

### ***Newcomer-specific supports***

*Resources are not something that are there and they're going to change your life. You have to work hard, and to use those resources, and make them work for you.*

– Participant 60

Participants said that they wished there had been more resources available to them when first starting their businesses. Some participants said that they had since learned of certain resources but did not have information about them when they needed them. Several participants said that the government could do a better job of providing newcomers with information about entrepreneurship opportunities and also their rights as workers. Instead, participants said they needed to rely on their personal network, which could not necessarily connect them to available resources or correct information. Some participants said that resources are available, but they will only get newcomer entrepreneurs so far. Participants suggested that the government should create resources that help newcomers “transition into being entrepreneurs in a much more serious way, considering all the challenges associated with not having a network, not having access to capital, not understanding the system as well, which are all critical for being an entrepreneur” (participant 85). Participants also suggested that newcomers have already demonstrated strong leadership skills through the enormous risks they have taken to come to a new country.

*I wish that people, when they land into Canada, would get a package about all of the things that we had to face when we came, so that they don't have to.*

– Participant 122

Several participants specifically expressed a need for more mentorship programs for newcomers considering entrepreneurship, preferably taught by instructors who are themselves newcomer entrepreneurs so that they can speak from shared experience. Participants said that they would be willing to pay for these services and saw room for private companies' involvement to offer such services.

*We need a program that educates and mentors new immigrants. That's what we need because then their success rate will go higher, and the people that should be educating them and mentoring them should be people that have done it before because we can tell these war stories.*

– Participant 100

Participants also expressed a need for help with developing a business plan that would enable them to secure a loan and said that this is a barrier to financing. Participants said that this information could be provided in the form of a course directed at newcomers and accompanied by financing. Participants recognized that there are accelerator programs in Canada but said that these programs were very much in their infancy compared to more established programs such as those in the United States. Some participants said that Canada lacked a robust start-up ecosystem and that though Canada has co-working spaces for entrepreneurs, they exist in silos. While some participants expressed a need for more centralized, city-level entrepreneurship hubs bridging connections between colleges and universities offering entrepreneurship and business courses and companies needing interns, other participants suggested that entrepreneurship resources need to be “segmented by industry, because what works for a specific small business in one industry may not work in another” (participant 205). Some participants said that the available supports are too limited because the demand exceeded capacity and suggested that innovation hubs should work to differentiate themselves and focus on different areas. Overall, participants emphasized that supports need to be better marketed to newcomers.

*The government definitely needs to be better in presenting the opportunities and presenting the networks that are out there. I am sure that you can see that because of the disconnect between the demand and the information, that you have a subculture of people that are experts on writing grants, for instance, because it's such a big hoopla to write one. It costs you. There needs to be a bridge between reality and the government. Not everyone can communicate like that.*

– Participant 82

### **Supports for refugees**

*[The private sponsors] did a lot for us, and we really appreciated it, but it's not their job to also help you with your business. With this kind of help, I looked to see it from other institutions, NGOs, something else, or from the government.*

– Participant 58

Some participants who had come to Canada as refugees felt that the government should create more programming to help refugees establish businesses because they have

arrived under different circumstances than other newcomers. These participants noted that refugees often face immense barriers to finding employment.

**Supports for women**

*The policies and procedures have to focus on the fact that there could be only a few years of child-bearing ability for women...If I wanted to have a child, having that ability and having that conducive support from the business community or profession is key, and I don't think we had that when we had my child...I came back to work within six weeks, and of course, it was quite a struggle. Everyone goes through it, but I definitely think that when we talk about work-life, this is the major aspect that women have to think about.*

– Participant 115

Participants expressed a need for more newcomer women entrepreneurs and more supports for women in business in general. While some participants said that “there is a lot of help for women if they want to start their own business” (participant 114), some participants said there is more support needed “for women in male-dominated industries. It’s something that the government should consider, you know, so they can help women entrepreneurs get ahead...I really can’t believe how disheartening it is” (participant 62).

Some participants said that there needed to be more entrepreneurship resources focused specifically around childcare and supporting women who want to start families. Several participants described experiencing difficulties finding affordable childcare – “daycare is stupidly expensive here” (participant 124) – and said that this had impacted their decision to start their business or delayed the start of their business. Participants also said that the time investment required for a business could often “take you off the path of what is really important, like your family and home life” (participant 82). They said that it is challenging to run a business in a social structure without daycare, especially as a single parent. Some participants described being unable to take regular maternity leave as small business owners because of the prospective financial loss.

## **Participant Profiles**

To demonstrate the diversity of the participants and their experiences of entrepreneurship in Ontario, the research team summarized the narratives of six newcomer entrepreneurs who participated in the qualitative interviews.

### ***Participant A***

Participant A operates a bakery business in Toronto. Participant A worked as a professional baker in their home country of Brazil until moving to Canada 12 years ago. Participant A has a daughter with special needs, and experienced difficulty finding a job that allowed them to care for her needs. As a result, Participant A decided to start their own business, giving them the control and flexibility to balance their home and work responsibilities. Participant A had experience making elaborate wedding and birthday cakes but chose to start off producing brownies. Brownies were a basic product that could be made by hand, so there was no need for significant investment to start. The brownies could also be sold individually or in bulk for a set price, reducing the chance of confusion. Participant A started the business in Ottawa selling locally at farmers' markets. Initially, it was more of a hobby than a job.

In 2015, Whole Foods Market came to Ottawa and began searching for local producers. Whole Foods representatives discovered the participant's business at a local farmer's market. Whole Foods was interested in carrying the participant's brownies, considering them to be an ideal product to sell with coffee at their many cafes and approached them about becoming an official supplier. At this point, Participant A decided to turn the venture into a full-time business and began renting a kitchen full-time in Ottawa and officially registered their business. One year later, Participant A relocated to Toronto with family and has since expanded the business. Initially supplying a single store in Ottawa, now five years on, they supply their products to six Whole Foods locations across the GTA.

### ***Participant B***

Participant B operates a business selling handicrafts from El Salvador and other Central American countries and has been running this business for over 25 years. Participant B sells their products online and locally at both markets and festivals. Participant B moved to Canada from El Salvador amid a political revolution and attended Humber College, receiving a degree in electronics. Participant B worked for an electronics company in the Toronto area and was motivated to start their own business after spending a year backpacking through Southeast Asia. Participant B had also observed their mother selling similar products to tourists in El Salvador back in the 1970s. Able to import handicraft products from Central America with help from family, Participant B began to set up booths selling products on university and college campuses. The business was initially successful, with post-secondary campuses proving to be a lucrative market with lots of disposable income. At this point, Participant B began to grow the business, visiting more campuses and selling at local festivals and markets. The participant also started importing more products from different countries, selling more expensive products like imported sweaters and clothing.

When the universities and colleges eventually changed their systems, Participant B was no longer able to market and sell their products on campuses. Participant B then decided to open a brick-and-mortar store in the City of Guelph. Although it was initially successful, the store closed after only a few years, with Participant B almost forced to declare bankruptcy. After a challenging five-year period, Participant B recovered and rebuilt the business, shifting to an online business model while also selling at local markets and festivals in the Greater Toronto Area.

### ***Participant C***

Participant C does not currently own a business but has been involved in several business endeavours since immigrating to Canada from Venezuela in 2000. Participant C received a master's degree in computer science and worked as a computer engineer in Venezuela before returning to school and changing careers to the field of psychoanalysis. In response to Venezuela's increasingly unpredictable economy, Participant C moved to Miami to pursue a master's degree in social work. They later immigrated to Canada. However, after arriving in Canada, Participant C could not find work, so they decided to operate a home daycare. Despite enjoying the work, the business eventually slowed down, and Participant C closed the daycare and worked a job for a while before re-starting the home daycare for a second time. After this experience, Participant C started a business making large handmade dolls for children. With the help of a business partner, they produced and sold an initial run of 35 dolls. Participant C wanted to expand the business, but their business partner decided not to continue, so it was closed.

Participant C then purchased a fish and chips franchise with their partner. They operated this business for around a year before experiencing problems, eventually leading to them sell the franchise. Participant C's most recent business venture was developing a web-based application to help grandparents transmit stories about their lives to their grandchildren. Participant C worked with the organization MaRS Discovery District to develop a marketing plan and then invested significantly in this venture. They hired a web designer and developed a demo product but could not find a developer who understood their idea and ended up losing their initial investment. Participant C has considered continuing with this business and has ideas for other business ventures but currently works as a social worker.

### ***Participant D***

Participant D is a Syrian refugee that arrived in Canada in 2017. Participant D has a background in journalism and received a journalism degree from a Syria university. After arriving to Canada, language barriers prevented Participant D from finding work as a journalist. Participant D spent a couple of months working in a grocery store to pay the bills and learn about Canada's system. Unsatisfied with this work and eager to return to journalism, after a few months, Participant D began researching Arabic journalism in Canada and found that there was a significant gap in this area. Participant D decided to establish an Arabic newspaper, publishing the first issue in August of 2017.

Participant D was unable to secure a loan, so they self-financed the business and worked a part-time job to cover their business and living expenses. Participant D continued to publish the newspaper and now distributes it with a profit. Participant D has

also expanded the business, establishing a website and a Facebook page that regularly report Canadian news in Arabic. Participant D currently rents an office for the business and has hired several employees, including a marketing manager and graphic designer who are both also refugees.

***Participant E***

Participant E is an internationally trained lawyer who has operated a law firm in the Greater Toronto Area for 15 years. The participant studied, taught, and practiced law in India for six years before moving to Canada in 2001. Participant E thought that their skills would quickly transfer to the Canadian legal field but was surprised when their degrees and credentials were not recognized. At this point, participant E took the only job available to them in the field, working as a receptionist in a law office for minimum wage. Underemployed and dissatisfied with this position, over the next two years, Participant E worked part-time while studying to get their degrees accredited. They were eventually called to the Bar of Ontario in 2004.

At this point, Participant E opened a law firm in partnership with a friend. Participant E had been interested in working for an established firm but received low-paying job offers which motivated them to start their own business. The participant initially started a general practice working from home and was eventually able to expand the business and rent an office. The partnership lasted until 2008 when the Participant E's business partner left Canada. Participant E transitioned into a sole proprietorship which lasted until 2019 when they began the process of incorporating their firm. Participant E also began to specialize in family law and conflict resolution and is now one of only 66 certified family law specialists in Ontario.

***Participant F***

Participant F started a small business assisting clients with their immigration and settlement applications in January of 2020. Participant F works a full-time job as a teacher and runs the immigration business from home with their partner. Having immigrated to Canada at a young age, Participant F grew up seeing family and friends struggle with the immigration process. As they became more passionate about immigration issues, they decided to start their business to simplify the process of immigration for others.

Participant F's business was significantly affected by the COVID-19 outbreak only a few months after opening. Just as business was beginning to pick up, governments began introducing new travel and flight restrictions that have made it very challenging to find clients. Participant F is now attempting to locate entrepreneurship resources in the GTA to help them grow and improve their business. They are uncertain when or if things will return to normal and what this will ultimately mean for their business.

## Quantitative Survey Data Reported by Newcomer Entrepreneur Participants

### **Executive Summary**

A structured survey was developed to better understand the different factors supporting entrepreneurship among newcomers. Data was collected from 229 participants. Beyond demographic information collected, the survey touched on participants' motivations for starting their own businesses, significant challenges encountered in the process of evolving their businesses, and the efficiency of existing support systems throughout the Greater Toronto Area.

Men represented 60.1% of the participants who completed the survey. The average age of participants completing the survey was 40. Of all participants, 19.7% self-identified as Latin American, 16.2% as being of European descent, 47.8% as South Asian, 8.7% as Black, and 6.6% as East Asian. The majority of participants (42.9%) entered Canada through an Economic category or were sponsored by family (39.15%). Many participants were highly educated, with 71% reporting a bachelor's degree or higher. Participants had been in Canada for an average of 12 years; however, almost one-third (28.4%) of participants had been in Canada for 20 or more years. Most participants indicated that their small business targets 'the entire Canadian market.' The most frequent entrepreneurial activities and businesses reported were associated with the Food and Beverage industry (24.9%) and the Business and Finance industry (13.1%). The average time in business among participants was 5 to 7 years, with the mean of yearly earned business income ranging from C\$30,000.00 to \$34,000.00 Canadian.

Common challenges in starting and expanding businesses included financial struggles, navigating through regulations and the tax system, choice of location and industry, and marketing and advertising. Technical, business, and language fluency issues; lack of a network; and unfamiliarity with Canada's business culture, though repeatedly mentioned as barriers by participants in the interviews, were less frequently reported in the survey. The need for supportive services in establishing entrepreneurship was reported by 58% of participants, while only 16% of participants reported receiving support outside of their family.

Participants reporting higher yearly income through their own businesses were individuals who have lived longer in Canada, who did not feel the need to access support services, and who are solely self-employed. Other variables of high significance that correlated with participants success – in which success is associated with higher yearly income – included having more Canadian working experience, a higher level of training or education, and a stronger desire to be an entrepreneur specifically. Survey findings suggest that newcomers who are 'pushed' into entrepreneurship due to difficulties finding full-time employment in Canada, dissatisfaction with their previous job, or discrimination will experience less success than entrepreneurs who have not had such experiences.

## Demographics

### Age, Gender, and Time in Canada

Of the 229 participants who completed the online survey, 39.3% were female. The average age of participants was 40 years, while participants' time living in Canada averaged 12 years. Almost one third (28.4%) of participants had been in Canada for 20 or more years (see Charts 1 and 2).

Chart 1

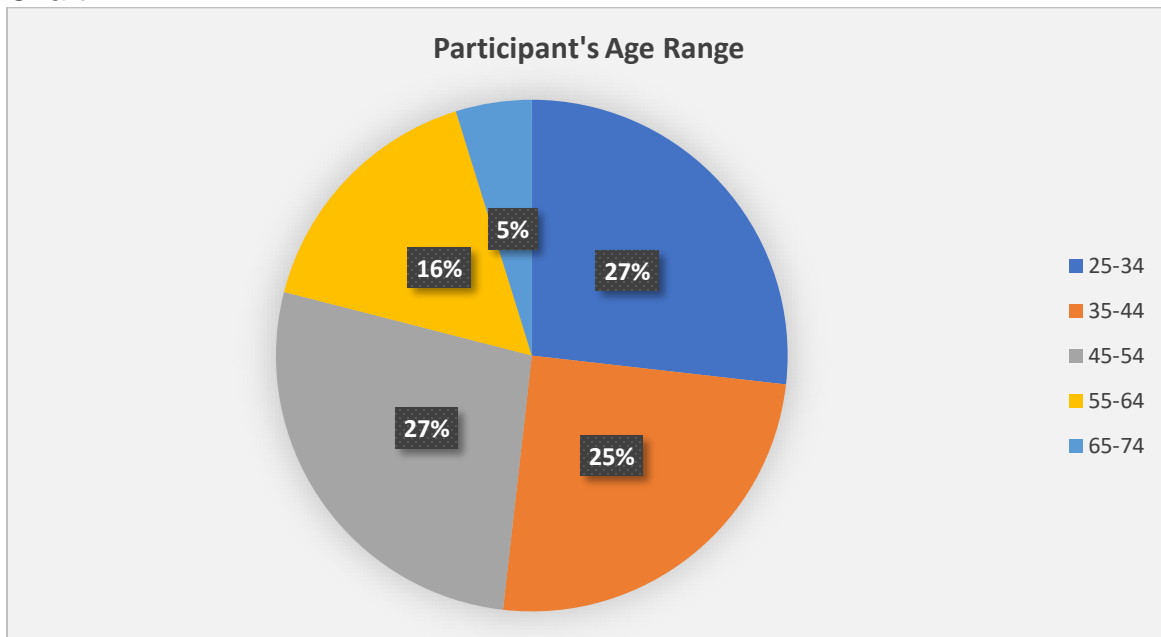
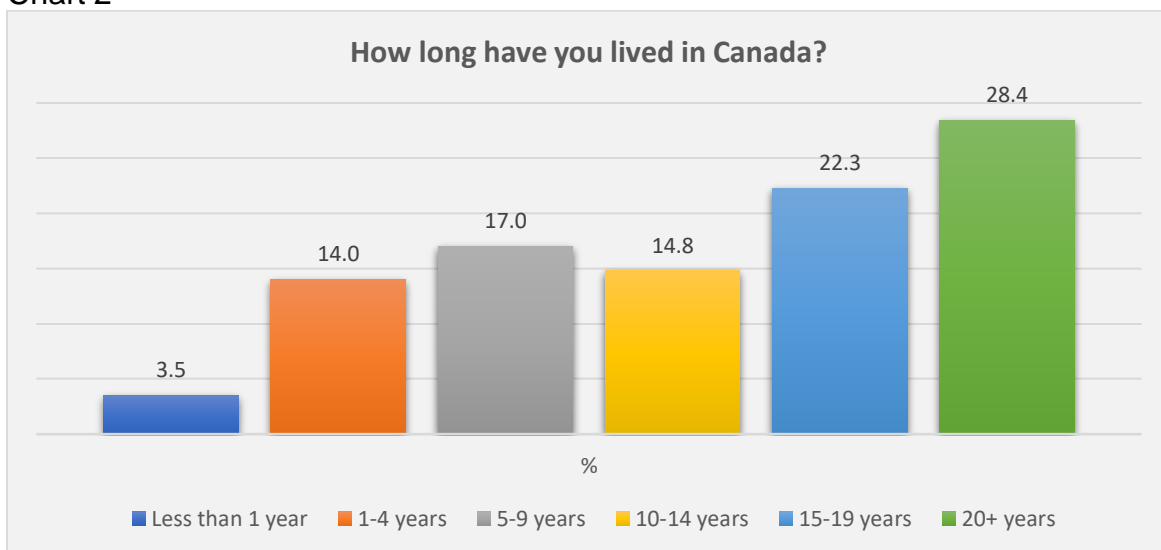


Chart 2



### Ethnicity and Immigration Pathways

Of participating entrepreneurs, 16.2% self-identified as being of European descent, 47.8% as South Asian, 8.7% as Black, 6.6% as East Asian and 19.7% as Latino



American (see Chart 3). Chart 4 shows that 42.9% of participants entered Canada through an Economic category, 39.15% were Sponsored by family, 8.02% entered through a Refugee pathway, and 9.9% entered Canada through another program or pathway (e.g. student or professional visa, permanent resident program, etc.).

Chart 3

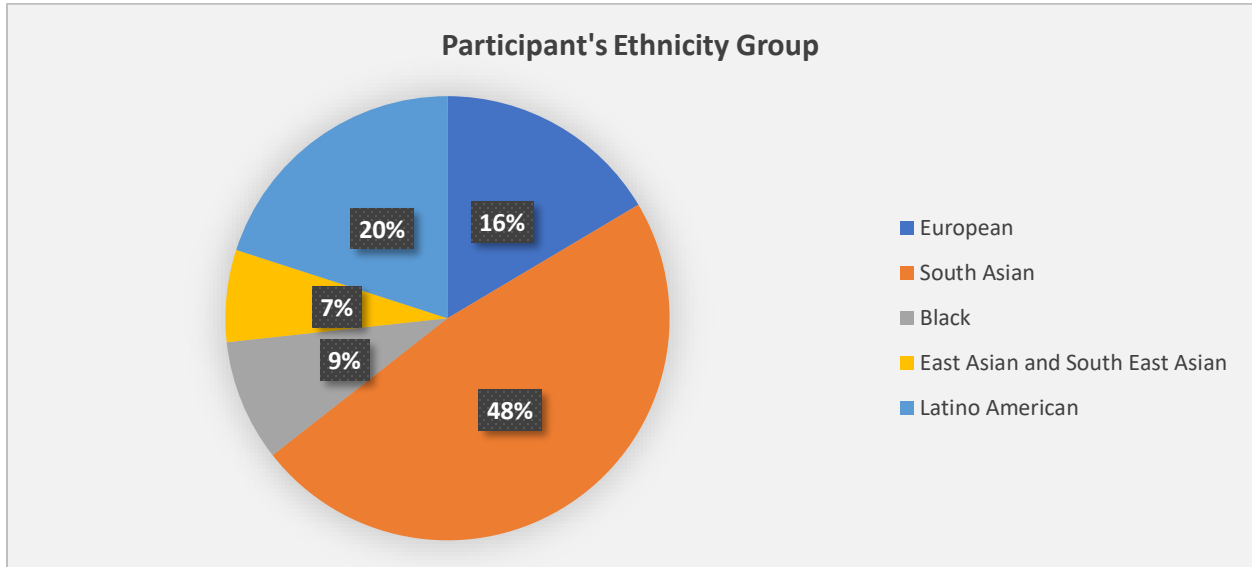
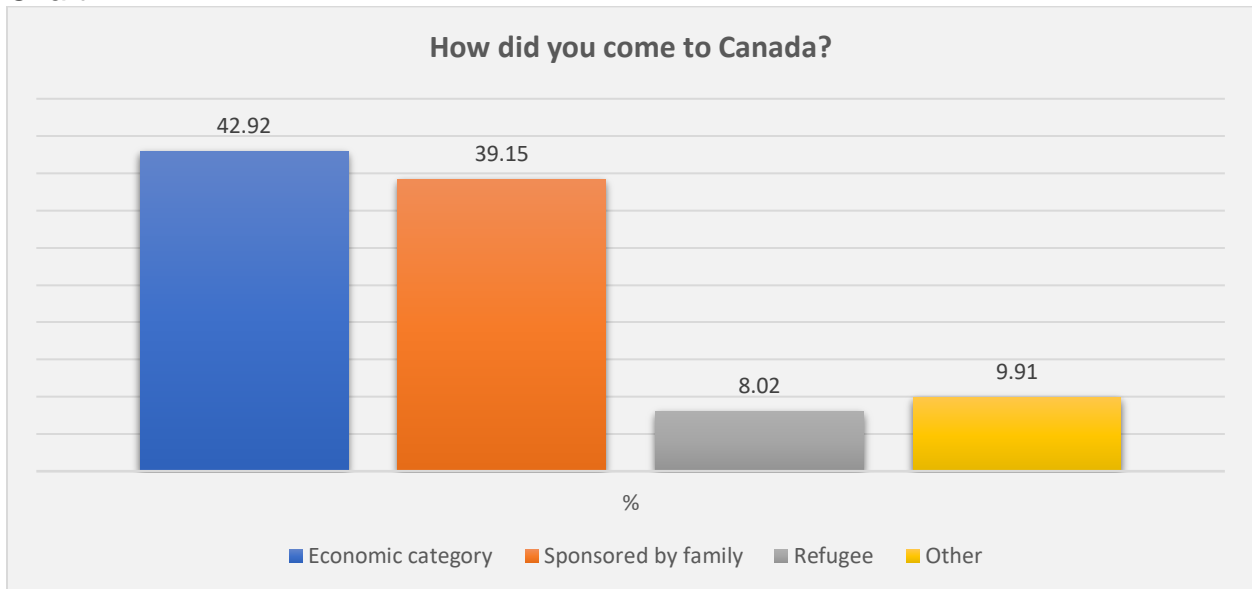


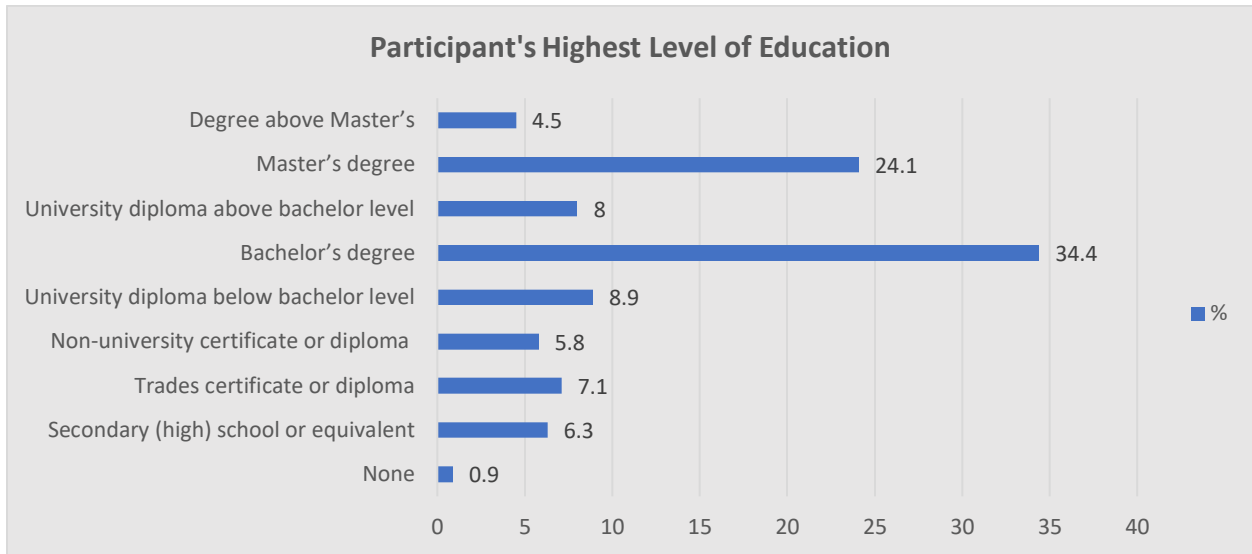
Chart 4



### Education

Almost 60% of participants reported having at least a bachelor's degree (including credentials obtained inside and outside of Canada), with 34.4% of participants reporting a bachelor's degree (e.g. B.A., B.Sc., LL.B.) and 24.1% of participants reporting a master's degree as the highest level of education earned (see Chart 5).

Chart 5



Although highly educated before moving to Canada, more than a half (57.1%) of the survey participants had also received formal education from a Canadian institution (see Chart 6), and 54.7% reported participating in additional training or courses as part of their professional development.

Chart 6

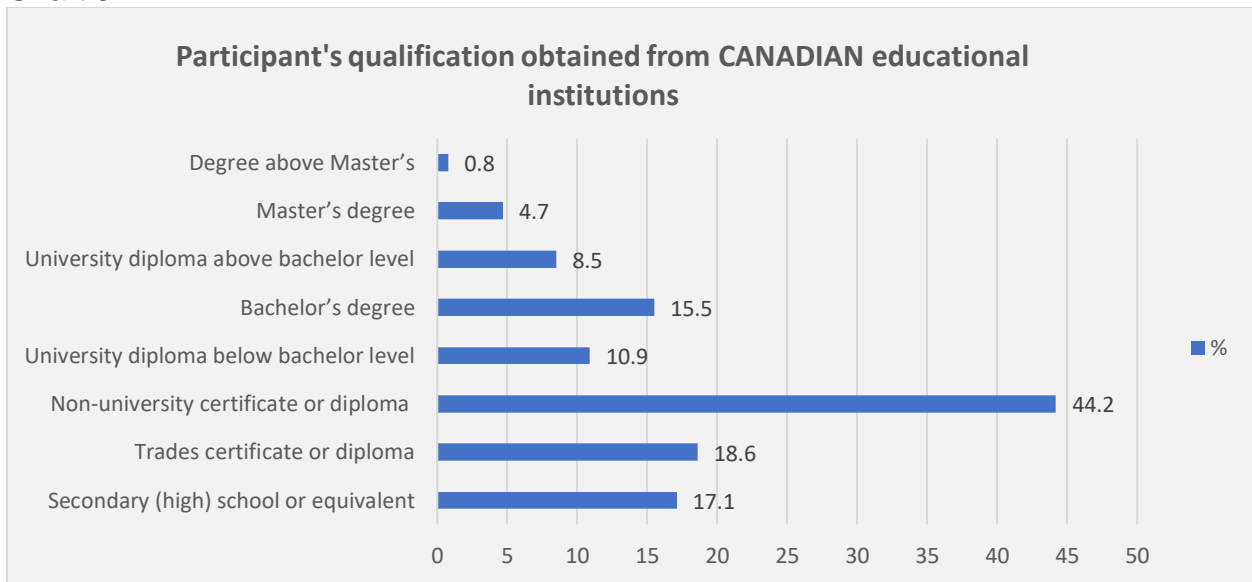
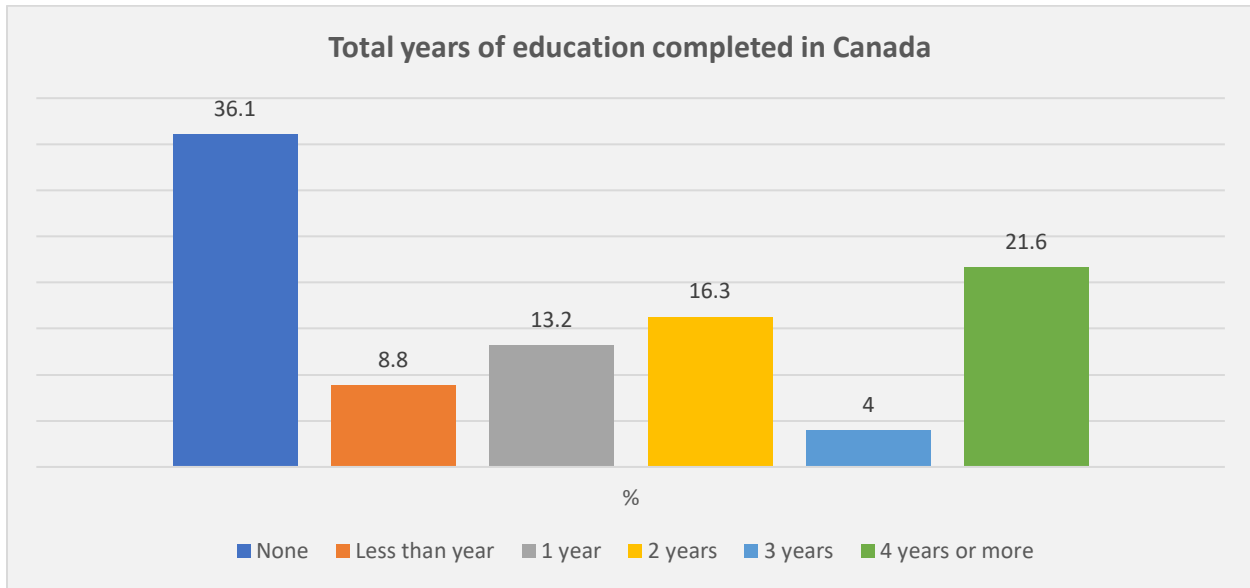


Chart 7



**Business Description**

The majority of participants (45%) had started their businesses before age 35, and the average duration of operating a business among participants was 5 to 7 years. Table 3 shows the distribution of ‘business duration’ against entrepreneurs’ age categories when started their own businesses.

Chart 8

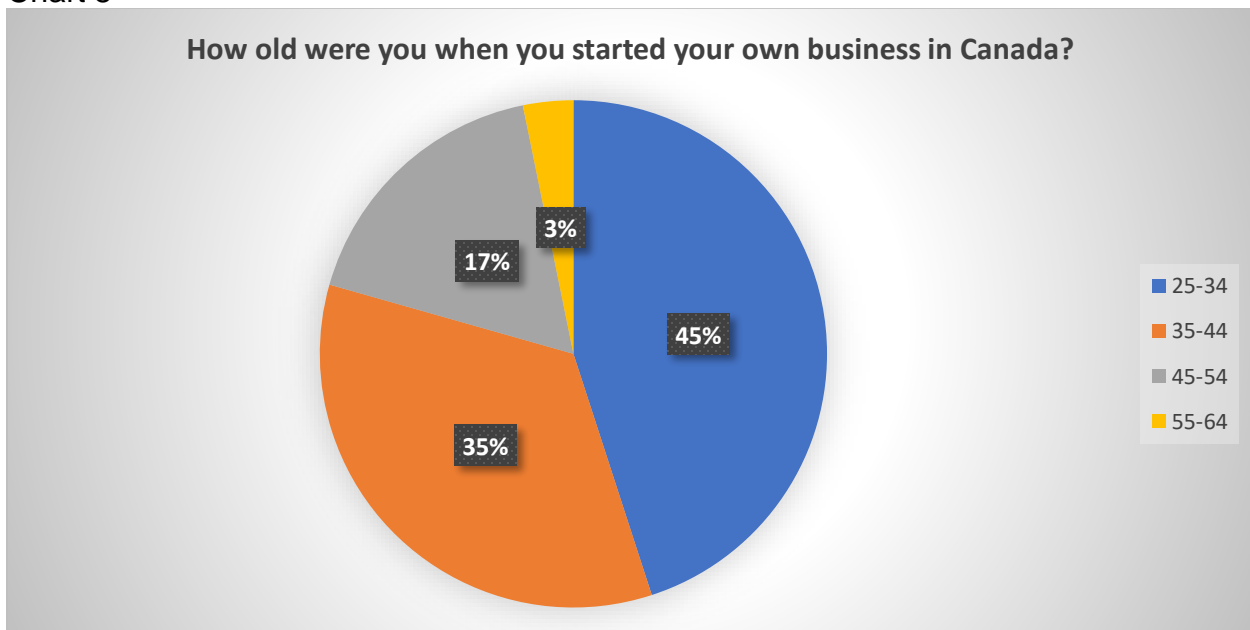


Chart 9

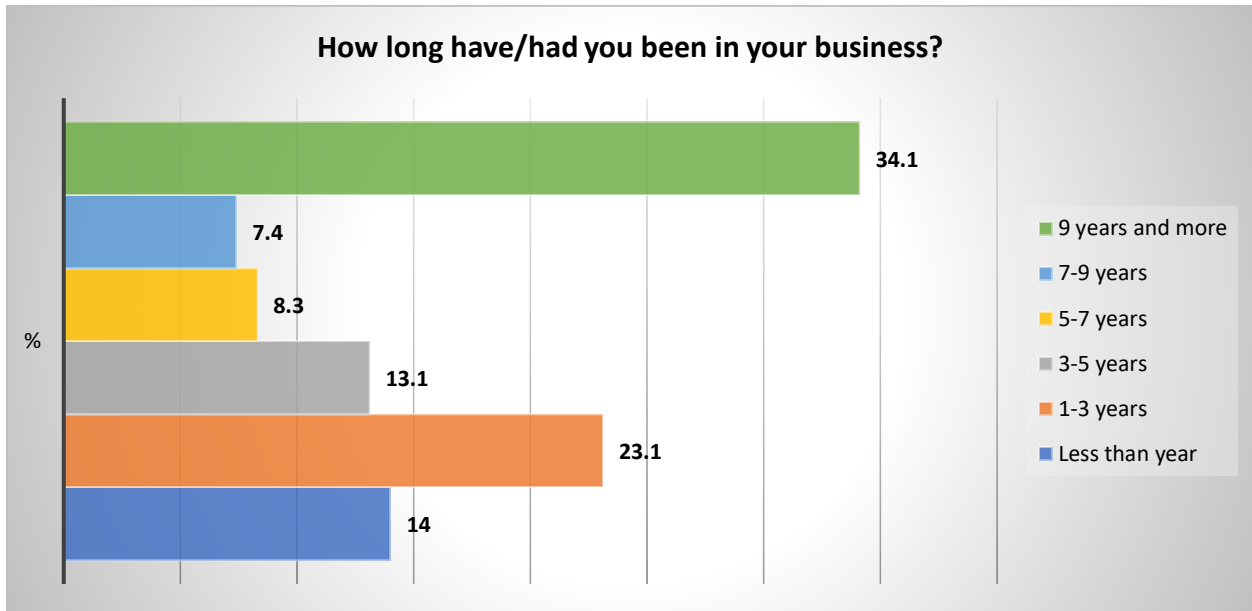


Table 3. How long have/had you been in your business?

Age when starting the business		Less than 1 year	1-3 years	3-5 years	5-7 years	7-9 years	9+ years	Total
		25-34	18	26	12	6	5	31
35-44	7	14	11	9	6	28	75	
45-54	3	8	5	2	4	16	38	
55-64	1	2	1	1	2	0	7	
Total		29	50	29	18	17	75	218

The entrepreneurial activities and businesses most commonly reported by participants were associated with the Food Industry (24.9%), followed by activities in the Business and Finance industry (13.1%), Retail industry (9.6%), and the Real Estate industry (7%) (see Table 4). Most participants' businesses targeted 'the entire Canadian market' (67.2%), with the 'Commercial, Retail, or Online market' representing a further 16.2% of participants. Participants whose businesses targeted specific ethnic markets accounted for 10% of the sample.

Table 4. What kind of business do/did you own? (Responses categorised by industry)

<b>Industry</b>	<b>Percent of participants (%)</b>
Food Industry	24.9
Business and Finance	13.1
Real Estate	7.0
Business in Art, Culture, Recreation and Sport	5.2
Professional Occupations in Health, Science, Teaching	5.2
Retail	5.2
Digital Media & Production	4.4
Esthetics & Beauty Industry	4.4
Marketing	4.4
Retail-online	4.4
Immigration Consulting	3.5
Cleaning and Maintenance	2.2
Childcare and Home Support Workers	1.7
Consulting business	1.7
Manufacturing and Utilities	1.7
Technical, Assisting and Related Occupations in Health	1.7
Industrial and Mechanical Maintenance	1.3
IT consulting	0.9
Transport	0.9
Travel Industry	0.9
Construction trades	0.4

In terms of location, 65.1% of participants reported businesses in Toronto, 7.9% in the City of Mississauga, 6.6% in the City of Brampton, and 20.4% across the remainder of the Greater Toronto Area.

### **Income**

Nearly two thirds of participants (63.8%) reported earning a living as 'self-employed only,' while 31% of participants also worked as paid employees while running their businesses. The distribution of working hours was largely divided between regular daily working hours (39.3%) and an irregular schedule (35.8%), and 13.5% of participants reported having a rotating shift (e.g. change from days to evenings to nights) or evening hours.

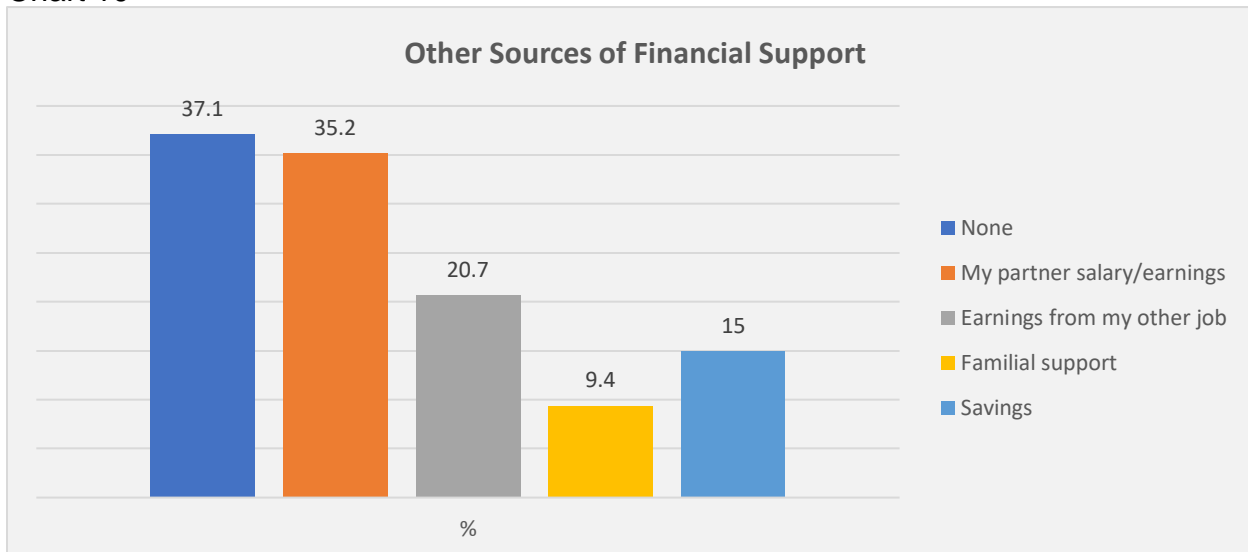
The mean of yearly gained business income ranged from \$30,000.00 to \$34,000.00 CAD, where almost 12% participants reported earning \$105,000.00 per year or more and almost 18% reported earning less than \$5,000 (Table 5).

Table 5. Best estimate of participants' yearly income earned through their business

Income (CAD)	Percent of participants (%)
No income	5.9
Less than \$5,000	11.8
\$5,000 to \$9,999	10.6
\$10,000 to \$14,999	5.3
\$15,000 to \$19,999	4.1
\$20,000 to \$24,999	4.7
\$25,000 to \$29,999	7.1
\$30,000 to \$34,999	2.9
\$35,000 to \$44,999	4.7
\$45,000 to \$54,999	9.4
\$55,000 to \$64,999	6.5
\$65,000 to \$74,999	4.7
\$75,000 to \$84,999	4.7
\$85,000 to \$94,999	2.9
\$95,000 to \$104,999	2.9
\$105,000 or more	11.8

Some participants reported earnings from other employment or some other financial sources and support, in addition to income earned through their businesses. However, some discrepancy was observed regarding 31% reports of 'working as a paid employee along with running their own business' due to missing data (e.g. participants selecting 'Prefer not to answer') (see Chart 10).

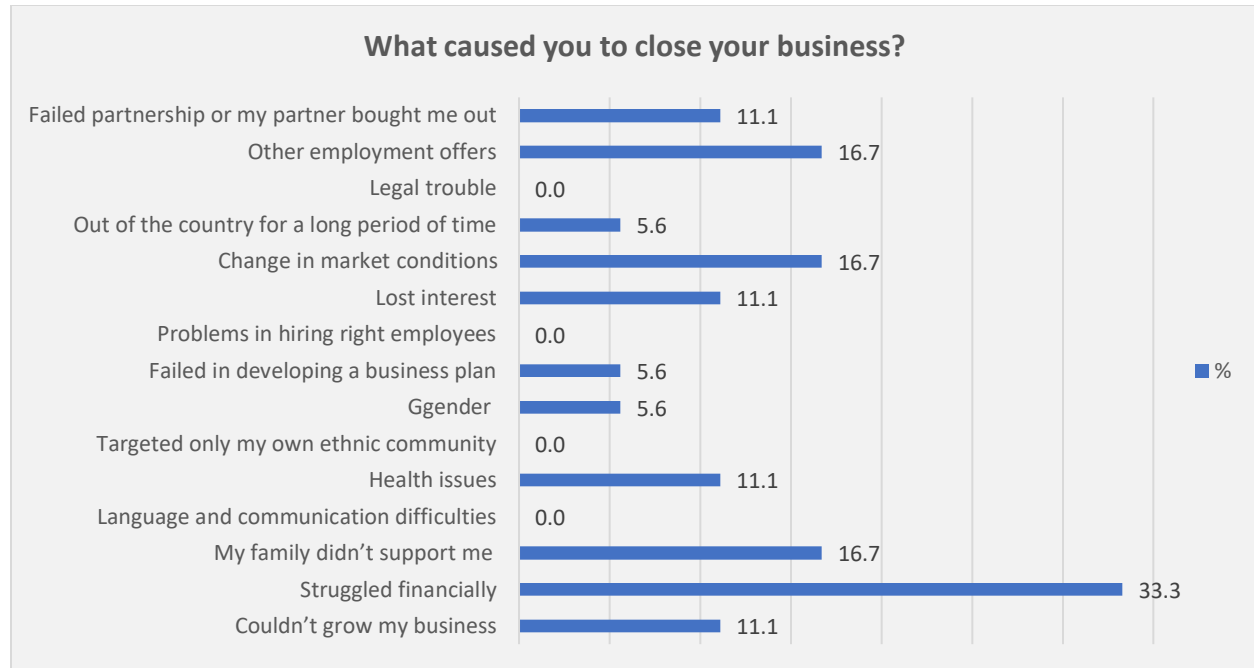
Chart 10



Some participants (9.2%) reported needing to *close their business* due to: financial struggles (20.7%), changes in market conditions (10.3%), other offers of employment (10.3%), and a lack of family support (10.3%). While studies show that language skills are highly associated with successful businesses (Fong et al., 2015; Ley, 2006; Marger,

2006), language and communication challenges were not reported by participants in this survey as reasons for abandoning business ownership (Chart 11). More than half (61.9%) of participants who closed their businesses did so within three years of opening.

Chart 11.



### Funding Assistance

Just over one third of participants (37%, N=78) reported receiving financial support to start their business. Of these participants, 40% received financial support from family members, 37.3% received a bank secured loan, 8% received government funding, and 8% received help from outside investors or Unsecured and Micro-lending loans. Other participants reported relying on personal funds (28%) or a secondary source of income (12%) (see Table 6).

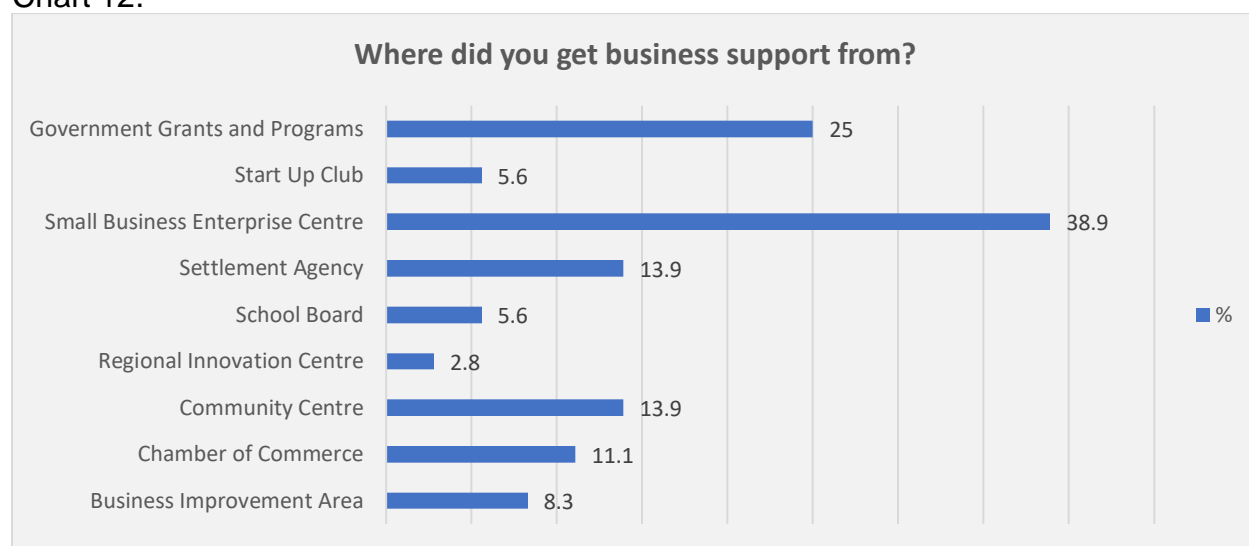
Table 6. What kind of funding assistance did you receive when starting your business?

Type of funding	Percentage of participants (%)
My family assisted me financially in starting my business	40.0
I received bank/secured loans	37.3
I only used my personal funds to start my business	28.0
I had a second source of income financially supporting me while I was starting my business	12.0
I received government funds	8.0
I received Unsecured and Micro-lending loans	4.0
I got help from outside investors	4.0

### Support Services

The need for supportive services in establishing entrepreneurship was reported by 57.9% of participants. Out of 229 participants, 37.7% reported being aware of existing support services in the Greater Toronto Area but only 15.8% reported having accessed available support. The most commonly reported source of support received was from Small Business Enterprise Centres (38.9%), followed by Government Grant Programs (25%), Community Centres (13.9%), Settlement Agencies (13.9%), and BIAs (8.3%) (see Chart 12).

Chart 12.



The most common types of support participants reported receiving related to developing a business plan (47.2%), training (34.3%), and mentorship (30.6%) (see Table 7).

Table 7. What kind of business support services have you received?

Type of support	Percentage of participants (%)
Help in developing business plan	47.2
Training	34.3
Mentorship	30.6
Registering and setting up the business	27.8
Connecting with customers	22.9
Government grants and subsidies	22.2
Network assistance	19.4
Cultural awareness and coaching	16.7
Navigating tax system	16.7
Language support	5.6
Navigating regulation	5.6

### Motivations for Entrepreneurship

The strongest predictors for choosing entrepreneurship among participants were a 'desire to be independent' and 'flexible working hours' (Chart 13). Over three quarters (78.5%) of participants reported that 'being their own boss' was their main reason for



becoming an entrepreneur and 71% indicated that they wanted increased ‘flexibility’ in their work. Both predictors were highly correlated with the demand of ‘spending more time with family’ ( $r=.288^{**}$ ,  $.461^{**}$ ). Participants saw entrepreneurship as a desirable working model enabling them to devote more of their time to family and social engagements.

A second strong group of predictors is related to employment/job dissatisfaction. In 63.1% of cases, participants chose entrepreneurship as a means of supplementing their income. This was highly correlated with reported difficulties in finding jobs in their chosen career field ( $r=.445^{**}$ ), full time employment ( $r=.346^{**}$ ), and recognition of their credentials in Canada ( $r=.280^{**}$ ). Just under half (43.2%) of participants agreed that their previous job did not provide any opportunities for career or further professional development, while 30.9% (see Chart 14) reported having experienced hiring discrimination (e.g. language, gender, race, age, educational background, etc.).

Participants reporting entrepreneurial activity prior to arriving in Canada represented 29% of the sample, and 29.7% of participants reported having friends or family members with entrepreneurial experience in Canada (29.7%).

Chart 13.

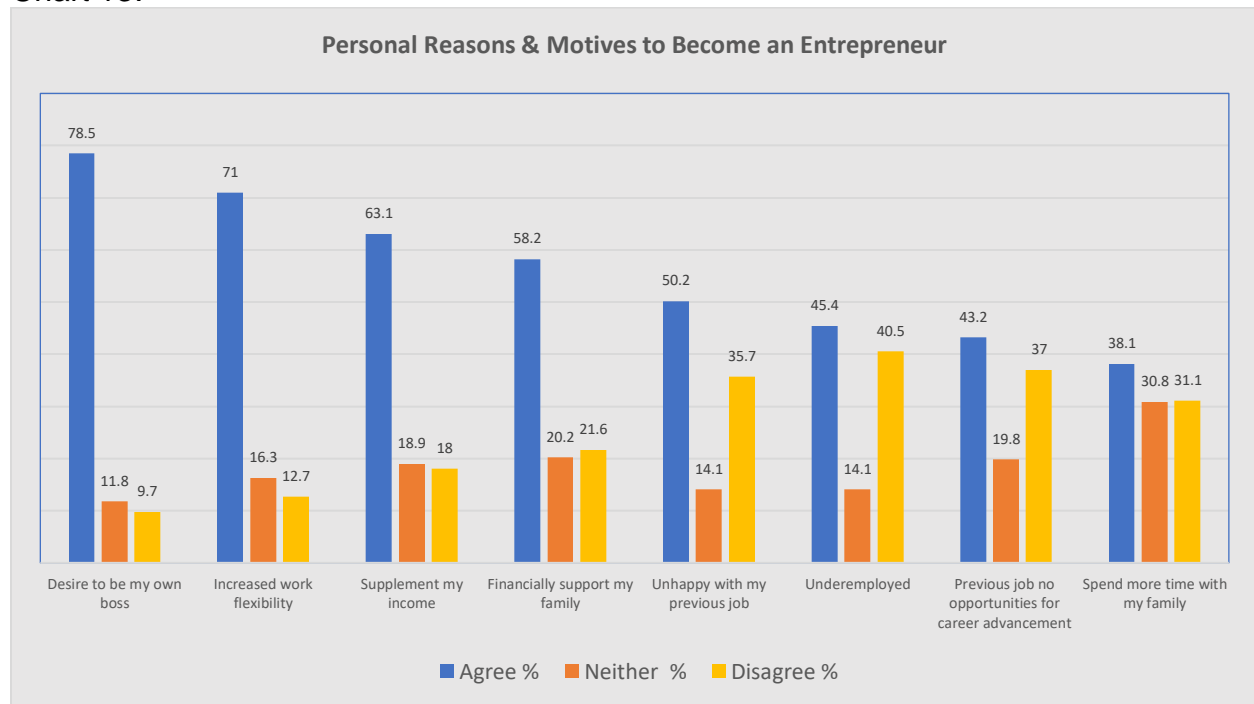
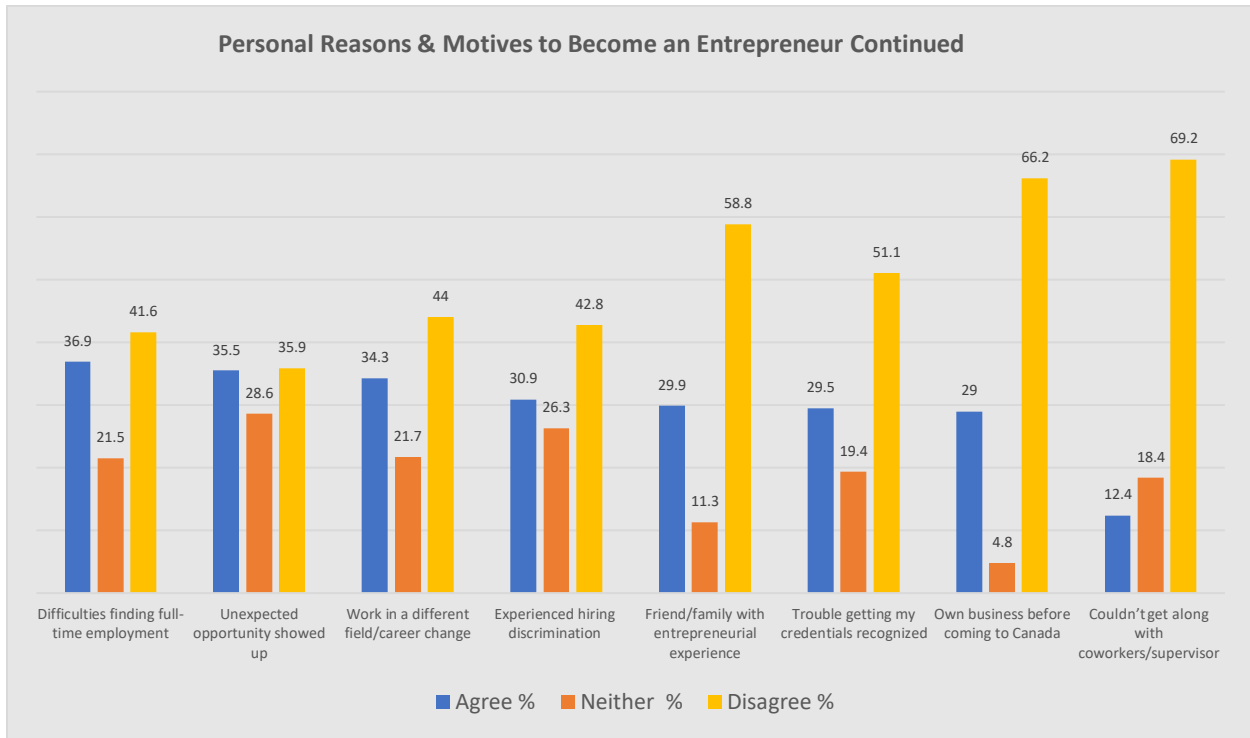


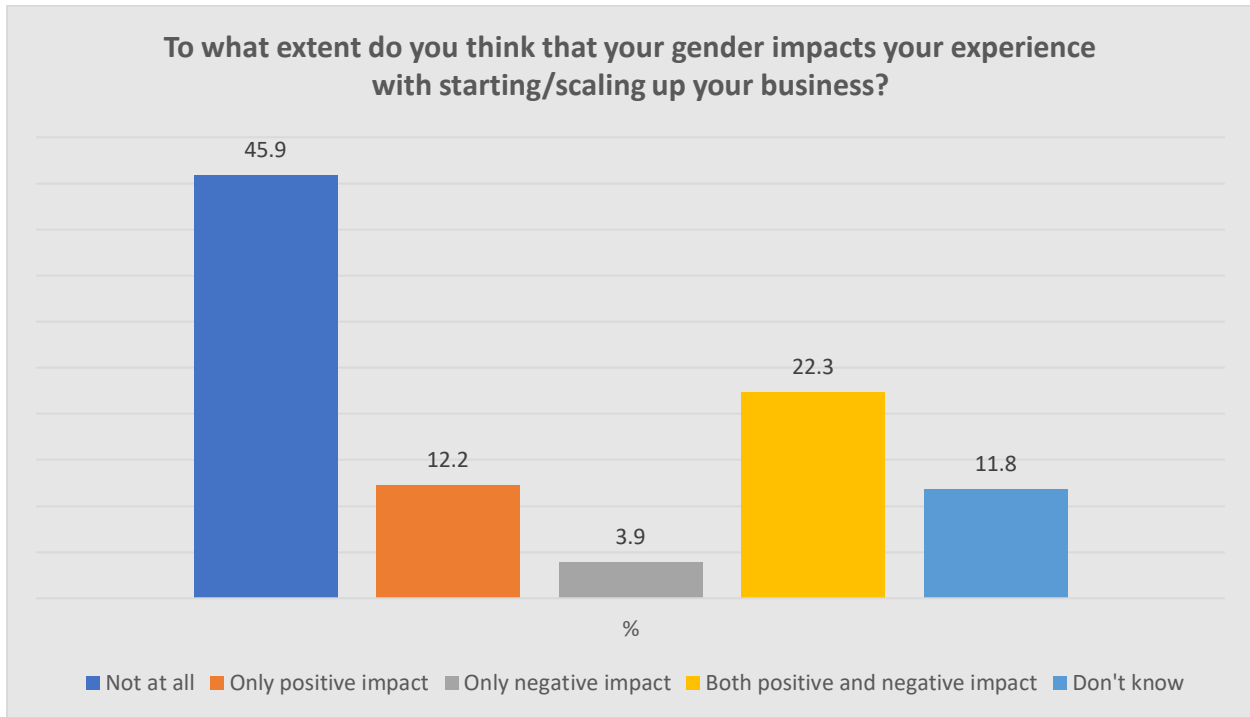
Chart 14.



### Gender and Entrepreneurship

No notable differences were observed between men and women survey participants in their motivations for start their own enterprise, or challenges reported in starting or expanding their business. Just under half (46%) of participants felt that the impact of gender on entrepreneurship was ‘not relevant,’ and 11.8% participants said that they did not know. Close to one quarter of participants (22.3%) reported that gender had had both a positive and negative influence on their entrepreneurial activities, and 3.9% of participants did not respond. Although not statistically significant, a slightly higher number of women participants reported that gender has a negative impact on building and running a private business, while men participants observed their gender as a positive predictor of the success of their business.

Chart 15.



### Challenges in Starting the Business

The most common obstacles to starting a business reported by participants were navigating through regulations and the tax system in Canada, cost of rent, and access to financial support (see Charts 16 and 17). These data are in line with findings from the qualitative interviews with newcomer entrepreneurs.

Chart 16.

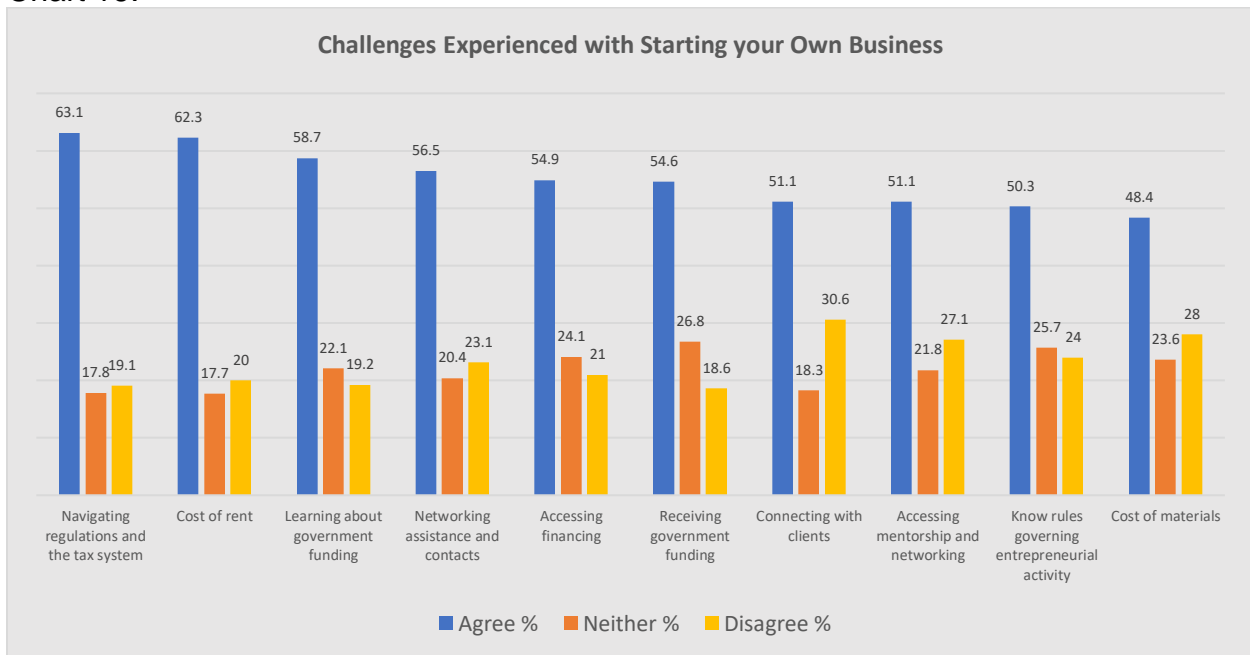
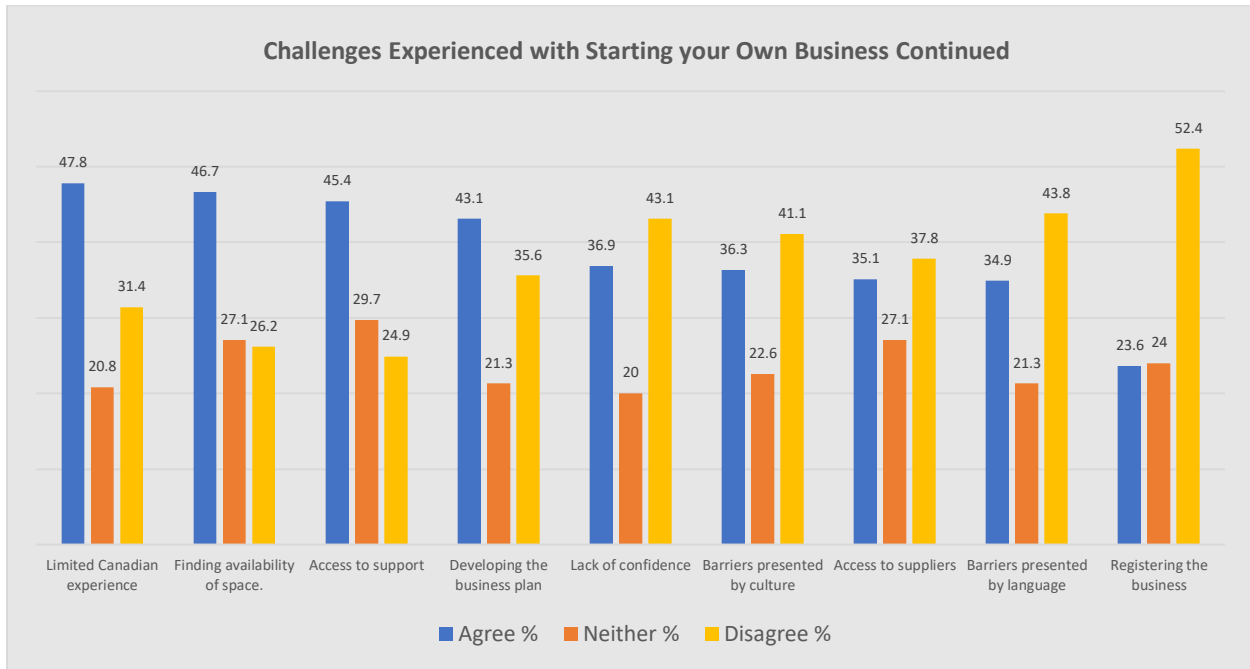


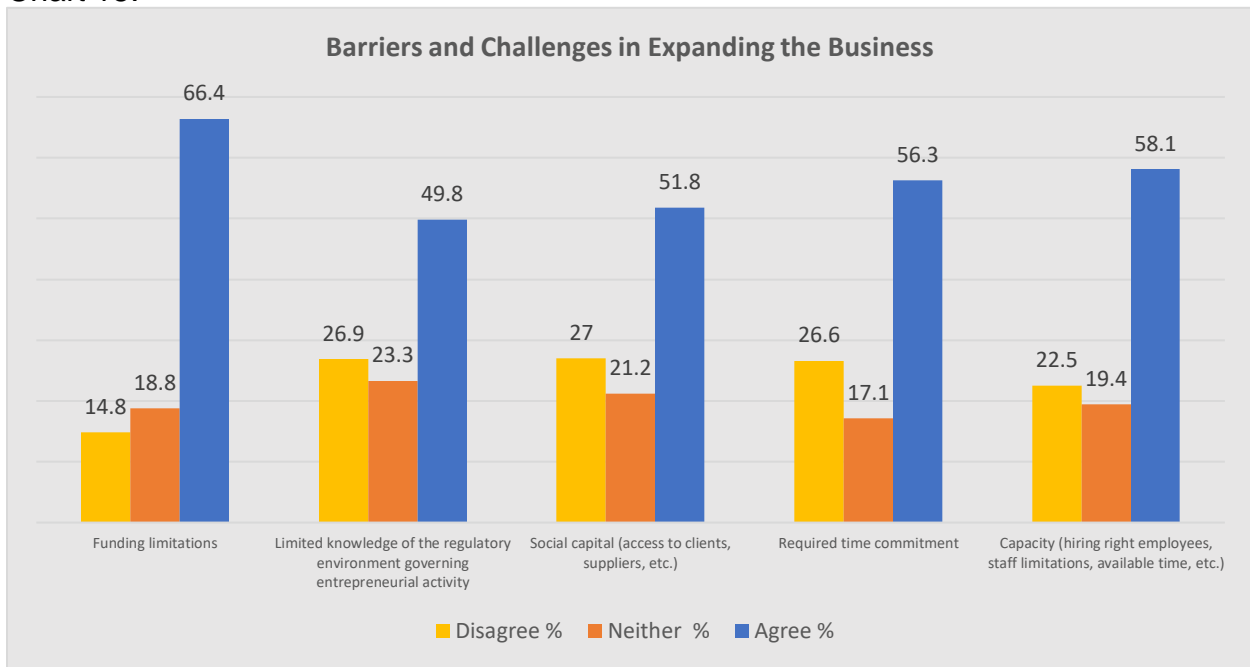
Chart 17.



### Challenges in Expanding the Business

Funding limitations were the strongest predictor in failure to expand a business (e.g. cost of labour and overhead expenses, including rent), with two-thirds of participants (66.4%) reporting financial shortage as a major barrier in growing their industry. This was followed by factors related to the business capacity (58.1%), such as staff shortcomings and hiring the right personnel. In terms of major issues in scaling up their business, required time commitment is perceived as difficulty in 56.3% of cases while accessing clients and suppliers are reported as a challenge in 51.8% of cases.

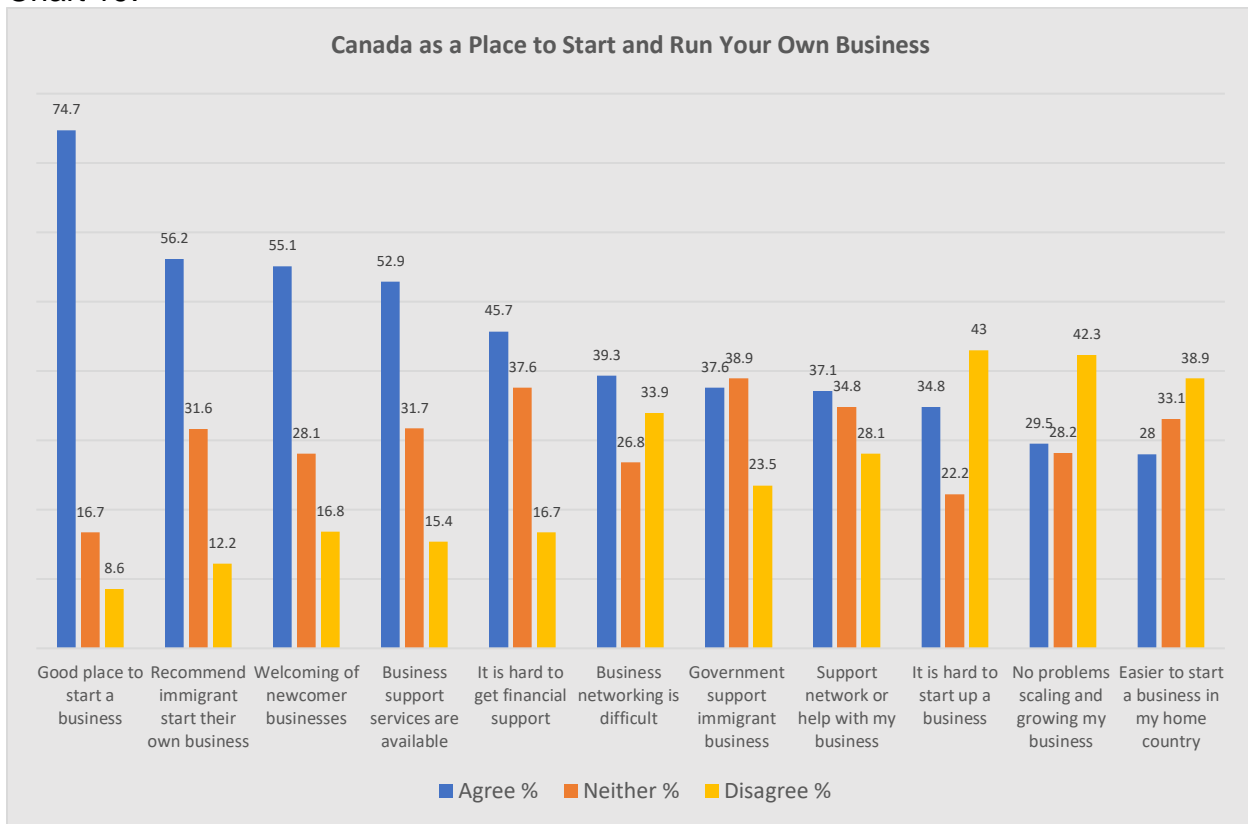
Chart 18.



### Canadian Entrepreneurship

Overall observations and experience related to Canadian Entrepreneurship was positively rated, with three-quarters of participants (74.7%) agreeing that Canada is good place to start a business (see Chart 19). While participants reported significant difficulties with forming broader networks (only 37.1% reported that they have strong support and a business network), more than half (55.1%) agreed that they feel welcomed by the Canadian community. Over half of the participants indicated that support services are available in Canada, with one-third of participants (37.6%) reporting having accessed government support services, and 45.7% reporting having accessed financial support services. This was significantly correlated with the fact that only 29.5% of participants reported that they have had no difficulties in scaling up and growing their business and supports findings from the qualitative interviews suggesting that the Greater Toronto Area has a better support system linked to starting up rather than expanding businesses. Nevertheless, 56.2% of participants reported that they would recommend entrepreneurship to other newcomers to Canada.

Chart 19.



### Profile of Successful Newcomer Entrepreneurs

Beginning with the premise that financial earnings are the most common indicator of a successful business, a financial earning threshold was used to define ‘successful entrepreneurs.’ One-third of participants (33.5%) reported earning \$55,000.00 or more on a yearly basis through their business. Therefore, \$55,000.00 was determined as the cut-off marker of a ‘successful entrepreneur’ in this sample (see Table 3 for income distribution). Survey data suggest that there are several factors which significantly impact an entrepreneur’s financial earnings. In order to assess which factors contributed to financial earnings for the participants in this sample, a Chi-square stats was run using the data from the surveys between yearly income and other factors assessed in the survey.

The strongest variables associated with higher financial earnings were being a man ( $p=.000$ ), being in business longer ( $p=.000$ ), and reportedly not experiencing difficulty in finding a full-time job (when searching for one) ( $p=.000$ ). Other variables of high significance included having a higher desire to be an entrepreneur ( $p=.004$ ) and having more Canadian work experience, training, or education ( $p=.004$ ). In addition, the industry a participant’s business was in was also an important factor for earning potential. For example, the data suggested that those in Business/Finance or Real Estate industries typically earned more income ( $p=.004$ ). The data also showed that issues or characteristics that are typically associated with immigrants were not associated with higher financial earnings. For example, not having a need to access support services ( $p=.006$ ), more time spent living in Canada ( $p=.009$ ), experiencing less discrimination

( $p=.010$ ), and being exclusively self-employed ( $p=.012$ ) were all factors associated with higher financial earnings.

Factors that did not have statistical significance or had low significance but were still associated with a higher likelihood to have greater financial earnings included not being unhappy in previous jobs ( $p=.015$ ), having a business that is available to consumers across a national market (e.g. across all of Canada versus local/community-based business) ( $p=.022$ ), and not accessing support services ( $p=.024$ ) (see Chart 20).

Chart 20.

Variable crosstabs by business income (less vs more than 55K)	Level of Significance
More men have high business income	$p=.000$
Longer in business- higher business income	$p=.000$
Those who DIDN'T experience difficulties in finding FT job- higher business income	$p=.000$
Higher desire to be on your own- higher business income	$p=.004$
More Canadian experience/training/education.- higher business income	$p=.004$
If in Bus/Finance OR Real Estate Industry- higher business income (all other industries in favour of less income)	$p=.004$
If No need for supprt services - higher business income	$p=.006$
Longer in Canada more business income	$P=.009$
Less discrimination experiances - higher business income	$p=.010$
IF ONLY Self Employee - higher business income	$p=.012$
Those who disagree with being "unhappy with my previous job "statement - higher business income	$p=.015$
Business cover Entire Canadian market - higher business income	$p=.022$
IF Didn't access support services - higher business income	$p=.024$

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## Appendix A: Interview Question Guide for Business Improvement Area Participants

*[The following questions are prompts/guides only. The interviews will be largely unstructured to allow for the participant to articulate their own opinions and experiences.]*

- Can you give a brief overview of the regulatory environment surrounding entrepreneurial activity in the GTA?
- What kinds of resources are available to newcomers to Canada wanting to start their own businesses? Are there any incentives or programs in existence specific to newcomers or which could apply to entrepreneurs born outside of Canada?
- What percentage of newcomer entrepreneurs are women that you come across? If so, tell us more - What kinds of businesses do they own?
- What kind of opportunities are available to entrepreneurs wishing to scale up their businesses?
- Would you recommend starting a business to a newcomer to Canada? If so, what are your recommendations?
- Do you have any thoughts on what can be done to better support entrepreneurial activity amongst newcomers?
- What do you think is the impact of economic and social policies on newcomer entrepreneurs?
- What do you think is aiding/preventing entrepreneurs to be successful in Canada?
- What kind of support do you provide after a business is set up?

## **Appendix B: Interview Question Guide for Newcomer Entrepreneur Participants**

*[The following questions are prompts/guides only. The interviews will be largely unstructured to allow for the participant to articulate their own opinions and experiences.]*

- Can you tell me about your business? How long have you had this business?
- What kind of work (if applicable) did you do before starting this business?
- What education and/or training do you have? (Trades, certificates, degrees, etc.) Is your education and/or training recognized in Canada?
- Through what immigration pathway did you enter Canada?
- What made you want to start your business? Have you always known you wanted to start your own business?
- Do any friends or members of your family have their own businesses in Canada?
- Did you have any help starting your business?
- What kind of resources did you consult before deciding to begin your business?
- Did you apply for financial aid to start your business (in Canada)? If so, what was the funding? How easy was it for you to access it?
- Did you encounter any challenges starting your business?
- Have you encountered any difficulties expanding or scaling up your business (if applicable)?
- What is something you wish you would have known before starting your business (in Canada)?
- Would you recommend starting a business to other newcomers to Canada?