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Business Survey Summary & Analysis

Canada's LGBT+ Chamber of Commerce

May 2021

Note to Reader

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The COVID-19 pandemic is constantly evolving, with information on economic conditions and public policies changing daily. Observations are made on the basis of economic, industrial, competitive and general business conditions prevailing as at the date hereof. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting this analysis, which may come or be brought to our attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the analyses after the date hereof, we reserve the right to change, modify or withdraw the analysis but will not be obligated.

We believe that our analysis must be considered as a whole and that selecting portions of the analysis or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the issues related to the summarized survey responses. Amendment of any of the assumptions identified throughout this report could have a material impact on our analysis contained herein. Should any of the major assumptions not be accurate or should any of the information provided to us not be factual or correct, our analysis, as expressed in this report, could be significantly different.

Note to reader: The acronyms and words used to describe 2SLGBTQ+ people and communities continue to evolve, reflecting the complex nature of all members of the LGBT2SQQIA* and other communities. Often, the terms gender and sexuality diversity (GSD) or sexual and gender minority (SGM) persons can be used to describe 2SLGBTQ+ issues and persons (for instance, variations of the acronym exist that include lesbian, gay, bisexual, transgender, Two Spirit, queer, questioning, intersex, asexual, and sometimes an asterisk or plus to indicate that other sexual or gender minority identities can be read in) (University of Winnipeg, 2021). In this paper, we use LGBT+ to align to the language in the survey.

Introduction and context

About the Canada’s LGBT+ Chamber of Commerce 2020 Business Survey

Surveying LGBT+ founded and/or owned companies is a foundational step towards understanding an important entrepreneurship community in Canada

About CGLCC

Canada’s LGBT+ Chamber of Commerce (CGLCC) is a national, non-profit industry association established in 2003. The CGLCC is committed to forming a broad-based coalition, representative of the various interests of Lesbian, Gay, Bisexual, Trans-identified, Queer, Two-Spirited and Intersex (LGBT+) owned businesses, allied businesses, corporations, professionals, and students for the purpose of promoting economic growth and prosperity, through public and private sector advocacy, to advance the common business interests and opportunities of its members.

As the organization advances policy options that can support the LGBT+ community, ensuring the sentiment, financial and economic characteristics of entrepreneurs is measured and shared is essential to shaping data-driven policy discussions.

About the Survey

In 2020, the CGLCC retained Deloitte LLP to design, administer and analyze a survey of 192 LGBT+ owned, operated and controlled companies. These companies were founded by self-identified LGBT+ community members across Canada. This analysis was enabled by funding from the Government of Canada to the CGLCC. The survey has been designed to gauge sentiment and business characteristics from founders that self identify as part of the LGBT+ community in Canada only.

In this report, we summarize a selection of the results from the survey. All questions have not been reported as some questions in the survey were screeners/and or designed to help guide respondents. Deloitte worked with CLGCC to confirm the optimal questions to be reported on herein.

Introduction

By removing barriers to LGBT+ entrepreneurs, Canada could unlock further important economic activity today

An important community driving economic activity

Our 2021 survey demonstrates that the LGBT+ business community are important employers and driving economic activity:

- Our survey gauged sentiments from 192 LGBT+ owned, operated and controlled companies in Canada
- To get to these companies, we reached out over 2,540 Canadian businesses across the country
- Approximately 8% of the companies we reached out to were LGBT+ owned, founded or controlled
- Applying the 8% share of companies our survey respondents represent to the number of businesses with employees as estimated by Statistics Canada in June 2021 (1,320,207)
    - We estimate there could be as many as 100,355 LGBT+ owned, operated and controlled companies in Canada
    - Notably, most of the companies surveyed were small, but these companies could represent more than $5Bn in corporate revenues – a sizeable level of economic activity in the country.

A need for change

Marginalized groups in Canada face long-standing economic disparities, including lower than average wages, lower labour participation rates, and higher unemployment and underemployment. Our survey demonstrates that barriers and discrimination appear to persist.

- A significant number of LGBT+ founders surveyed in 2020 stated that they have encountered challenges and discrimination as a result of being part of the LGBT+ community at home, and abroad.
- Our survey revealed that LGBT+ founded/owned small businesses identified challenges acquiring funding and financing and inability to access mentorship opportunities that are often cited as structural barriers to entrepreneurship in Canada.
- In addition, very few companies reported having high levels of representation from equity seeking groups (e.g., visible minorities) at both the ownership and staff level.

Canada is currently recovering from one of the most severe economic contractions in recent memory. Canada's recovery and future sustained economic growth will need to ensure that entrepreneurs from all communities are able to effectively contribute to the economy and support an inclusive recovery – one in which traditionally marginalized communities are able to meet their full economic potential. Both the government and private sector have a role to play. Governments can enable policies that support Canadian entrepreneurs, incentivize local suppliers and help companies recover from the pandemic. Similarly, by adopting supplier diversity initiatives, businesses can create market opportunities for LGBT+ founded/owned businesses. Taken together, action is still needed to capitalize on the economic activity revealed in our survey and ensure that Canada is able to realize the full benefit it's strong LGBT+ entrepreneurship community.

Deloitte’s Market Research Framework

Deloitte undertook a structured methodology to design and deploy the survey, in collaboration with CGLCC

Initiation

Exploratory Research, Messaging Development and Testing

Define Business Questions

- Business Issues and Objective Definition and Agreement
- Review Relevant Existing Research
- Define Key Metrics Required
- Stakeholder Engagement

Design Research Plan

- Align on Research Requirements
  - Sample Definition
  - Timing
  - Geography
- Choose Appropriate Research Methodology(s)
  - Survey
  - Focus Groups
  - In-depth Interviews
  - Mystery Shopping
  - Crowdsourcing
- Third Party Vendor

Develop Research Instruments

- Draft Research Instruments
- Test & Iterate Instruments
- Gather Stakeholder Alignment
- Pre Test & Refine Instruments

Deploy Approach

- Field Research Instruments
- Third Party Vendor Management
- Data Collection
- Data Processing
- Data Quality Assurance

Discover Insights

- Conduct Analysis of Data
- Report/ Visualize Results
- Discover Insights

Survey Methodology

The online survey covered a range of topics and exceeded its participation target

- The survey was targeted towards Canadian based companies (of any size) founded by an individual(s) that self-identified as part of the LGBT+ community.
    - Companies that were not at least 51% founded, owned or controlled by an individual(s) from the LGBT+ community were eliminated from analysis.
- Survey participants were not provided financial compensation to participate in the survey.
- As the response rate for customers was higher than anticipated, the initial SME customer sampling target was surpassed and additional completes achieved. To execute the survey, Deloitte partnered with Market Pulse and ROI Rocket.

Target

Companies that are at least 51% LGBT+ Founded, Owned or Controlled Companies

150 – 200 respondents

Total Number of Responses

345 respondents

Filtration for companies at least 51% founded, owned or operated by LGBT+ individual(s)

Number of LGBT+ founded, owned or operated companies identified and surveyed

192 businesses

Response Rate: 8%

Timeline

November 2020 – December 1, 2021	December 1 – December 16, 2021	December 17, 2020 – January 15, 2021	Late January 2021
Questionnaire development	**Survey programming and testing**	**Survey fielding**	**Data processing**

Questions

The survey questionnaire presented a mixture of multiple choice and short form answer questions organized into the following categories:

- ❑ Screener
- ❑ General Business Trends
- ❑ Business Support Services
- ❑ Demographic Information

Profile of LGBT+ business founders and/or owners

Snapshot of LGBT+ Businesses Founders and/or Owners

Majority of respondents were cisgender men, identified as homosexual and based in Ontario and/or Quebec

When reviewing the characteristics of founders and/or owners of the 192 Canadian LGBT+ companies surveyed, we find a diverse group of entrepreneurs driving economic growth:

Gender Identity

- A majority of respondents identified as cisgender (82%)
- 10% have openly identified as Transgender, Non-Binary or Two-Spirit

Sexuality

- Homosexual was the most commonly self-identified sexuality (34%)

Marital Status

- 45% of respondents were married

Personal Income Range

- Most respondents earned between $50,000 - $69,999 in personal income

Diversity

- 22% of the respondents are from Visible Minority groups
- 27% respondents identified as having a disability

Indigenous Representation

- 14% of respondents identified as being part of the Indigenous community
- The most commonly represented Indigenous community was First Nations

Education Statistics

- Most respondents held a Bachelor's Degree (37%)
- 20% held a Master’s Degree

Geography

- Most respondents are from Ontario (38%) and Quebec (31%)

Examples of LGBT+ Business Founders and Owners

Survey respondents represented communities across Canada and had a range of perspectives on the business context LGBT+ businesses operate in

John

- Is a 64-year-old Cisgender man
- Lives in Toronto
- Founded a company headquartered in Ontario
- Is married and identified as Homosexual
- Has a bachelors degree
- Found a company in Professional, Scientific and Technical sector 6 to 10 years ago, that mainly exports to U.S.A.
- When asked about COVID-19, John stated that his cash flows will be negatively impacted

Mary

- Identified as a transgender woman
- Lives in Toronto and founded a company headquartered in Toronto
- Is married
- Has a bachelors degree
- Mary would like to see more programming and forms for funding LGBT+ business

Joan

- Is a cisgender woman
- Identified as lesbian
- Lives in Montreal
- Is married
- Has a Masters degree
- Founded a company headquartered in Ontario that has a business revenue of $50,000 to $99,999
- Most of the revenue is from the Canadian market

Perry

- Is a cisgender Man
- Identifies as part of the Indigenous community
- Lives in British Columbia and founded a company in the same province
- Is married
- Has a Masters degree

The profiles above reflect characteristics of a sample of LGBT+ individuals that own, control or operate a company in Canada that participated in the survey

Examples of LGBT+ Business Founders and Owners

Survey respondents represented communities across Canada and had a range of perspectives on the business context LGBT+ businesses operate in

Emma

- Is a 40-year-old Cisgender Woman
- Lives in British Columbia and founded a company headquartered in British Columbia
- Is Widowed and identified as Homosexual
- Has a university degree
- Found a company in Professional, Scientific and Technical sector 6 to 10 years ago
- Company engaged in goods sold to businesses in Canada who then resold them outside of Canada

Mia

- Is a 30-year-old Cisgender Woman
- Lives in Alberta and founded a company headquartered in Nova Scotia
- Is single and identified as Asexual
- Has a Master's degree
- Found a company in accommodation and food services sector 4 to 5 years ago

Jacob

- Is a 73-year-old Cisgender man
- Lives in Alberta
- Identified as Homosexual
- Is divorced
- Jacob has a high school level education
- Founded a company headquartered in Alberta that has a business revenue of $20,000
- Jacob did not disclose that company was LGBT+ owned in official presentations/marketing or engagement with stakeholders, as it was never asked

Aria

- Is a 62-year-old Transgender Woman
- Lives in New Brunswick and founded a company in New Brunswick
- Found a company in Professional, Scientific and Technical sector 6 to 10 years ago
- Has a Bachelor's degree

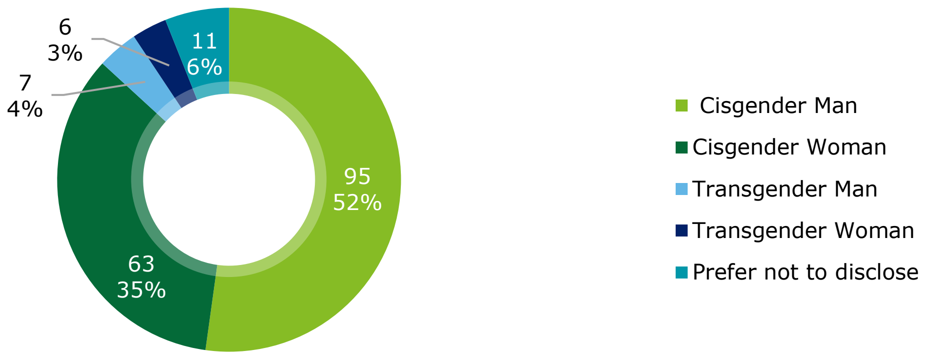
The profiles above reflect characteristics of a sample of LGBT+ individuals that own, control or operate a company in Canada that participated in the survey

About the Founders and/or Owners

A majority of respondents self-identified as cisgender men and as homosexual

QA2 **What gender identity do you identify as?**

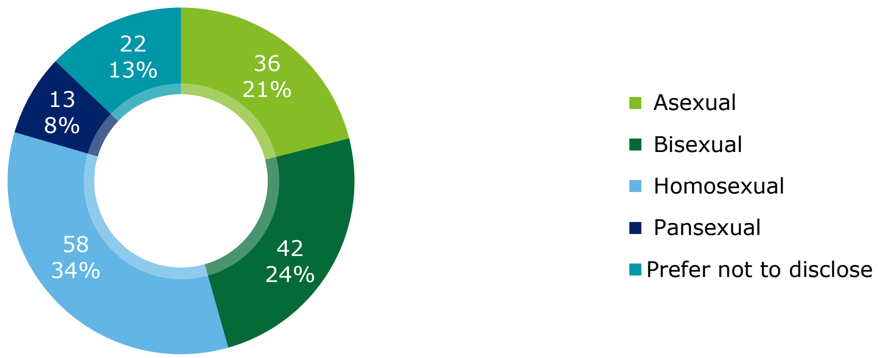
Top 5



- A majority of founders and/or owners surveyed were Cisgender with 52% men and 35% women.
  - Notably, this distribution is roughly in line with survey respondents from a population of small and medium enterprises (SMEs) surveyed by Statistics Canada in 2017.
  - This survey found that 63.5 percent of SMEs were majority owned by men and 15.6 percent of SMEs were majority owned by women, while 20.9 percent of SMEs were equally owned by men and women.
- 7% percent of total respondents identified as Transgender, of those 4% identified as Transgender men and 3% identified as Transgender women.
- 6% of respondents preferred not to disclose their gender identity.

QA3 **How would you describe your sexual orientation?**

Top 5



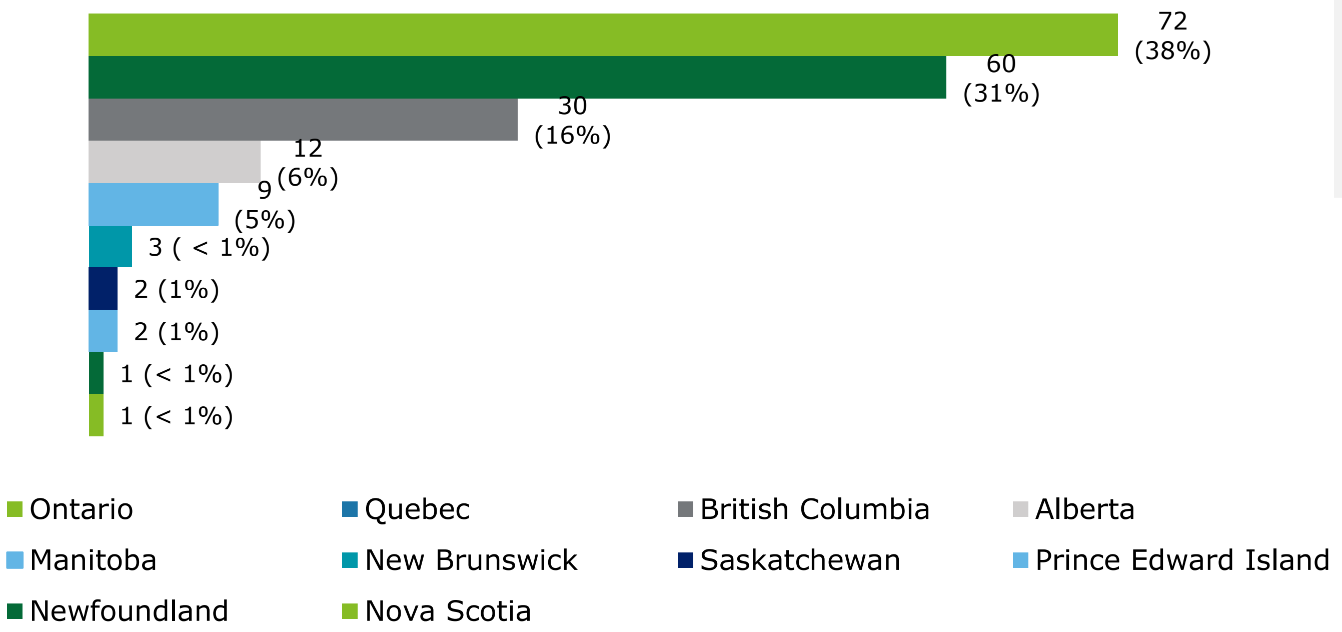
- A majority of respondents identified as homosexual (34%) followed by:
  - 24% self identified as Bisexual
  - 21% self identified as Asexual
  - 8% self identified as Pansexual
  - 6% of responses are either Queer, Questioning or would prefer to self describe
  - 3% preferred not to disclose

Total responses 192

About the Founders and/or Owners

Most founders and/or owners live in Ontario, followed by Quebec reflecting the overall distribution of Canada's population

QA5 **In which province or territory do you live?**



38% of founders and/ or owners live in Ontario, 31% reside in Quebec followed by:

- British Columbia (16%)
- Alberta (6%)
- Manitoba (5%)

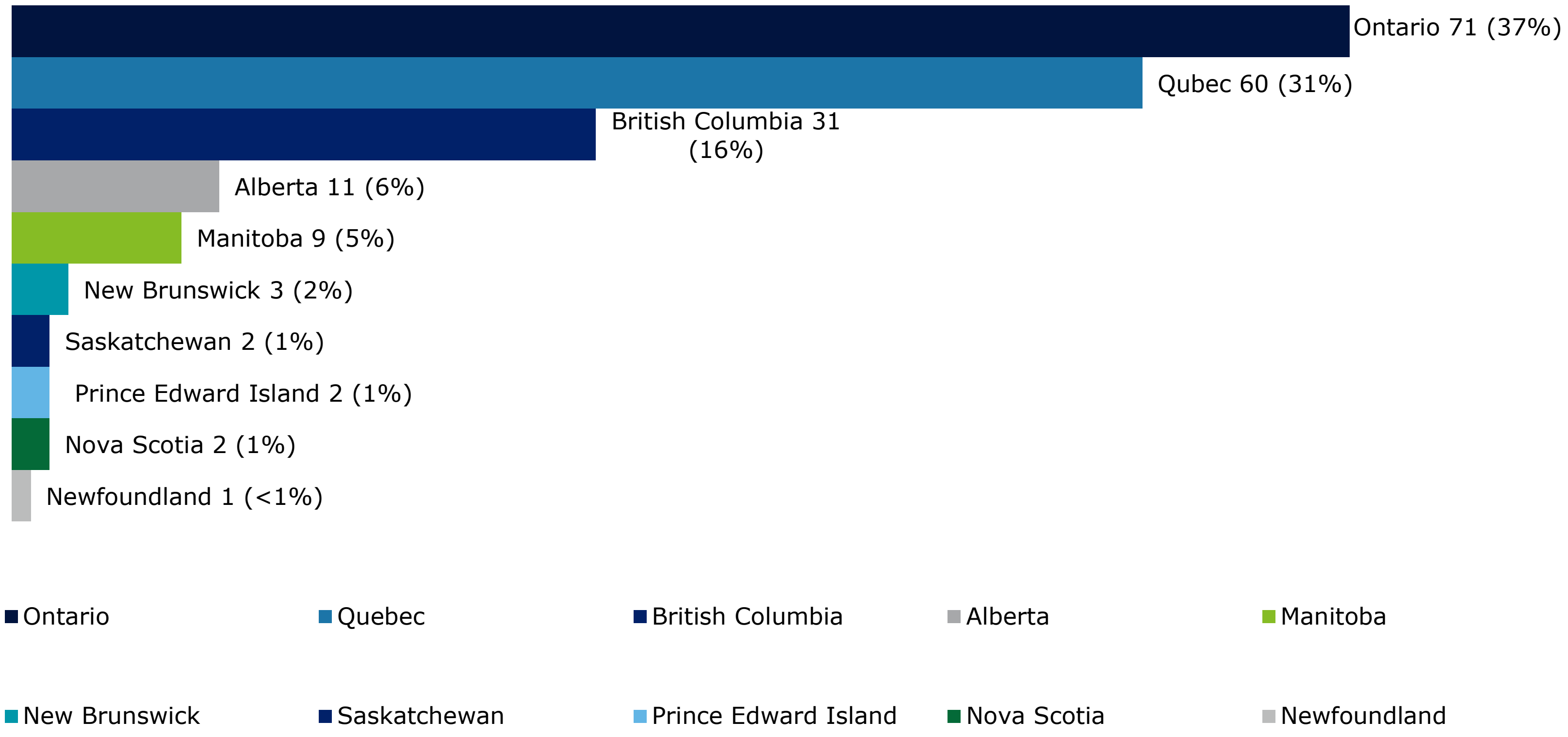
Total responses 192

About the Founders and/or Owners

Most companies were headquartered in Ontario and Quebec, reflective of the distribution of Canada’s population

QA7

In which province or territory is your business organization headquartered in?



- Businesses were largely headquartered in the same province as where founders live.
  - **Ontario** is the preferred location to do business with **37%** of organizations headquartered there
    - **Quebec** is the second most preferred location **(31%)** followed by British Columbia (16%) and;
    - Alberta (6%)

Total responses 192

About the Founders and/or Owners

A small proportion of LGBT+ founders and/or owners surveyed identified as part of a visible minority group, but in line with other estimations of the Canadian population

QA4

You indicated you personally identify with the diversity group of visible minority. Please specify which group you identify with:

Minority	% of Total
Black	3%
Mixed Origin	13%
Chinese	4%
Filipino	1%
Latin American	1%
Arab	3%
South Asian	2%
West Asian	1%
Korean	1%
Japanese	1%

- About one in five (22%) of the founders identified themselves as part of visible minority groups
  - Notably, this proportion roughly aligns to a 2017 survey of SME ownership, which found that 19 percent of Canadian SMEs were owned by visible minorities (Statistics Canada, 2017)
- However, a 2017 survey of Canadian SMEs by Statistics Canada found that 12.2 percent of companies were owned by visible minorities
  - When comparing the two survey populations, it can be noted that the LGBT+ companies surveyed herein had a higher proportion of individuals that identified as a visible minority

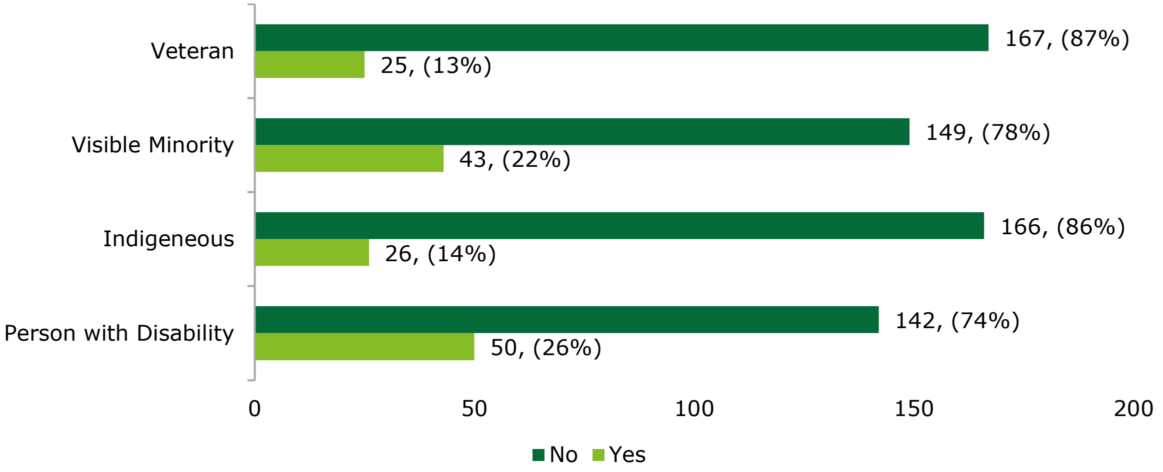
Total responses 192

About the Founders and/or Owners

On average, 19% of founders and/or owners self-identified as part of one or more diversity group

QA4

Do you personally identify with any of the following diversity groups?



QA4

You indicated you personally identify with the diversity group of Indigenous persons.

Indigenous	% of Total
First Nations	11%
Metis	2%
Inuit	2%

- On average, 19% founders and/or owners self identified as part of one of the noted diversity groups.
- Of these founders:
  - 26% of respondents identified as persons with a disability
  - 22% of respondents identified as a visible minority
    - This broadly reflects the demographics of the general Canadian population that also consists of 22.2% visible minorities (Statistics Canada, 2016)
  - 13% of respondents identified as veterans
  - 14% of respondents identified as an Indigenous person
    - Of self identified Indigenous respondents, 11% were First Nations
      - Notably, a higher proportion of survey respondents identified as Indigenous (11%) compared to 4.9% of the total population of Canada who reported an Aboriginal identity in 2016.

Variances between average demographic characteristics of our survey respondents and the general population reflect the composition of the survey panel used.

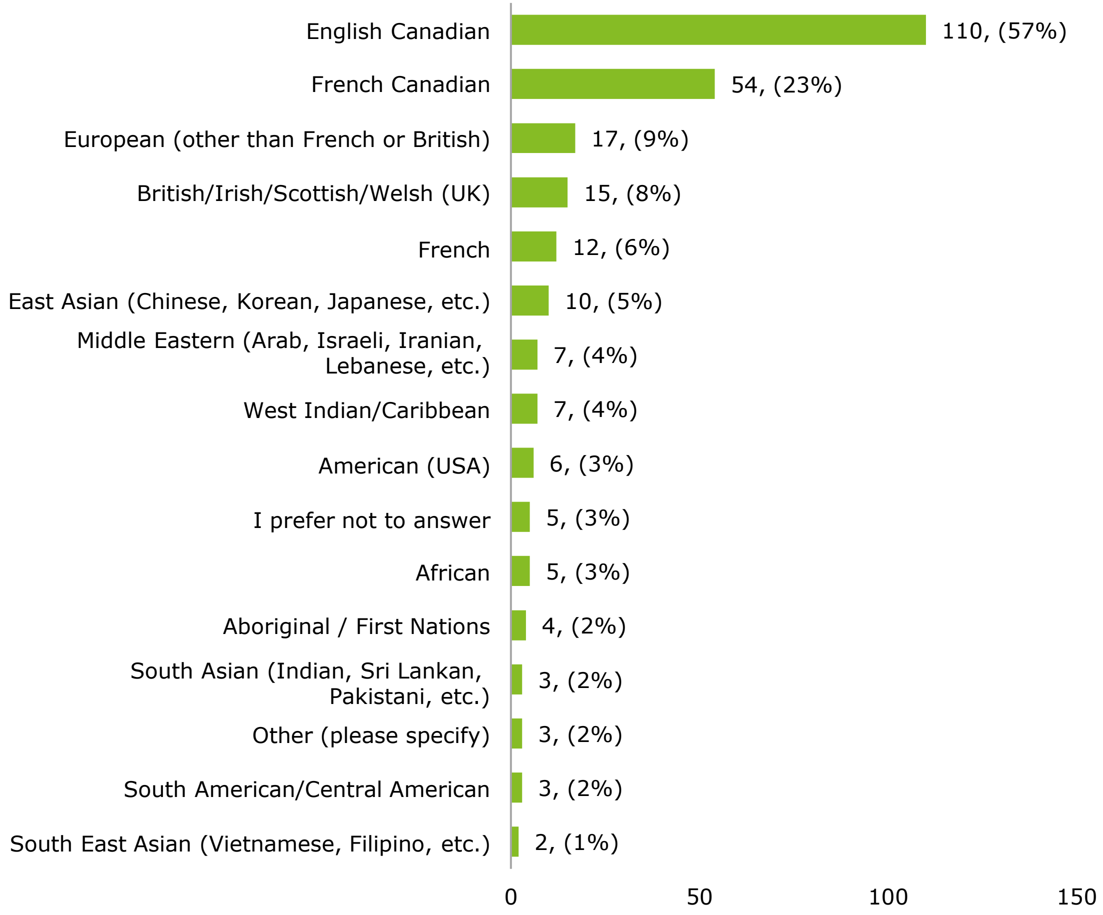
Total responses 192

Community Representation of Founders and/or Owners

Most respondents stated they had English-Canadian or French-Canadian roots

QD8

Many of us have a relationship to other communities in which our families once lived. Which, if any, of the following communities do you consider yourself a part of?



- A majority of founders and/or owners (57%) consider themselves as a part of English Canadian Community while (28%) consider themselves part of the French Canadian Community.
- Top 5 communities selected by respondents were:
  - English Canadian
  - French Canadian
  - European (other than French or British)
  - British/Irish/Scottish/Welsh
  - French
- These findings can help to contextualize why a minority of respondents identified as visible minorities.
- Notably, the demographic profile of the founder population deviates slightly from the national patterns of the origins of the Canadian general population.
  - For example, 48.1% of Canadian immigrants are from Asia while only 16.3% of respondents self identified as part of Asian communities (Statistics Canada, 2016)

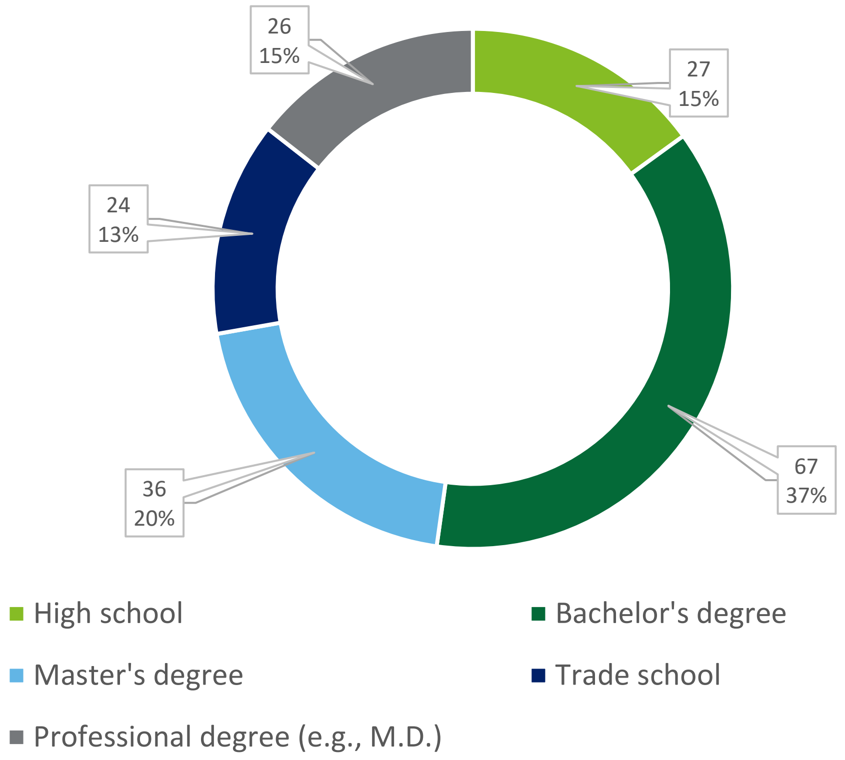
Total responses 192

Educational Attainment Levels

A majority of founders and/or owners are university or college level educated, holding at least a bachelor's degree

QD4 **What is the highest degree or level of education you have completed?**

Top 5 level education



- A majority of the founders and/or owners held a **Bachelor's Degree** (37%) or **Master's** Degree (20%), followed by 15% with professional degrees and 13% with Trade School education
- Only 15% of founders and/or owners reported high school as their highest achieved level of education
- The education level of our respondents is relatively higher than the average educational attainment in the Canadian general population which is **20.2%** lower at **64.8%** (Stats Canada, 2016).

Total responses 192

Household Income

A large share of founders and/or owners had a higher-than-average household income in Canada

QD9 **Which of the following categories best represents your total household income? Please select most appropriate answer below.**

Income groups

Household Income Group Range	Responses	% of total
I prefer not to answer	19	10%
Less than $20,000	9	5%
$20,000 - $29,999	5	3%
$30,000 - $39,999	11	6%
$40,000 - $49,999	17	9%
$50,000 - $69,999	37	19%
$70,000 - $99,999	35	18%
$100,000 - $149,999	30	16%
$150,000 - $199,999	14	7%
$200,000 - $249,999	6	3%
$250,000 +	9	5%

- The largest share of founders and/or owners have a household income of $50,000 - $69,999 followed by 18% falling between $70,000 - $99,999 and 16% between $100,000 - $149,999.
- Notably, these figures could include income from a partner(s) as a large share of survey respondents identified as married.

Total responses 192

Profile of LGBT+ Founded/Owned Businesses Surveyed

Snapshot of LGBT+ Founded/Owned Businesses Surveyed

A majority of companies are small, have been in business for at least 11 years and are headquartered in Ontario and/or Quebec

When reviewing the characteristics of our survey respondents, we note that:

Headquarter Location

- Most LGBT+ founded/owned businesses are headquartered in Ontario and Quebec reflecting the overall population distribution of survey respondents

Age

- Most LGBT+ founded/owned businesses have been in business for at least 11 years or more

Size

- 91.6% of businesses are classified as small by Statistics Canada (1-99 employees)
- Most businesses stated they had 1 employee part time (50%) or full time (34%)
- Of those companies that had more than 1 employee, on average, companies had between 5 and 20 employees

Business Revenue

- Most businesses (38%) stated that average revenue was less than a $50,000

Customer Profile

- 41% of companies stated that they were 100% reliant on sales from Canadian individuals – suggesting a majority of businesses could be viewed as business-to-consumer companies
- A small share of revenues came from foreign/international revenue sources, and government clients

Representation in Ownership

- 79% of companies had 0 to 20% ownership from diverse groups (e.g., visible minorities)
- Of the companies that were owned, operated or controlled by LGBT+ community(s), ownership was distributed as:
  - Gay 42%
  - Homosexual 37%
  - Bisexual 32%

Representation in Staff

- On average, employees from diverse populations (e.g., visible minorities) made up only 10% of total employees

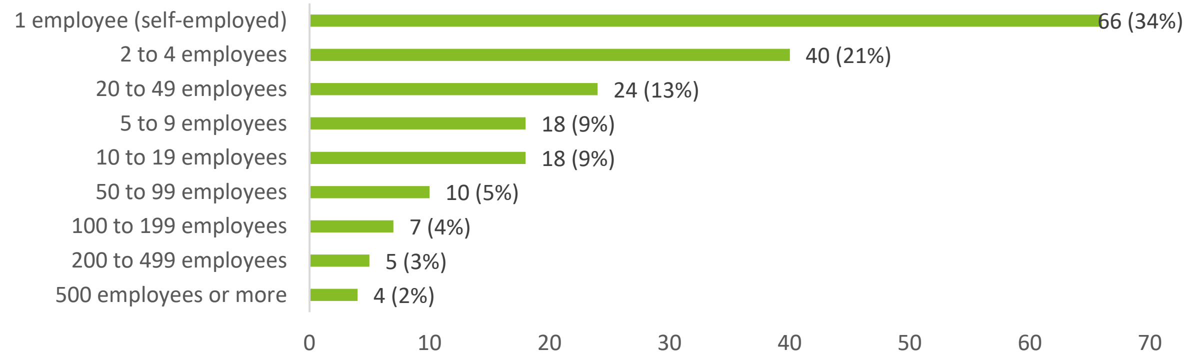
Industry Composition

- Most businesses were within the Professional, Scientific and Technical Services sector representing 35% of respondents
- 26% are in the Accommodation and Food Services
- 14% are in in Retail Trade

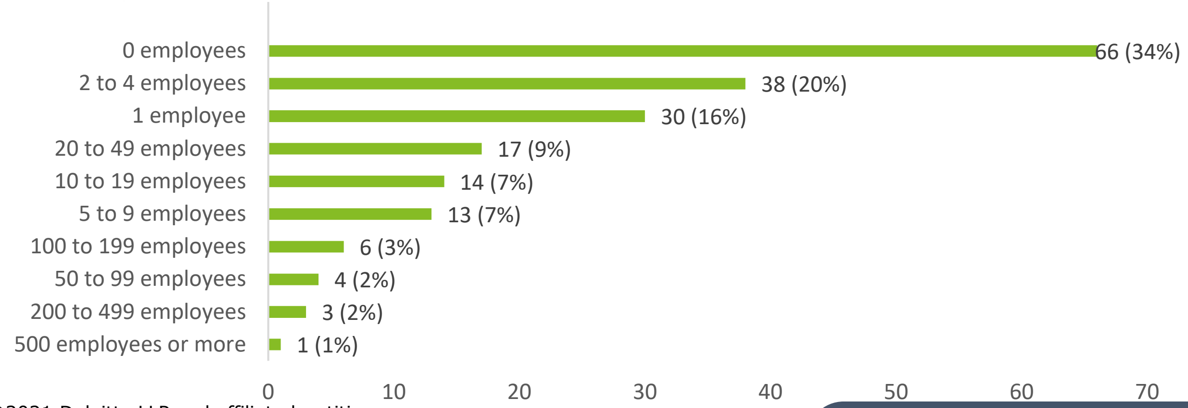
Number of Employees

Most companies that were surveyed were small, with 1 full time or part time employee

QA19 **Approximately how many full-time employees (including yourself) does your company have on its payroll in Canada?**



QA20 **Approximately how many part-time employees (including yourself) does your company have on its payroll in Canada?**



- Overall, 91.6% of businesses surveyed were small (1-99 employees)
- Broadly, this distribution is reflective of the composition of the Canadian economy. For example, in Canada 98.3% of businesses are classified as small
  - However, notably, the survey population had a higher proportion of medium sized companies than the Canadian average
    - 6.25% of survey respondents were classified as medium (100-499), compared to only 1.7% in Canada – this is a notable feature of the companies surveyed, and could indicate examples of commercial success
    - 2% of survey respondents stated they were large (500+) compared to 0.22% in Canada
- A notable feature of survey respondents is that a majority of businesses stated they had 1 employee part time (50%) or full time (34%) – suggesting there could be opportunity for further scaling and growth in the long term
- Of those companies that had more than 1 employee, on average, companies had between 5 and 20 employees

Total responses 192

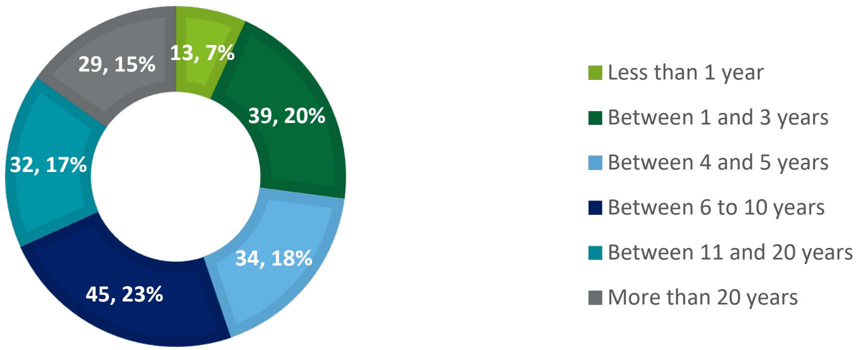
Industry Composition and Age

A majority of companies have been in business for more than 11 years, with the professional scientific and technical services sector being most represented in the sample set

QA18 **Using the North American Industry Classification System (NAICS) titles and definitions below please indicate your company's main area of activity?**

Top 5 Industry Classification

QA23 **For how many years has your company been in business?**



The most represented industry for businesses surveyed was Professional, Scientific and Technical Services (35%) and 26% in the Accommodation and Food Services and 14% in Retail Trade

The 5 least represented industries were:

- Management of companies and enterprises
- Real estate, rental and leasing
- Transportation and warehousing
- Utilities
- Information and cultural industries

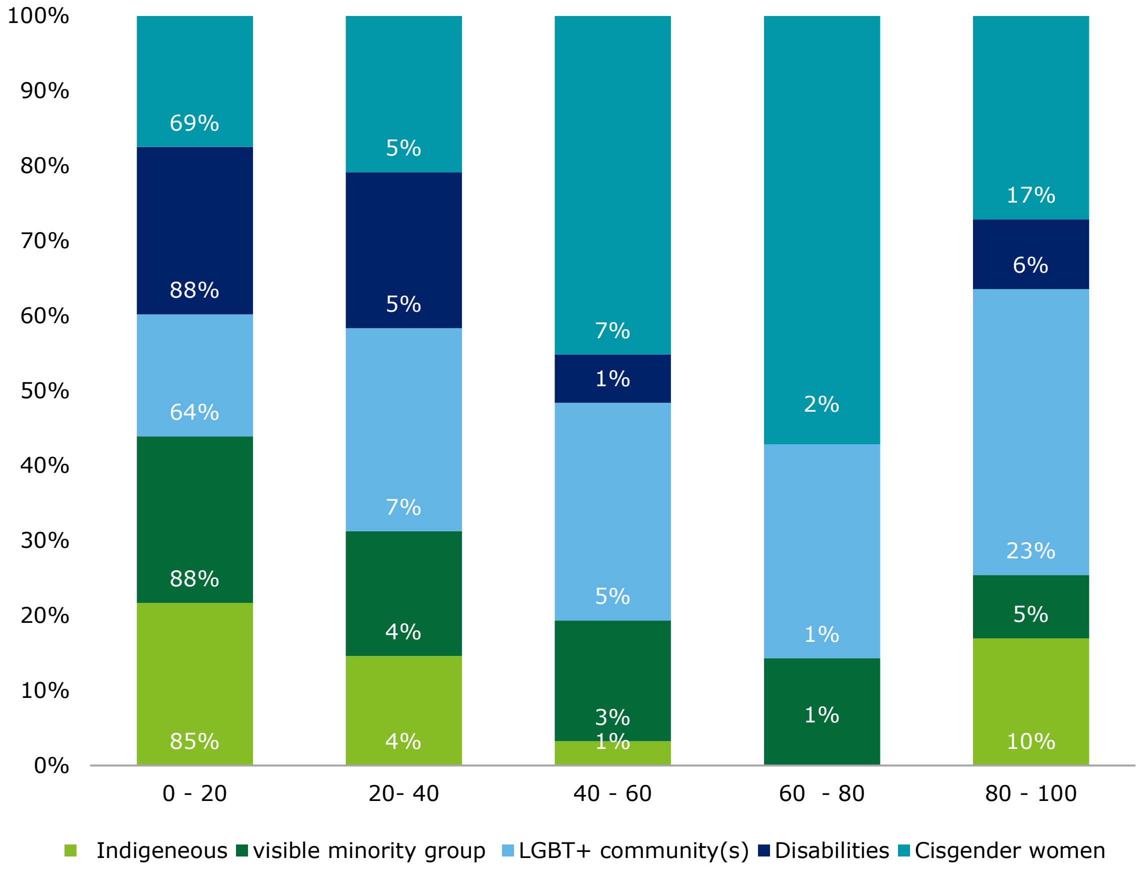
- A majority of companies (32%) have been in business for more than 11 years
  - 23% of companies have been in business for between 6-10 years
  - This is followed closely with 20% of businesses reporting that they had been in business between 1 to 3 years
  - 7% are new companies started less than a year ago.
  - Notably, the profile of respondents aligns to business survival rates in Canada. A survey by the government of Canada, found that 66% of Canadian small businesses survived up to only 5 years (Government of Canada, 2021)

Total responses 192

Diversity and Representation in Ownership, Operation and/or Controllership

Approximately 23% of companies were wholly owned by a diversity group

QA10 **And, approximately what percentage of your business, if any, is owned, operated and controlled by anyone in the following diversity groups?**



- A majority of respondents **(79%)** stated that between 0% to 20% of their business is ownership, control or operation by diversity groups in addition to the LGBT+ community
- Of those that stated they had more than 20% ownership, operation or control by diversity groups the most popular groups were:
  - Cisgender Women (31%)
  - Indigenous (15%)
  - Visible Minorities (13%)
  - Disabilities (12%)
- When assessing how many companies stated they were almost wholly owned operated or controlled by diverse communities – an **average** of **23.6%** companies fell into this category
- This indicates a higher level of diverse participation than Canadian SME ownership averages which are measured at **14.1%** (12.2% Visible Minorities, 1.4% Aboriginal Persons, 0.5% Persons with a disability) (Government of Canada, 2020).

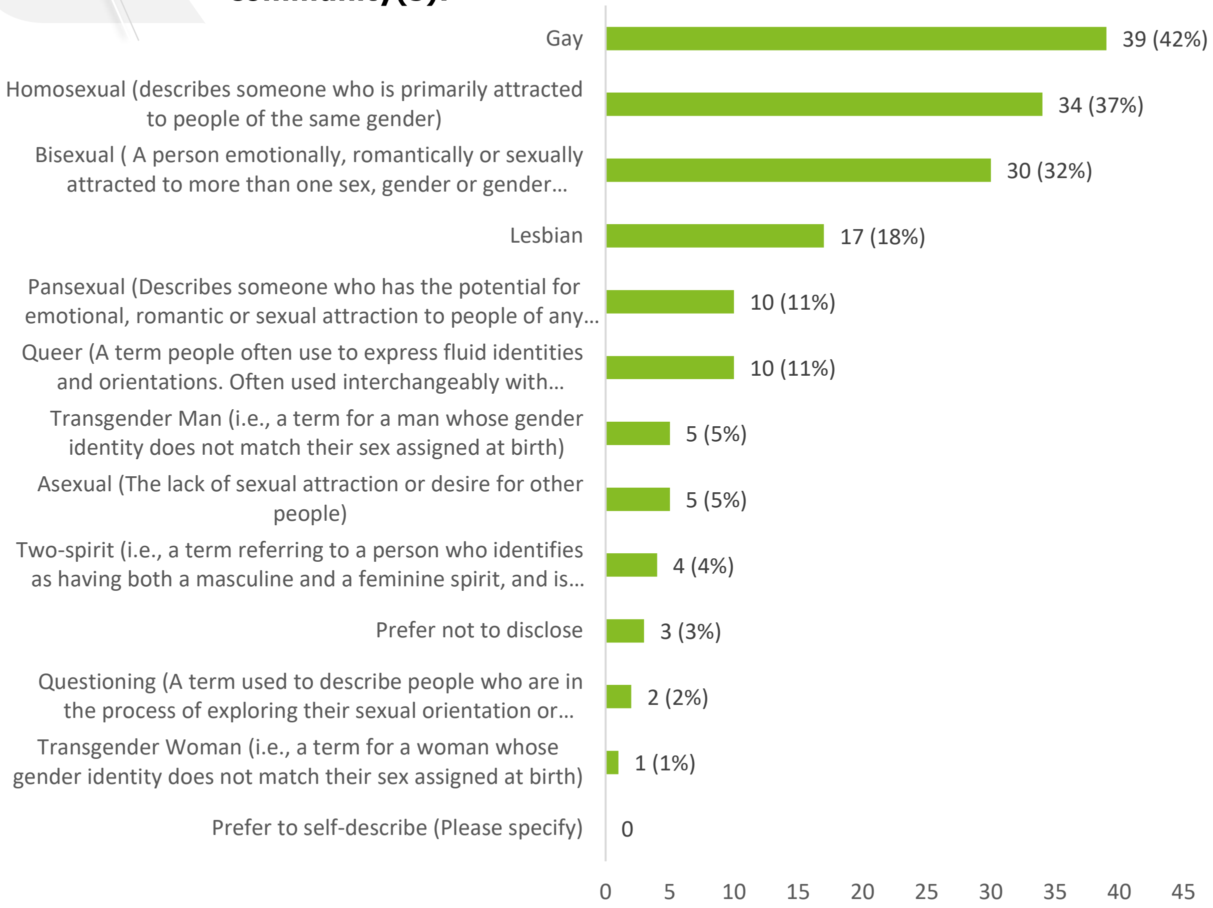
Total responses 192

LGBT+ Diversity and Representation in Ownership, Operation and/or Controllership

A majority companies were owned by Gay founders and/or owners/operators

QA10 LGBT

You indicated % of your business is owned, operated and controlled by individuals who identify as part of the LGBT+ community(s).



*Note: Gay and Homosexual provided as discrete options to enable individuals to select the identity that most aligns with how they self-identify in day-to-day life** Respondents that responded this way most likely did not understand how to interpret the questions. Unless otherwise stated, all analysis presented herein are from individuals that belong to the LGBT+ community*

- 19% (37 out of 192) responded has not replied the question
- 32% (62 out of 192) has responded 0 percentage for LGBT+**
- 49% (93 out of 192) indicated that a percentage of their business is owned, operated and controlled by individuals who identify as part of the LGBT+ community(s).
- Of the 93 companies, survey respondents stated the distribution of representation from within the LGBT+ community(s) was as follows:
  - Gay 42%
  - Homosexual 37%
  - Notably, individuals who identified as lesbian accounted for 18% of business owners, operators and/or controllers. However, lesbian survey respondents could also be captured in the gay and/or homosexual category.
- Of those 93 companies, the percentage of owned, operated or controlled by LGBT+ community(s) are:
  - 47% (44 out of 93) responded business 100% owned, operated or controlled by someone in the LGBT+ community
  - 12% (11 out of 93) responded that their business is between 50% - 99% owned, operated or controlled by the LGBT+ community
  - 15% (14 out of 93) responded that their business is between 25% - 49% owned, operated or controlled by the LGBT+ community
  - 26% (24 out of 93) responded that their business is between 1% - 24% owned, operated or controlled by the LGBT+ community

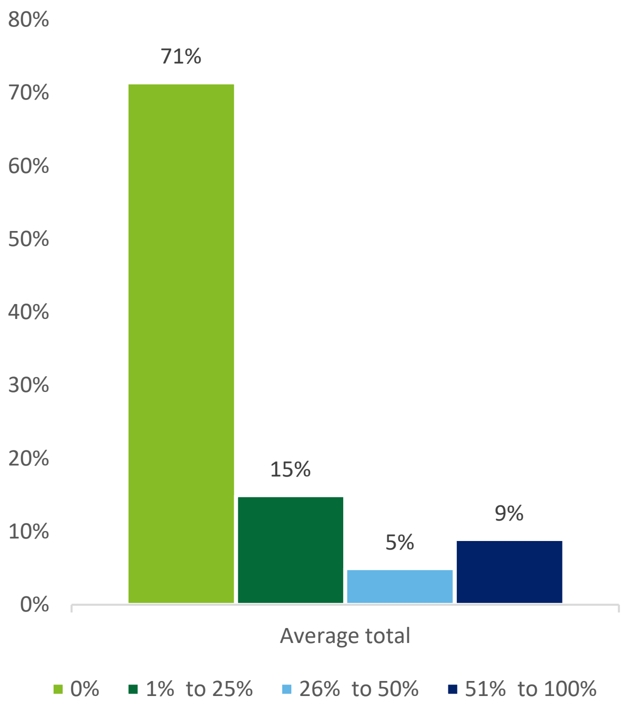
Total responses 192

Diversity and Representation Amongst Employees

Very few companies reported having high levels of representation from equity seeking groups at the staff level

QA22 **What percentage of your employees belong to the following diversity groups – (indigenous peoples, black and or/other visible minorities, members of the LGBT+ community, veterans or persons with disabilities) If precise figures are not available, please provide your best estimates.**

Average proportion of diverse representation amongst employees



Very few companies reported having high levels of diverse employees from the populations that were tested. On average, employees from equity-seeking populations made up only 10% of total employees

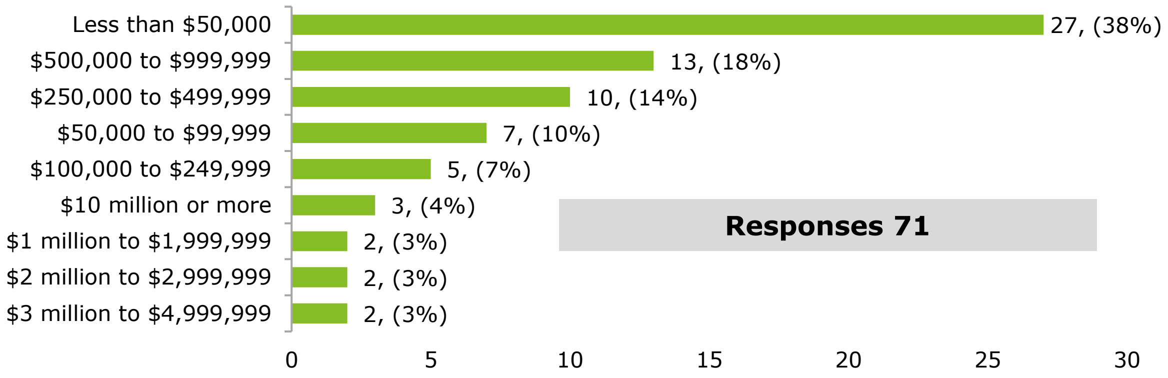
- In all diverse categories assessed, a majority 71% of businesses responded that 0% of their employees were from diverse groups
- Of those that reported having employees from equity-seeking groups:
    - The most represented diversity group was LGBT+
    - The least represented diversity group was veterans
- There are some sector-specific observations that can be made such as:
    - Companies from Real Estate, Professional, Scientific and technology, Other profit services, Educational services, Information and Cultural industries were more likely to report that they had over 50% of their employees from equity seeking groups
- Companies that were at least 1 to 3 years old, were more likely to report that they had over 50% of their employees from diverse groups assessed
- Only 6% per cent of companies surveyed said 100% of their employees belonged to a specific diverse community
- Of those, notable observations include:
    - 15% percent of respondents stated 100 percent of their employees belonged to the LGBT+ community
        - These companies typically were 0 to 10 sized and 2 to 6 years old
    - 9% percent of respondents stated 100 percent of their employees were part of Indigenous communities
        - These companies were typically 20 to 100 sized and more than 6 years old
    - 5% percent of respondents stated 100 per cent of their employees are Black and other minorities
        - These companies typically were 0 to 1 sized and 1 to 10 years old
    - 4% percent of respondents stated 20 percent of their employees are veterans.
        - These companies typically were 10 to 20 sized and 1 to 10 years old
    - 4% percent of respondents stated 100 percent of their employees were part of disabilities community
        - These companies were typically Self employed to 1 employee sized and 1 to 3 years to 20 years old.

Total responses 192

Business Revenues

A majority of companies reported less than $50,000 in gross revenues

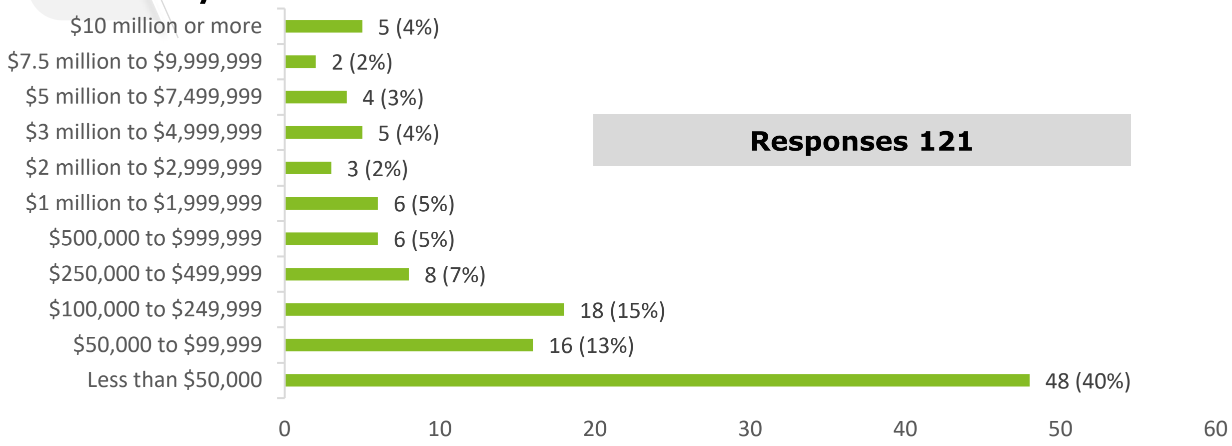
QA25 **Of the figures below, which one best describes your gross business revenue before taxes for the 2019 calendar year**



- A majority of businesses (38%) reported they had less than $50,000 in gross revenue before taxes
- A minority of companies made revenues over $1 million
  - 9% make revenue more than a million up to 5 million
  - 4% make $10 million or more

NB: No response for '$5 million to $7,499,999' or '$7.5 million to $9,999,999'

QA24 **For calendar year 2019, please estimate the gross business revenue before taxes. If precise figures are not available, provide your best estimate in Canadian dollars.**



- A majority of businesses (40%) reported they had less than $50,000 in gross revenue before taxes
- A minority of companies made revenues over $1 million

NB: QA24 and QA25 are mutually exclusive questions for revenue, QA24 is open ended and QA25 is with range answer option to provide respondents with a choice on how to answer.

Total responses (QA 24 and QA 25) 192

Proportion of Revenue from Key Customer Groups

Most companies sold directly to Canadian individuals, but had more than 1 type of customer

QA27 **What percentage of your business revenue for 2019 was from**

	Share of Revenue Ranges				
Revenue Group	**0%**	**1% to 30%**	**31% to 60%**	**61% to 99%**	**100%**
Canadian Individuals	24%	6%	7%	13%	41%
Canadian Small and Medium-sized Enterprises (i.e., companies with 1-499 employees)	61%	23%	4%	5%	7%
Canadian Corporations	74%	18%	4%	2%	2%
Canadian Not-for-Profit Organizations	83%	14%	1%	1%	1%
Government – Federal	89%	10%	-	-	1%
Government – Provincial	89%	10%	-	-	1%
Government – Municipal	88%	11%	-	-	2%
Canadian Public Authorities (e.g. healthcare, schools, community housing)	90%	9%	1%	-	-
Foreign Markets (revenue from outside Canada)	74%	17%	4%	4%	1%

- On average, businesses reported having at least 5 types of of revenue groups
- 41% of companies stated that they were 100% reliant on sales from Canadian individuals – suggesting a majority of businesses could be viewed as business-to-consumer companies, serving households or individuals, rather than companies
    - Out of all responses only 53% percent of respondents stated that their revenue came 100% from one specific group
- Notably, a relatively small share of revenues came from foreign/international revenue sources, and government clients. Access to global markets and public procurement opportunities has consistently been identified as a core challenge in the Canadian entrepreneurship landscape.

Total responses 192

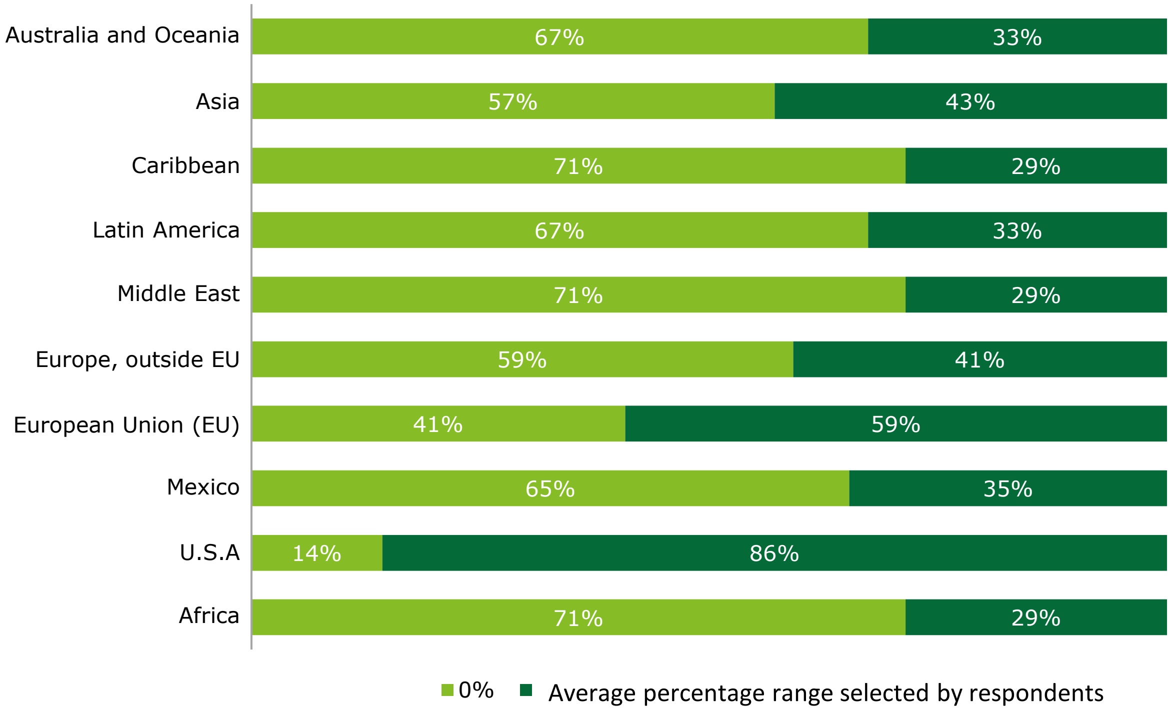
Global business activities

Exporting Activities

Few businesses stated they had revenue from at least 1 global market, with 22% of respondents stating the USA accounted for 100% of global revenue

QA28 **What percentage of your business revenue from Foreign Markets in 2019 was from**

Average proportion reported of revenue from foreign markets



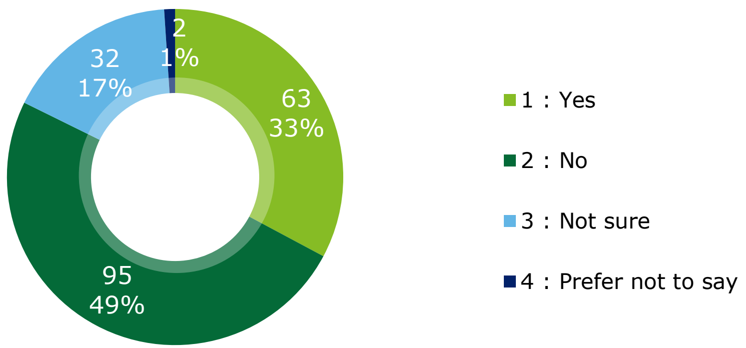
- On average 68% of companies stated they had business revenue from more than 1 global market
- Approximately 50% of companies stated they had business revenue from 5 or more global markets
- Approximately 22% of respondents stated 100% of their revenue comes from the US
- On an average 10% of revenue comes from foreign markets, mainly US
  - The average percentage of revenue from foreign markets was 45.3%
- The survey reveals there are areas for opportunities and further market expansion. For example, on average 26.2% percent of companies had no business revenue from the following markets
  - Australia (67%)
  - Asia (57%)
  - Caribbean (71%)
  - Latin America (67%)
  - Middle East (71%)
  - EU (41%)
  - Europe (59%)
  - Mexico (65%)
  - US (14%)
  - Africa (71%)

Total responses 49

Exporting Forecast

A majority of businesses stated that they do not expect to increase international export activity

QB8 **Do you expect to grow your international export activity in the next 5 years?**



- Broadly, 49% of respondents stated that they don’t expect their business to grow in international markets in the next 5 years
  - This is a relatively sizeable share of respondents, potentially indicating a level of hesitancy related to exporting
- 33% of companies stated that they expect to grow internationally in 5 years
- 17% stated they were unsure
- Only 1% prefer not to say

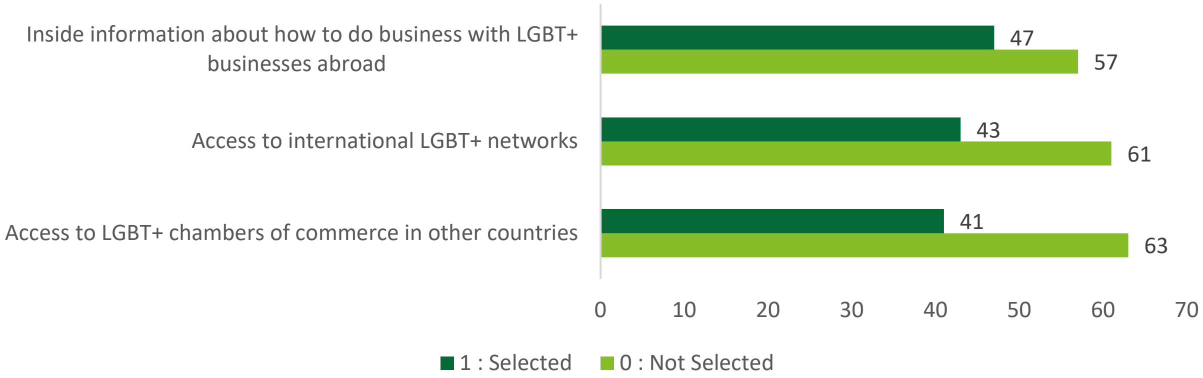
Total responses 192

International Programming

When asked what forms of support companies to increase global market access, respondents favoured inside information (e.g., business intelligence/data) and access to global LGBT+ networks

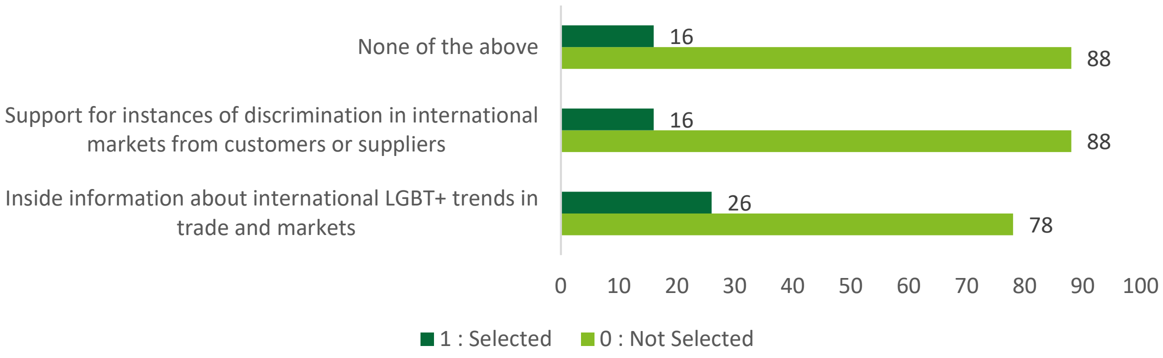
QC6 **Please indicate what forms of support to help reach international customers are most needed for your company.**

Top 3



- When asked about what types of services companies could use to support reach to more international customers, the most requested services were:
  - Inside information on how to do business with LGBT+ businesses abroad (24%)
  - Access to LGBT+ networks (22%)
  - Access to the chambers of commerce (21%)

Bottom 3



- The least requested services were:
  - Inside information about international LGBT+ trends in trade and markets (14%)
  - Support for instances of discrimination in international markets (8%)

Total responses 104

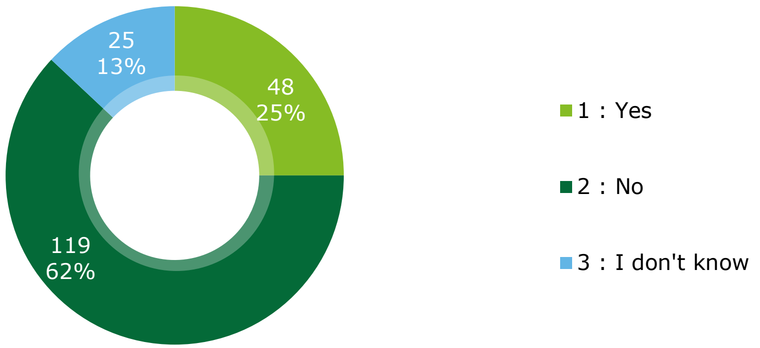
Key challenges & opportunities for LGBT+ founders

Note: For an intersectional perspective on insights in this section, please see Appendix A where we have further segmented responses

Disclosure

Most founders did not disclose their LGBT+ status in an official capacity

QB27 **When accessing funding/financing did you choose to disclose that the company was LGBT+ owned in official presentations/ marketing or engagement with stakeholders?**



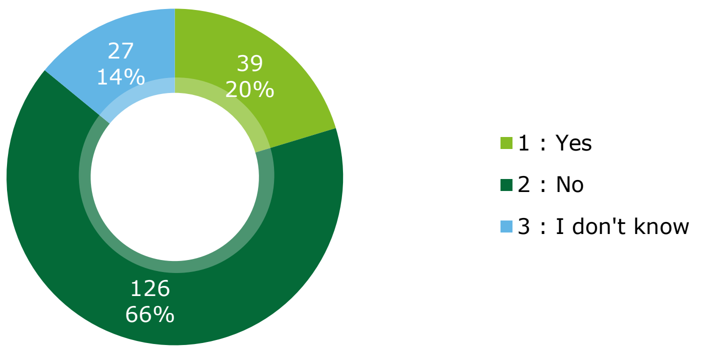
“ I didn’t mention it during the first meeting but later I made it known ”

- A majority of respondents (62%) chose *not to disclose* their LGBT+ status in official presentations, marketing or engagement with stakeholders
    - This does not mean however, that their status was not shared or communicated in informal communications/conversations
    - 25% of respondents stated they chose intentionally to disclose their status as part of the community
    - Choosing not to disclose one’s status could be driven by several personal and contextual factors. However, it can also be noted that in instances where specialized funding vehicles or programs are available to founders within the community, disclosure may be more comfortable to do.
  - In addition, 70% did not encounter any specialized funding programs for LGBT+ business
  - 25% were able to identify specialized funding programs for LGBT+ businesses
      - Only 13% however, were able to successfully acquire special funds set for LGBT+ companies

Challenges

20% of respondents stated they experienced challenges scaling their business as a result of being part of the LGBT+ community

QB19 **In your view, have you experienced challenges in starting or scaling your business due to your own individual status as part of the LGBT+ community? (e.g., discrimination from others)**



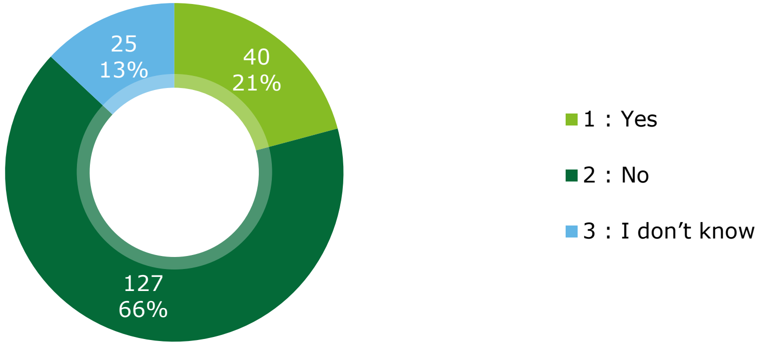
- 20% of respondents stated they faced challenges scaling their businesses as a result of being part of the LGBT+ community
    - Another 14% were not sure
- 66% of respondents stated that they did not experience challenges in starting or scaling business due to their own individual status as part of the LGBT+ community
    - This does not however, mean that the businesses didn’t encounter substantive business challenges that could be attributed to other factors
    - For example, a majority of companies were small companies. Smaller firms can have a difficult time accessing financing, or de-risking investment as they grow and scale.

Total responses 192

Challenges Being LGBT+ Abroad

21% of respondents stated they faced challenges succeeding abroad as a result of being part of the LGBT+ community

QB10 **In your view, have you had challenges accessing or succeeding in international markets because of your status as a member of the LGBT+ community?**



- 21% stated they did face challenges succeeding in international markets
    - 13% are not sure if they met with any challenges when abroad
- Encountering difficulties abroad can be a significant barrier for companies. In particular, smaller companies which may lack resources to access specialized assistance (e.g., Consular services, global partnerships, etc.) can miss out on global business and networking opportunities
- 66% of founders did not face any challenges accessing or succeeding in international markets because of their status as a member of the LGBT+ community
- It can be noted however, that as a majority of survey respondents identified as cisgender and homosexual, it is possible that this population of entrepreneurs may have different experiences abroad as compared to other LGBT+ people, including transgender individuals, Indigenous individuals and/or people of colour.

Example challenges shared by respondents when travelling abroad

> "Unable to travel to Indonesia to deal with a contractor who might be aggressive for fear of him attempting to have me arrested (homosexuality is illegal in Indonesia)"

> "Need to hide my identity"

> "Difficulty accessing [appropriate] restrooms"

> "Need to alter my clothing style to draw less attention"

Total responses 192

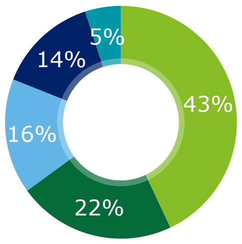
Selected Founder Sentiment on Being a LGBT+ Business Leader

Approximately 25% of respondents stated that LGBT+ ownership resulted in loss of opportunities for their company to some extent

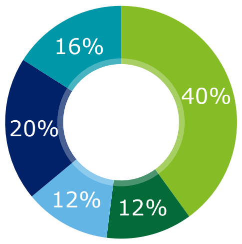
QC9

Based on your previous responses you indicated that your company is % owned and operated by LGBT+ individual(s). Please indicate your level of agreement with the following statements.

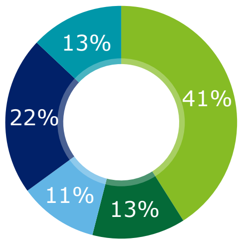
My company has benefited from procurement opportunities because it is known as being LGBT+ owned



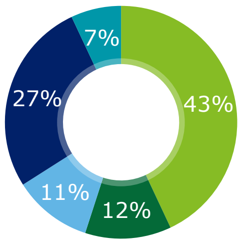
It is important for LGBT+ business owners to self-identify



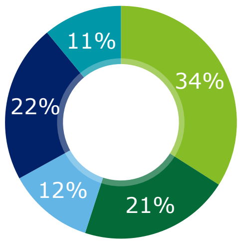
There is value for my company to publicly promote its LGBT+ ownership



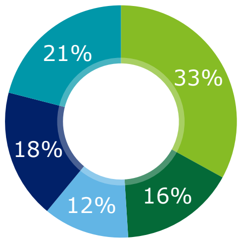
Self-identification as having LGBT+ ownership would assist in growing my company



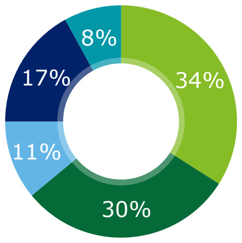
My company publicly promotes itself as having LGBT+ ownership



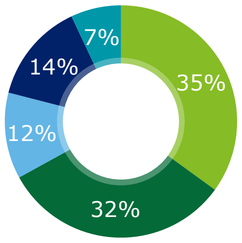
My company has publicly supported an LGBT+ organization, cause or event



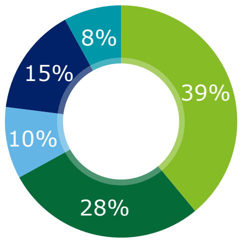
My company has faced discrimination in the past because of LGBT+ ownership



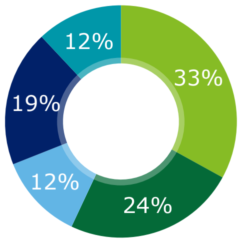
My staff members have been harassed as a result of being part of a LGBT+ owned company



Self-identification as having LGBT+ ownership has resulted in the loss of opportunities for my company



On at least one occasion I have purposely hidden the fact that my company has LGBT+ ownership



■ Strongly Disagree ■ Somewhat Disagree ■ Neither Agree or Disagree ■ Somewhat Agree ■ Strongly Agree

For a view of the most common positive and negative responses for this question, please see the next page.

Selected Founder Sentiment On Being an LGBT+ Leader: Most Common Responses

While 27% of businesses agreed that identification as LGBT+ owned could assist in growing their business, 17% of respondents have faced discrimination in the past because of ownership

QC9

Based on your previous responses you indicated that your company is % owned and operated by LGBT+ individual(s). Please indicate your level of agreement with the following statements.

My company has benefited from procurement opportunities because it is known as being LGBT+ owned.	It is important for LGBT+ business owners to self-identify	There is value for my company to publicly promote its LGBT+ ownership	Self-identification as having LGBT+ ownership would assist in growing my company	My company publicly promotes itself as having LGBT+ ownership
• *14% somewhat agree* • *5% strongly agree*	• *20% somewhat agree* • *16% strongly agree*	• *22% somewhat agree* • *13% strongly agree*	• *27% somewhat agree* • *7% strongly agree*	• *22% somewhat agree* • *11% strongly agree*
My company has publicly supported an LGBT+ organization, cause or event	**My company has faced discrimination in the past because of LGBT+ ownership**	**My staff members have been harassed as a result of being part of a LGBT+ owned company**	**Self-identification as having LGBT+ ownership has resulted in the loss of opportunities for my company**	**On at least one occasion I have purposely hidden the fact that my company has LGBT+ ownership**
• *18% somewhat agree* • *21% strongly agree*	• *17% somewhat agree* • *8% strongly agree*	• *14% somewhat agree* • *7% strongly agree*	• *15% somewhat agree* • *8% strongly agree*	• *19% somewhat agree* • *12% strongly Agree*

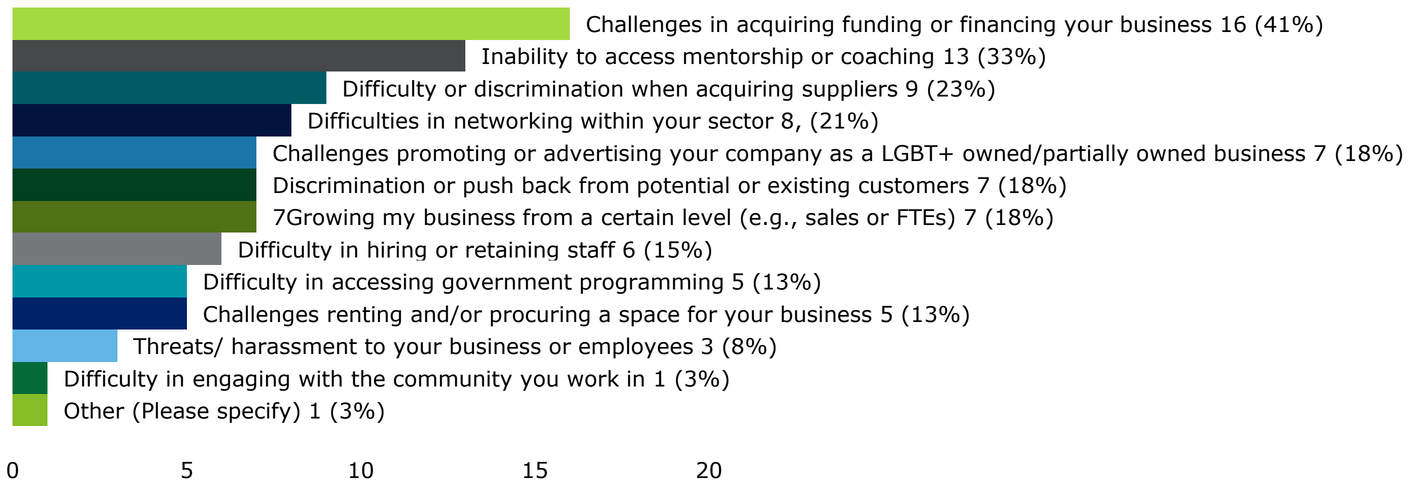
This page is an alterative display of page 36. The average most common positive and negative response are presented here.

Business Challenges

Funding and financing were areas identified as key challenges

QB20

Please indicate the nature of challenge(s) you may have encountered as a result of being part of the LGBT+ community.



Example commentary

" Most said this did not play a part, some respondents stated they did not disclose this information "

" Various reasons, linked to performance, experience or lack of interest "

- Only 39 of 192 respondents responded to this question
- When asked to share what type of challenge they have encountered, the most popular response for those who responded was difficulty in acquiring funds (41%), followed by an inability to access mentorship and coaching (33%) followed by:
  - 23% had difficulties in acquiring suppliers
  - 21% found difficulties in networking within sector
  - 18% faced challenge in promoting or advertisement
- When asked to contextualize the impact of challenges, a majority of respondents (56%) characterized these challenges as 'mild' and not impacting their business. While (41%) founders stated they faced severe to moderate level challenges. This suggests that of those founders that encounter challenges, they can be significant hurdles that could prevent success.
- Broadly, the challenges identified by these respondents are reflective of barriers that have been identified as key hurdles in the Canadian economy. For example, a 2017 report by the Centre for International Governance and Innovation found that Canada " has a scale up problem" and attributed challenges to accessing capital as a key factor.

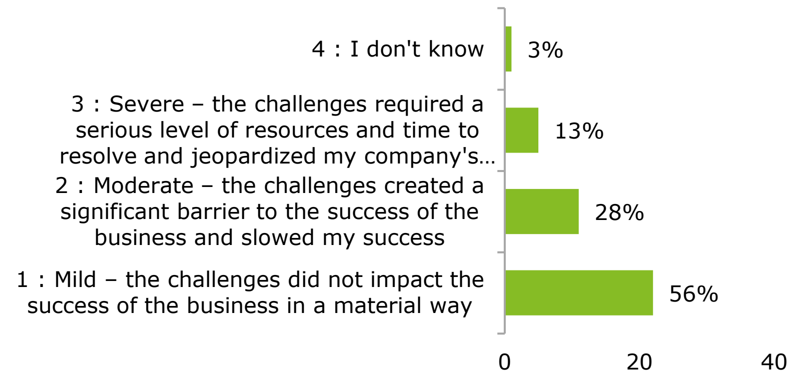
Total responses 39

The Impact of Business Challenges

On average, 28% of challenges were noted to be moderate and drive significant barriers to success

QB21 **Please describe the impact of these challenges to your business success. Would you say that they have been …**

Average



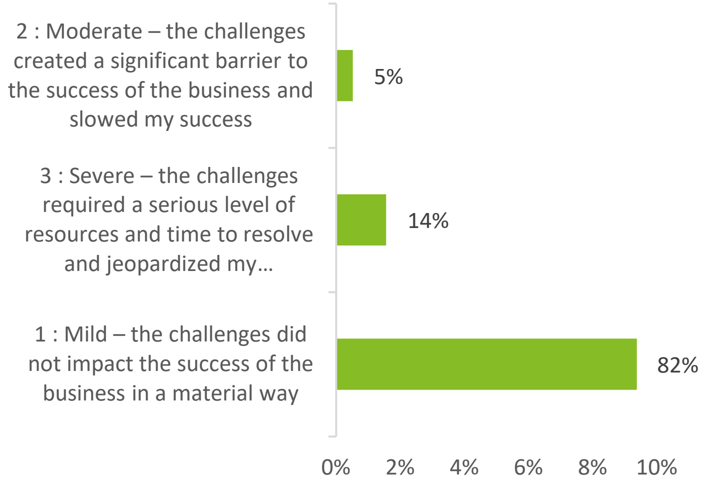
39 responded facing challenge

126 responded not facing challenge

27 respondent was not sure of challenge faced

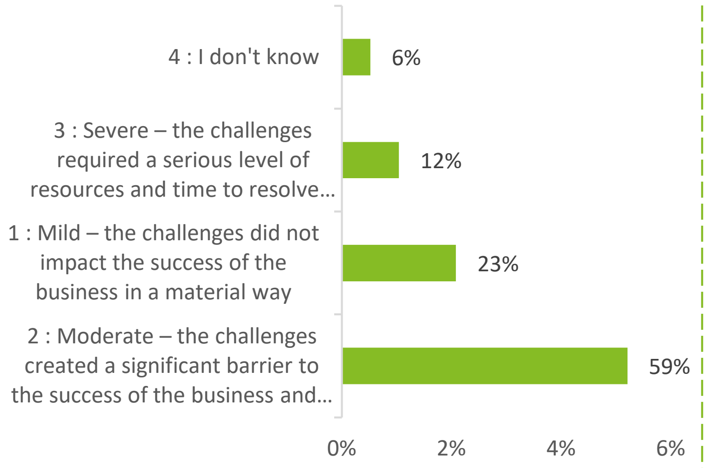
Intersectional snapshot

Cisgender men



Total responses 22

All other gender categories



Total responses 17

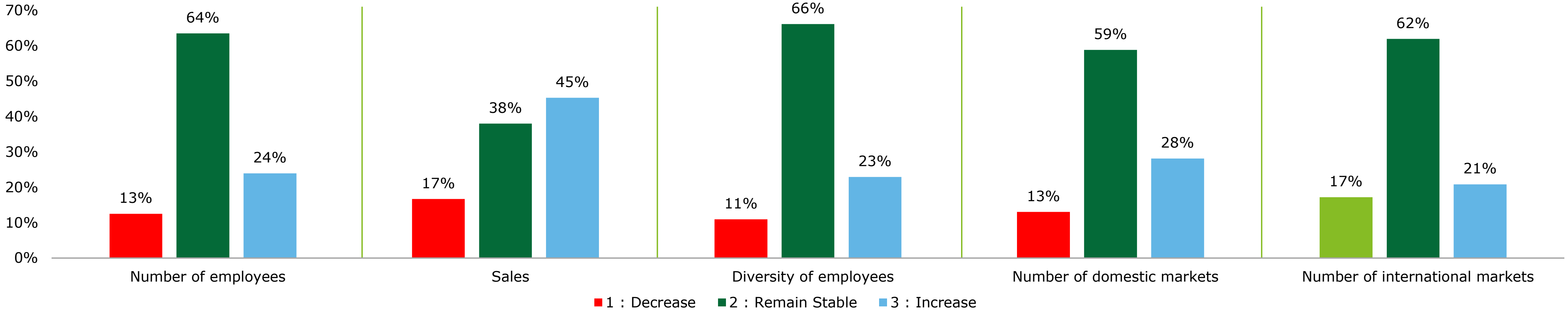
Note: 39 respondents provided answers for QB20 (please see page 39).The responses here reflect responses of the 39 respondents only. The intersectional snapshot presented herein is a sub-set of the 39 categorized by gender identity

Looking Ahead

In most ways, respondents forecasted their companies would remain stable – suggesting companies may continue to remain relatively small in size and/or revenue

QB1

Now thinking ahead to the next few years, how do you expect each of the following categories to change – if at all – for your company. For each, please indicate if you think your company's activities will decrease, remain stable, or increase.



- When asked about the future, a majority of respondents indicated that they expected the number of employees in their companies to remain stable and for sales to increase
- Notably, across the 5 dimensions studied, most were viewed to remain stable – with a minority of respondents stated they expected the category to decrease or be challenged – indicating a level of optimism about the future
- In terms of categories that expect an increase:
  - The most popular was sales (45%) followed by the number of employees (24%)
- On diversity and representation, a majority of businesses stated they expected diversity levels to remain stable, and 23% expected an increase
- For number of international markets – a majority of companies (62%) stated they expect the number to remain stable, with only 21% suggesting an increase

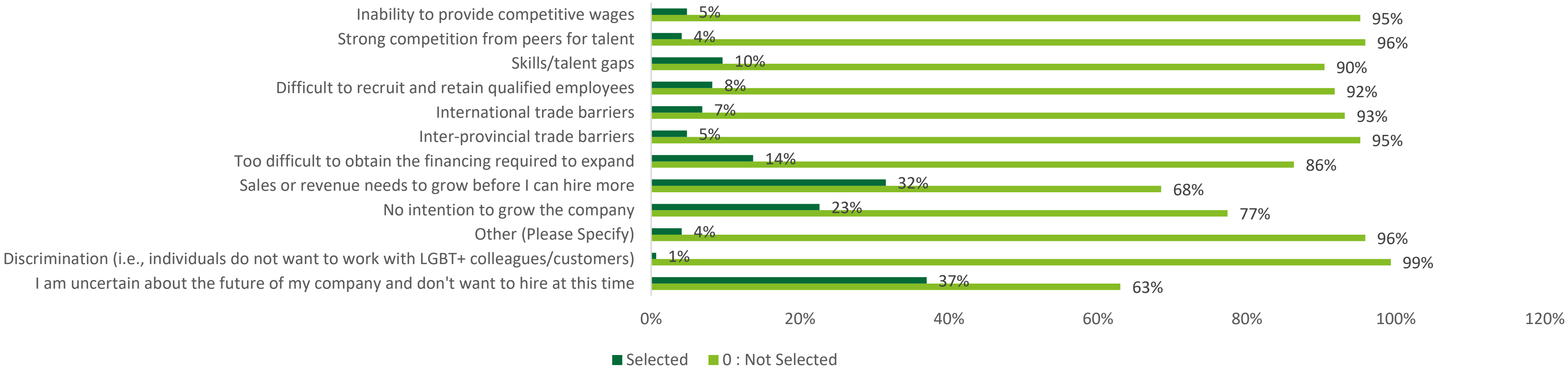
Noting percentage of responses as per the above table

Total responses 192

Challenges Hiring More Employees (full and part time)

Respondents stated that broader uncertainty is the key factor constraining hiring further staff

QB2 **And, which of the factors listed below are preventing your company from increasing the number of full time or part time employees?**



Most frequently suggested responses (on average)

- When asked which factors could prevent a company from growing the number of employees the top responses were:
  - **37%** responded they are uncertain on the future of their company and would not want to hire currently.
  - **32%** believe sales or revenue needs to grow before the hiring process.
  - **23%** have no intentions of growing their company
  - **14%** face difficulties in funding
  - **10%** per see talent and skill gaps

Least frequently suggested responses (on average)

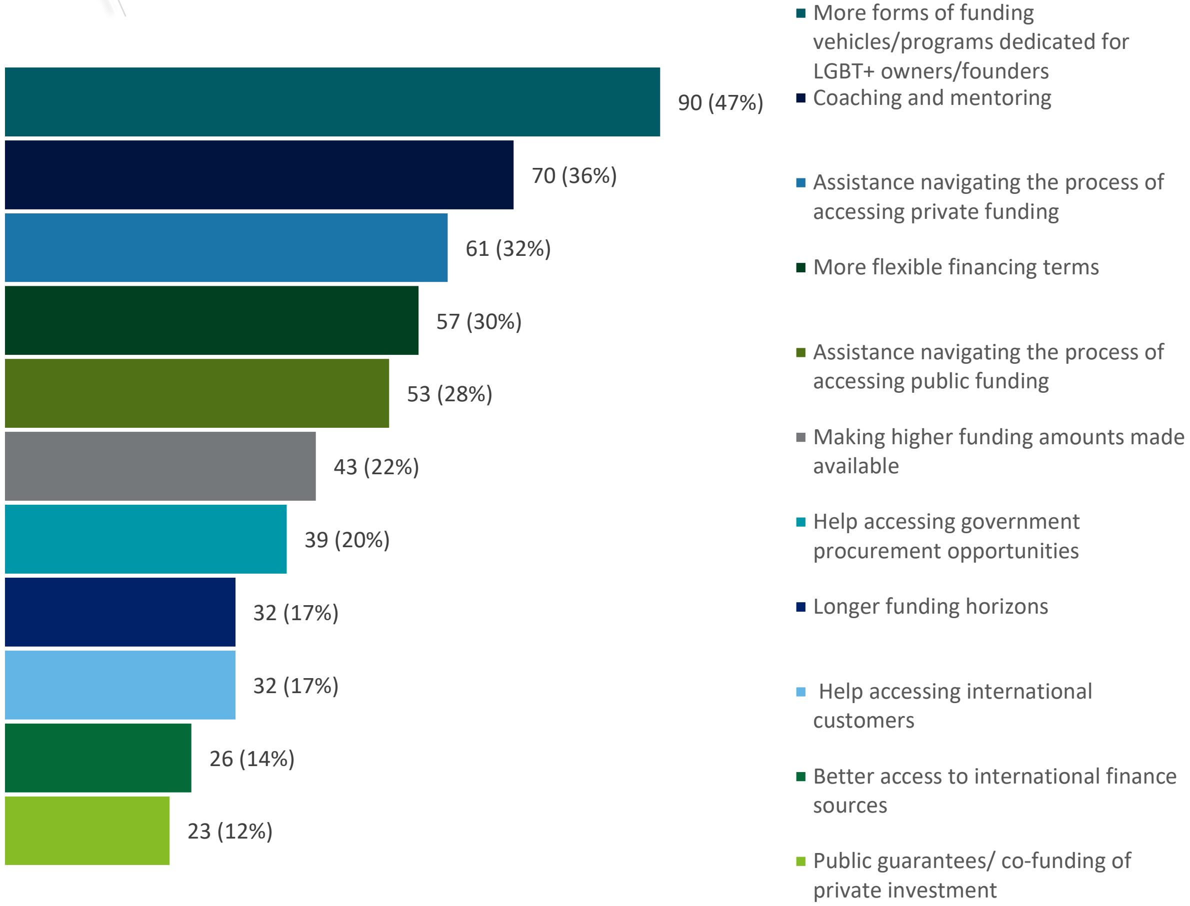
- The least selected responses included:
  - **8%** find it difficult to recruit.
  - **7%** faced international and 5% inter provincial trade barriers.
  - **5%** are unable to provide competitive wages
  - **4%** feel stronger competition from peers over talent
  - And only **1%** say they face discrimination.
- These results reflect the uncertain environment Canadian businesses are operating in as a result of the COVID-19 downturn

Total responses 146

Supporting Access to Capital

When asked how LGBT+ founders or owners access capital, a majority of respondents stated they wanted more dedicated forms of funding for LGBT+ founders

QB31 **In your view, which activities could help future LGBT+ founders or owners access financing/capital successfully?**



- When asked what types of activities could help LGBT+ founded or owned businesses, the most frequently selected responses were:
  - 47%: more forms of funding vehicles/programs dedicated for LGBT+ owners/founders
  - 36%: more coaching and mentoring
  - 32%: further assistance navigating the process of accessing private funding
  - 30%: more flexible financing terms
  - 28%: assistance navigating the process of accessing public funding
- Notably, two programs received less than 15% responses – potentially indicating they were viewed as relatively less relevant at this time:
  - Public guarantees/co-funding of private investment
  - Better access to international finance sources

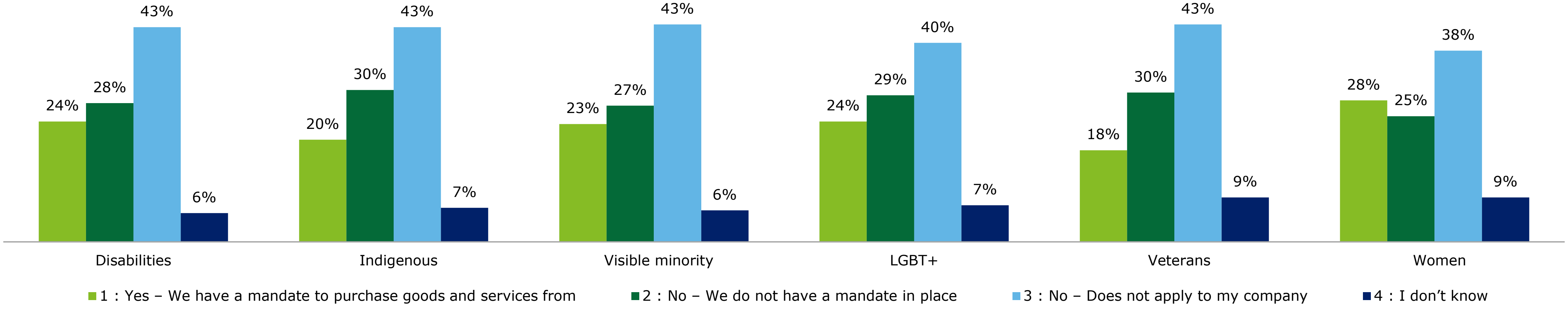
Total responses 192

Supplier Diversity Initiatives

On average, 28% of respondents had a supplier diversity initiative in place with women being the most targeted community supported in these initiatives

QB3

And thinking about your company's procurement processes, does your company have a mandate to purchase goods & services from any of the following



- On average 40% responded "It does not apply" to their company when asked if their company had an initiative(s) or mandate to purchase goods and services from a specific equity seeking population
  - Followed by responses on an average 28% say they do not have a mandate in place
- 23% said they have a mandate in place to purchase goods and services from diverse members in the market
- Of those companies, the most popular group targeted in these mandates was women
  – The least accounted for diverse group was veterans
- On average, companies had 3 number of popular groups targeted in the mandate – Disabilities, LGBT+ and Visible minorities had a tie (24%)

Total responses 192

Snapshot: Impact of the COVID-19 pandemic

Canada Real GDP

GDP impacts have varied significantly across industries

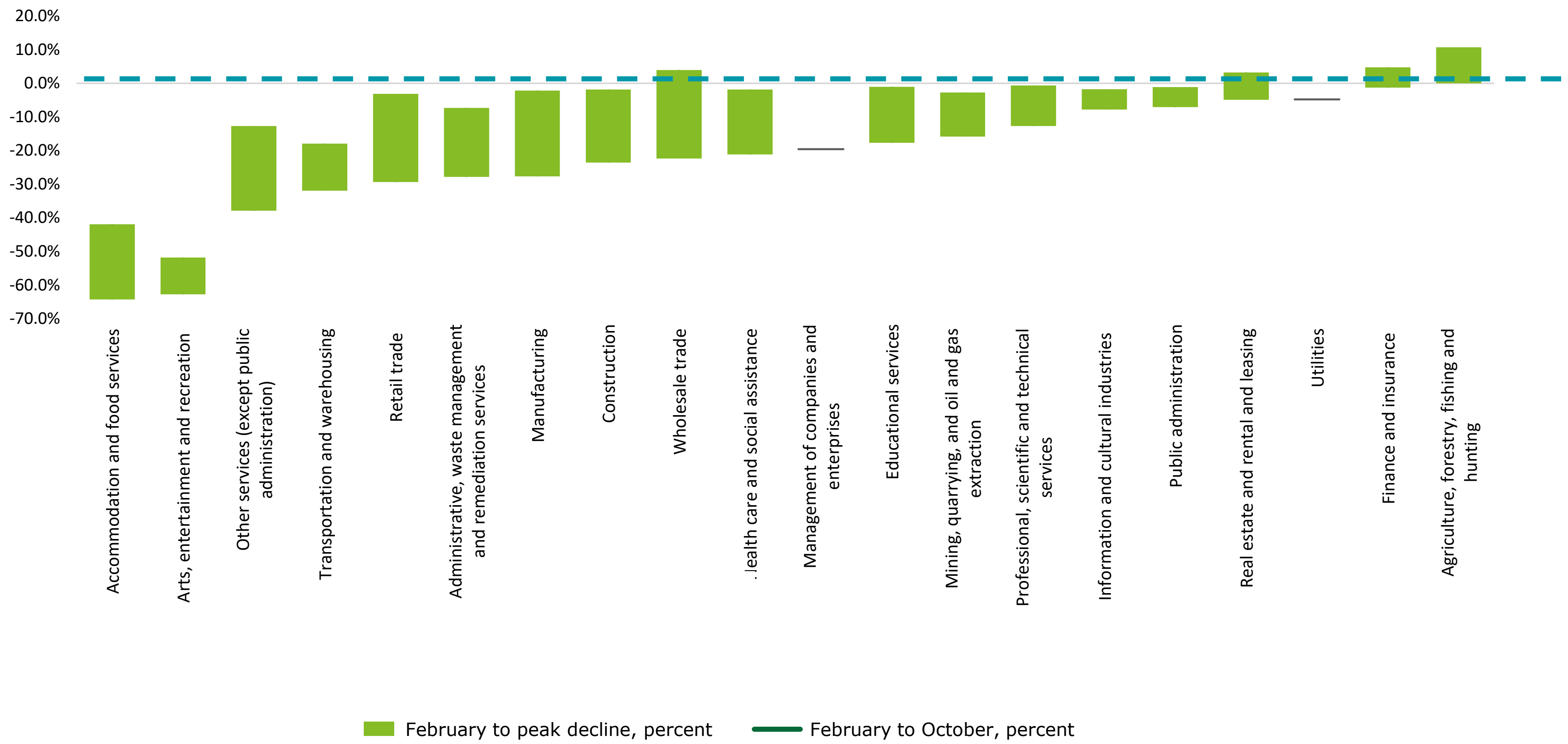
Key Observations:

The economic recovery has been uneven. By January 2021, a few industries had exceeded their February 2020 output levels, while activity remained depressed among those reliant on the hospitality sector. Output in air transportation remains hardest hit, down nearly 90 percent from February.

Potential implications:

- For CGLCC, a majority of respondents were not in industries most severely affected by GDP contraction
- However, given how interconnected the economy is, supplier firms to hard hit sectors may continue to struggle
- Prioritizing specialized support or advocacy related to sectors that have been hard hit could enable CGLCC to address challenges

Real GDP, peak decline in output (bottom point) and change from February 2020 to January 2021 (top point)
Deloitte LLP, Statistics Canada, Percent Change



Sources: Statistics Canada, Deloitte.

Economic Context and Future Considerations

Smaller companies can be expected to continue to be challenged in coming months across Canada

When asked about the extent to which companies expected to hire more people, many respondents stated they were unsure of the business environment they were operating in.

We can anticipate a heightened level of uncertainty for founders in the coming years. COVID-19 has created the greatest recession in recent history. All segments of the economy have been affected by shifts in consumer spending habits, lockdown measures and a broad level of uncertainty.

Nationally, between January 2020 to January 2021 the largest employment losses have been in the Arts, Entertainment and Recreation and Accommodation and Food Services Industries (Deloitte analysis).

- These sectors account for 23% percent of survey respondents

In contrast, some segments of the economy saw an increase in employment in the time period such as public administration, finance, professional and technical services.

- These sectors accounted for a very small minority of respondents

A majority of companies surveyed (91.6%) had 1-99 employees and 54.9% reported they had less than $249,999 in revenue. Thus, these companies (on average) fall into Statistics Canada's small business category.

While many survey respondents were generally optimistic about their future, it can be noted that these companies are part of a segment of the economy that has been greatly exposed to the effects of the crisis and can continue to be challenged. For example:

- Smaller companies have accounted for a greater share of bankruptcies in Canada and small firms were much more likely to lay off a high percentage of their staff as a result of the downturn
- Notably, smaller companies were also more likely to rehire workers as Wave 1 of the pandemic in Canada subsided

Selected Sentiments on the Impacts of COVID-19

Respondents identified financial related dimensions as the most negatively impacted parts of their business as a result of the pandemic

QB4

As you know, the COVID-19 pandemic has had an impact on people and organizations around the world and across Canada. Please indicate the impact that COVID-19 has on each of the following different areas of your organization?

Q ID - Sub Q ID	1 : Extremely positive	2 : Somewhat positive	3 : Somewhat negative	4 : Extremely negative	5 : No major changes	7 : Not applicable
Supply Chain	11%	15%	20%	10%	21%	19%
International market expansion plans	6%	15%	18%	9%	14%	36%
Sales and marketing	9%	24%	21%	17%	19%	8%
Health and safety for staff or customers	10%	19%	25%	10%	19%	13%
Sales	12%	18%	26%	21%	15%	7%
Cash flow/financial health	8%	17%	30%	20%	17%	5%
Workforce/employee demands	6%	18%	21%	9%	23%	19%
Strategic direction changes	9%	21%	18%	9%	21%	18%
Employee morale	11%	18%	27%	14%	16%	11%
Domestic market expansion plans	11%	17%	16%	12%	17%	21%

Most frequently selected negative impacts:

- Sales
- Cash flow
- Employee Morale
- International Market Expansion
- Strategic Decision changes

Most frequently selected positive impacts:

- Sales & Marketing
- Workforce/ Employee demands
- Health and Safety of Staff or Customers (on top of the positive list)
- Domestic Market Expansion / Supply chain

*noted as majority responses. Sales and Sales and Marketing were erroneously included as independent options on the survey which could explain why they appear in both categories. We note that positive sales and marketing impacts could be attributed to time-limited initiatives that encouraged Canadians to ‘buy local’.

Real GDP Growth

Deloitte forecasts the global economy to recover in 2021 and 2022

Real GDP growth

Sources: Oxford Economics, Deloitte

Key Observations:

- Survey respondents indicated that they had business revenue from at least one of the noted international markets
- However, in several instances, respondents had zero revenue from specific global markets – suggesting that they could be interested in accessing new markets or, lacked experience in particular markets
- These companies will contend with a challenging global context
- Deloitte estimates the global economy shrank by 4 percent in 2020. This marks only the second time world GDP has declined in 40 years of comparable data. During the 2008-09 global financial crisis (the only other decline in recent history), real GDP fell by just 1.4 percent.
- The global economy is projected to rebound by 5.1 percent in 2021 as vaccines become more widely available.
  - Asia Pacific is projected to experience a large rebound in 2021, after a relatively small decline in 2020.
  - Much of this strength will occur in China, where the economy is forecasted to grow by 8 percent after a 2.1 percent increase in 2020. Japan, meanwhile, is projected to grow by just 2.7 percent, after a 5.4 percent decline in 2020.
  - The European Union is also expecting only a small rebound this year, as a second wave of the pandemic has prompted new lockdowns

Potential Implications

- Broadly, while the global market is expected to recover in 2021 and 2022, our forecasts are contingent upon several factors including effective vaccination programs within each of the markets
- Survey respondents encouraged CGLCC to consider tactics such as providing/connecting to inside information on how to do business with LGBT+ business abroad (24%), followed by access to LGBT+ networks (22%) and chambers of commerce (21%) – channeling resources to these forms of business support could help de-risk foreign market activities as the economy recovers

Selected Impacts of COVID–19 on Global Trade Flows

Globally integrated companies experienced volatility, businesses across sectors pivoted towards e-commerce

Vulnerable supply chains

- In 2019, imports comprise 34% of Canada's GDP while exports weigh in at 32% (Statistics Canada, 2019).
- Interestingly, 165,000 businesses import and 45,000 export (BDC, 2020). These numbers reveal vital information; a small number of Canadian firms drive exports while a greater number of firms import. Due to the COVID-19 pandemic, certain sectors have experienced supply chain disruptions resulting in vulnerabilities for Canadian firms reliant on importing. Tipping the scale to enhance the number of exporting firms can help the Canadian economy broadly post-pandemic and develop new economic activity to drive growth.

Potential implications to LGBT+ businesses:

- For companies that are part of multinational supply chains, disruption could trigger pressures
- In many sectors, discussions of greater levels of resiliency are taking place, including assessing the extent to which supply chains could be 'repatriated' or, efforts to prioritize local suppliers where possible
  - These efforts could complement ongoing initiatives to support supplier diversity
- For companies seeking to access this momentum, considering or adopting local/'Canadian made' themes into branding could be advantageous

Global trade rallied in the 3rd quarter of 2020 post COVID Shock

- The volume of merchandised trade rose 11.6% in Q3 2020 (WTO,2020). Despite the rebound, volume was reported to be lower than in previous years. Non-energy merchandised goods witnessed a higher increase in trade volume than natural resources. Moreover, more industrialized regions saw a greater export growth, led by North America at 20.1% (WTO, 2020). This is a positive implication for the Canadian manufacturing firms looking to recover export volumes post-pandemic. However, volumes of aerospace and petroleum-based export categories may struggle to bolster trade growth for years to come considering the global trade climate.

Potential implications to LGBT+ businesses:

- LGBT+ owned companies in manufacturing may begin to see a recovered business context in the coming months
- For CGLCC, working with industry partners to assess what the key gaps/challenges LGBT+ firms are encountering could help channel resources effectively

Source: Deloitte LLP, Statistics Canada, BDC

Selected Impacts of COVID – 19 on Global Trade Flows

Globally integrated companies experienced volatility, with businesses across sectors pivoted towards e-commerce

Rapid requirement for e-commerce

- The pandemic revealed the importance of a strong digital presence and e-commerce sales channels, to replace in-person sales cycles. However, Canadian firms have traditionally trailed behind the path towards digitization and have had to play catch up. In a recent survey by BDC, it was noted that only 24% of Canadian SMEs were prioritizing online sales.

Potential implications to LGBT+ businesses:

- The pandemic demonstrated the importance of digital capabilities. Most companies in our survey population were small and investment in tailored, or professional online platforms can be challenging.
- Training and learning on how best to develop in-house capabilities can enable smaller companies to develop an important online presence
- For CGLCC, broader support and partners with organizations that can assist in digitization can be a manner to support competitiveness

A changing face of trade

- The global pandemic accelerated changes occurring in the world trade landscape, ultimately, slowing global export activity. Notably, trade is transitioning from goods to the trading of services and information. This is further perpetuated by protectionist policies and merchandise and product related firms attempting to localize their supply chains to avoid vulnerability during the pandemic. Therefore, the global demand for Canadian exports has fallen, and large growth post-pandemic is forecasted to be regarding the exchange of services.

Potential implications to LGBT+ businesses:

- Service oriented trade can require different forms of sales and encounter different business cycles which can necessitate training, and mentorship
- For those companies that are currently goods producing, exporting patterns successfully commodifying services to sell globally can create new revenue streams and opportunities

Source: Deloitte LLP, Statistics Canada, BDC

Selected Broader Changes in the Global Trade Landscape

The global face of trade is evolving, which creates both headwinds and tailwinds for firms

Increased protectionism

- As countries sought to support economic growth, concern over the 'rise of protectionism' has been articulated by several business groups. Prior to the pandemic, protectionist actions had been taken by various nations. In particular, the 'Buy America' and Brexit initiatives were present for several years; however, the pandemic accelerated these efforts as countries seek to eliminate supply chain risk and stimulate domestic economies through "buying local." This is a threat to Canada's ability to export and is a significant change to the global trade landscape. Additionally, scenarios for a full 'repatriation' of a supply chain can take many years to execute, and – come with risk. Thus, the full extent of protectionist movements may not be felt for several years.

Potential implications to LGBT+ businesses:

- The US was identified as a key export market for companies surveyed. While the US government has indicated it will continue to work with Canada to ensure harmonious economic relations, consideration should be given to diversifying trading partners so as to be less exposed to potential protectionist actions.

Geo-political dimensions

- While COVID-19 created an unprecedented economic challenge, other geopolitical factors have shaped trade volumes (The Globe and Mail, 2020). For example, tensions between two of the world's largest trading entities, the US and China have shaped global commerce in recent years. In addition, political uncertainty in key South American or Middle Eastern markets can create risks for Canadian exporters.

Potential implications to LGBT+ businesses:

- A heightened degree of tensions or uncertainty can raise the risk profile of global trade activities
- Specifically, for companies that may operate in markets hostile towards the LGBT+ community, ensuring companies are accessing the full suite of services and support from federal consular services when abroad can help companies succeed abroad

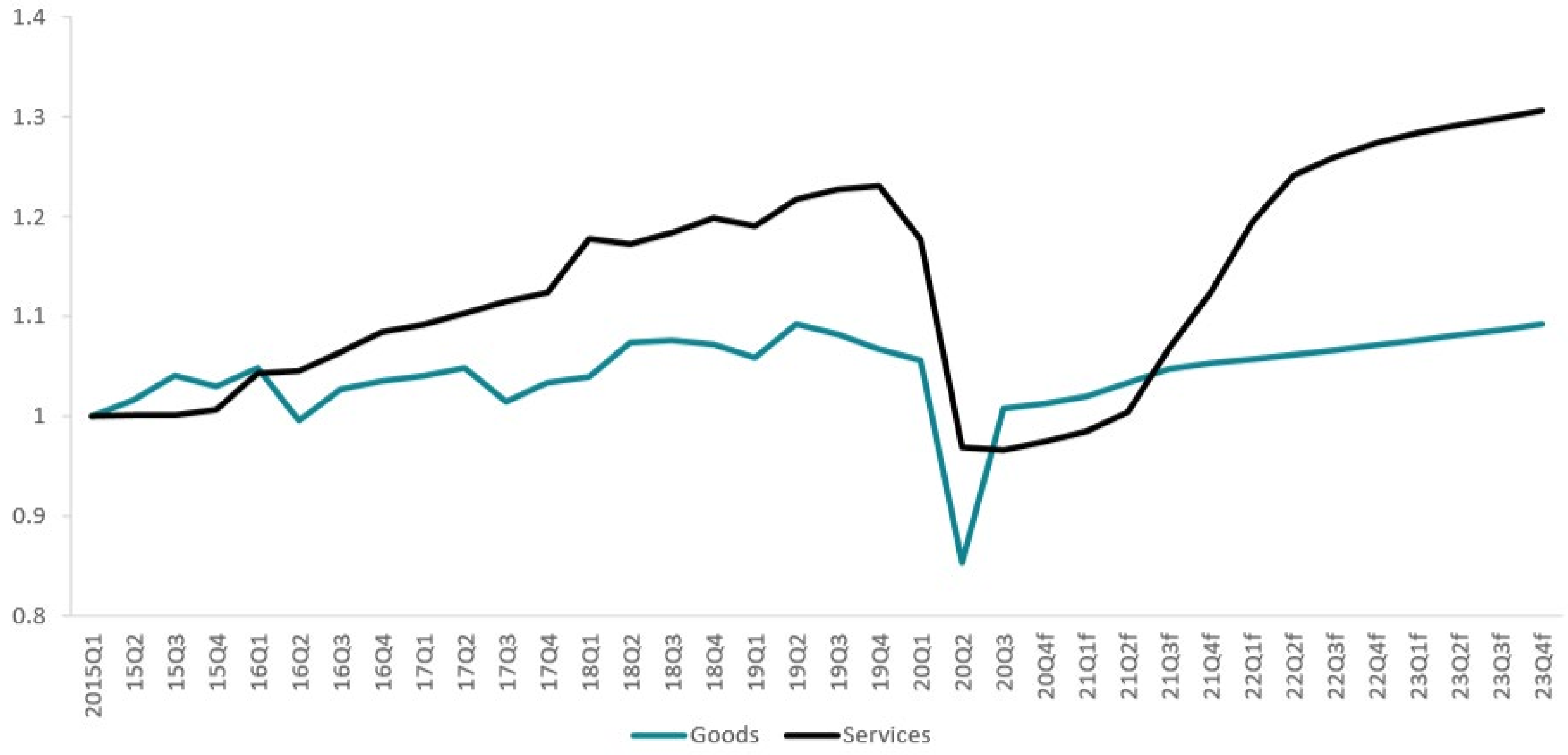
Source: Deloitte LLP, Statistics Canada, BDC

Canadian Exports Forecast

Canadian exports of goods and services have been hit hard by the pandemic, and will have delayed return to pre-pandemic levels

Canadian Exports of Goods and Services

Index 2015Q1=1



Source: Deloitte LLP, Statistics Canada

Key Observations

- The COVID-19 pandemic has significantly altered the global demand for Canadian goods and services, with both segments experiencing a sharp decline in 2020 as the economy reacted to lock down measures and border closures
- Aggregate exports are expected to reach pre-pandemic levels in the first half of 2022, however growth beyond that point is expected to be slow due to weak business investment and lagging competitiveness
- Notably, Canada's services exports have been severely affected due to travel restrictions imposed to curb the spread of the virus. Similarly, the impact of COVID-19 on aircraft exports has negatively affected the goods sector.
- With the vaccine rollout and the potential re-opening in the second half of 2021, services exports are expected to rebound as travel is reintroduced (goods exports are also expected to benefit on a smaller scale)

Potential Implications

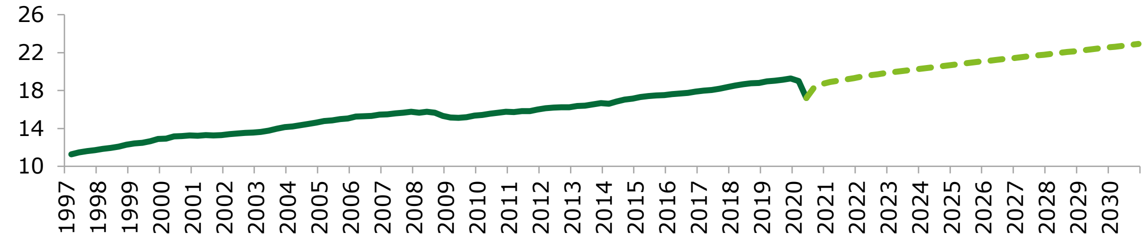
- Given the average size of respondents, it is possible that those unfamiliar with exporting may be hesitant to enter into new markets without assistance/coaching
- Considering program options that reflect respondents' suggestions for access to LGBT+ business networks could help position CGLCC to support new exporters

US Recovery Forecast

US recovery could begin to show signs of fragility as the risk of a fiscal cliff continues to loom over the horizon

US Real GDP (Base Case)

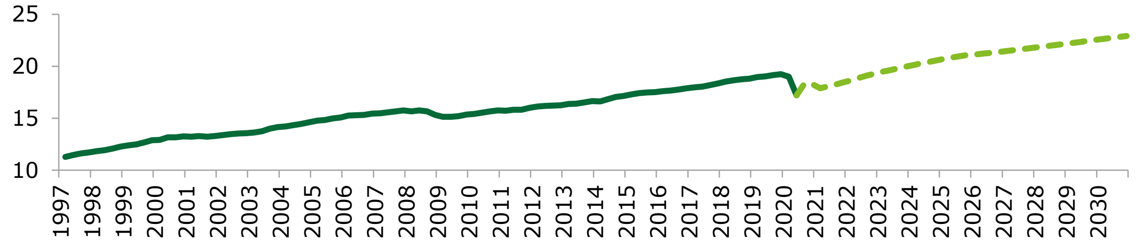
$ Tn, constant 2012 US dollars



2019	2020	2021
2.2%	-3.6%	3.7%

US Real GDP (Recovery Stall)

$ Tn, constant 2012 US dollars



2019	2020	2021
2.2%	-3.8%	0.3%

Potential Implications

- The US is Canada's largest trading partner, and the extent to which it recovers from the COVID-19 pandemic can be expected to shape the pace of Canadian recovery
- For survey respondents, the US was noted as a key market, with 22% stating it accounted for 100% of trade revenue
- In the Base Case, the US can be expected to return to pre-pandemic levels towards 2022. While this is positive news, 2021 could remain a volatile years for Canadian firms reliant on developing new business in the US. Moreover, for companies that had not yet accessed the US market, a difficult 2021 could postpone or push out the decision to trade
- Should the US enter into the Recovery Stall Scenario – Canada could be exposed to depressed demand for products and services, as companies may not be purchasing at pre-pandemic levels
- However, given expected fiscal pressures in the US, and ongoing COVID-19 related effects, companies could encounter uncertainty in US markets – traditionally a reliable trading partner (e.g., tariffs, protectionist challenges, supply chain disruptions, declining or flat public procurements and/or delayed business investment)
- Taken together, exporters who are able to serve more than the US market may seek to prioritize diversification and alternate markets as the US returns to pre-pandemic levels in order to hedge the risk associated with focusing on the US exclusively

Appendix A: Intersectional spotlights

The Need For An Intersectional View

When assessing survey results, reviewing outcomes by gender identifty or race is critical in having a comprehensive view of the landscape LGBT+ businesses operate in

In the forthcoming section, we provide a snapshot of survey results segmented by gender identity and/or race. This section reflects an intersectional approach to survey reporting.

The overall aim of intersectional analysis is to explore intersecting patterns between different structures of power and how people are simultaneously positioned—and position themselves—in multiple categories, such as gender and ethnicity (Phoenix & Pattynama, 2006: 187; Phoenix, 2011: 137).

In our survey, there is a selection of questions aimed at identifying friction, barriers or discrimination LGBT+ businesses may encounter in the market. The intention of this section is to identify whether or not survey responses for this selection of questions differed based on self reported gender and/or race/ethnicity. Most survey respondents identified as cisgender white men. Several reviews of the Canadian business environment have found that cisgender white men can experience entrepreneurship and business differently from those of other backgrounds/identities. It is with this view we have prepared this selection of analysis.

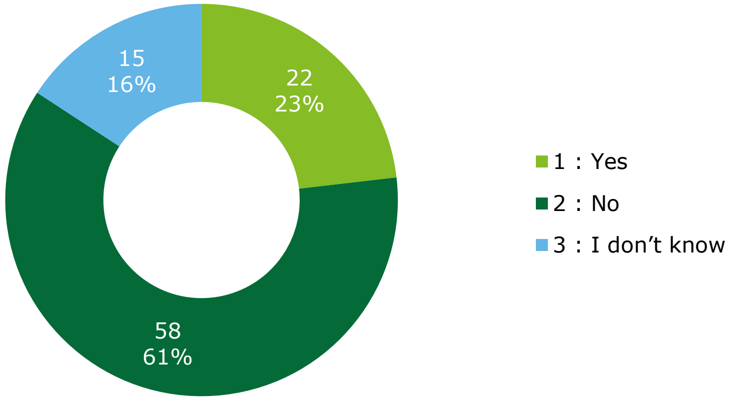
In most instances, perspectives across various groups do not differ drastically. However, we do find that visible minority LGBT+ survey respondents held different views in some cases. This section can serve as the basis for further surveying and research of LGBT+ founders from diverse backgrounds.

Being LGBT+ Abroad: Comparison of Experience of Cisgender Men vs. Others

Broadly, the experience of cisgender men versus other respondents did not vary significantly

QB10 **In your view, have you had challenges accessing or succeeding in international markets because of your status as a member of the LGBT+ community?**

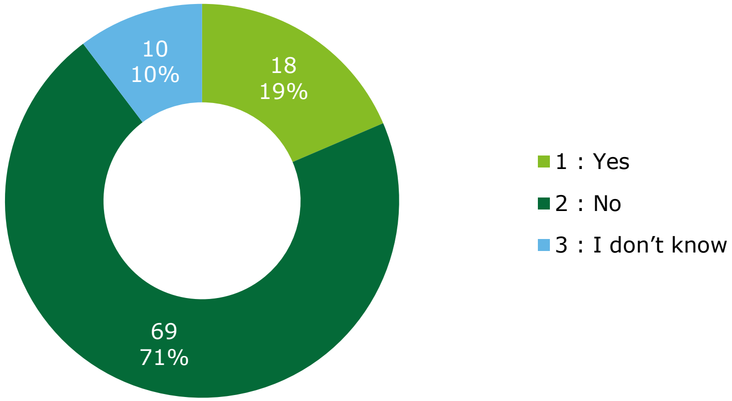
Cisgender men



Total responses 95

- 61% of Cisgender founders did not face any challenges accessing or succeeding in international markets because of your status as a member of the LGBT+ community
- While 23% did face challenges
- 16% are not sure if they met with any challenges

All other gender categories



Total responses 97

- 71% of founders from all other genders did not face any challenges accessing or succeeding in international markets because of your status as a member of the LGBT+ community
- While 19% did face challenges
- 10% are not sure if they met with any challenges

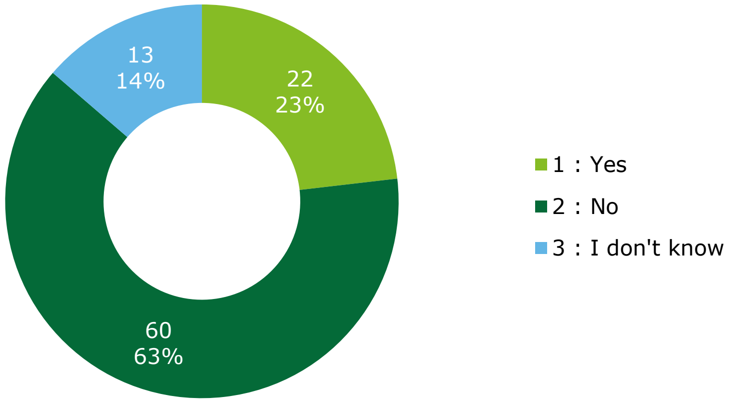
Total responses 192

Challenges: Spotlight - Cisgender Men vs. Others

Cisgender men reported encountering challenges scaling their businesses slightly more often than other respondents

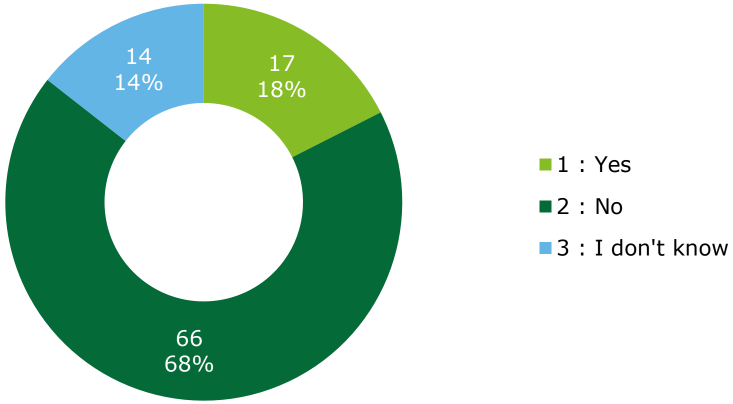
QB19 **In your view, have you experienced challenges in starting or scaling your business due to your own individual status as part of the LGBT+ community? (e.g., discrimination from others)**

Cisgender men



Total responses 95

All other gender categories



Total responses 97

- 23% of cisgender men stated they experienced challenges, notably slightly higher than other categories
- A majority of cisgender men (63%) respondents stated that they did not experience challenges in starting or scaling business due to their own individual status as part of the LGBT+ community
- 14% are not sure if they met with any challenges

- 18% of other gender categories stated they faced challenges, slightly lower than the responses from cisgender men
- A majority (68%) of respondents stated that they did not experience challenges
- 14% are not sure if they met with any challenges

Total responses 192

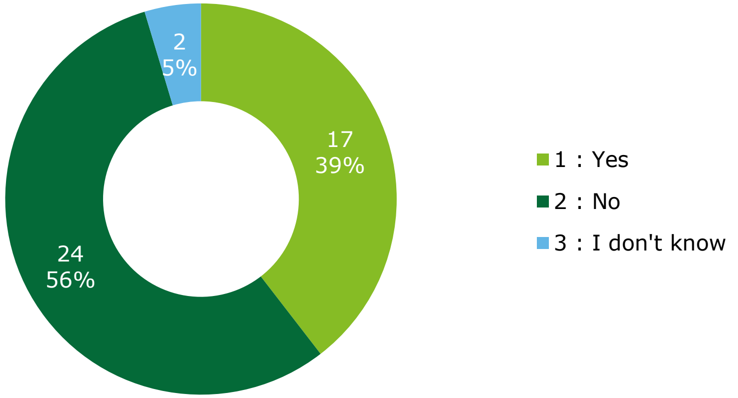
Challenges: Spotlight - Visible Minority vs. Non-Visible Minority

39% of visible minority respondents stated they experienced challenges starting or scaling businesses due to being part of the LGBT+ community, whereas only 15% of non-visible minorities held the same view

QB19

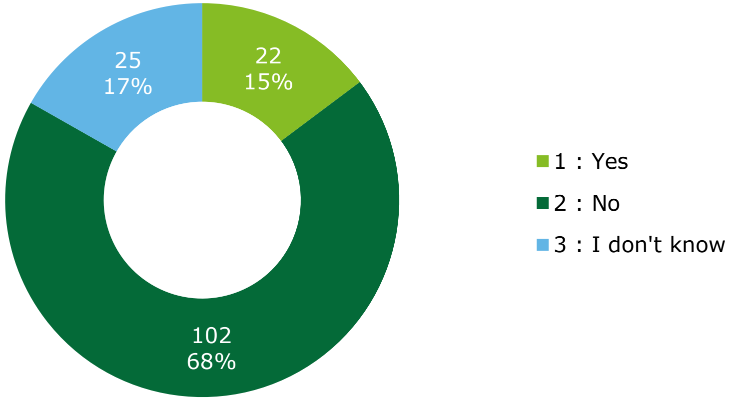
In your view, have you experienced challenges in starting or scaling your business due to your own individual status as part of the LGBT+ community? (e.g., discrimination from others)

Visible minority



Total responses 43

Non-visible minority



Total responses 149

- 39% of visible minority stated they faced challenges starting or scaling their businesses as a result of belonging to LGBT+ community.
  - Notably, visible minorities were more likely to state they encountered challenges than non-visible minorities which can reflect systemic barriers racialized individuals can face in business/commerce
- (56%) of respondents stated that they did not experience challenges
- 5% are not sure if they met with any challenges

- 15% of non-visible minorities stated they faced challenges starting or scaling their business as a result of belonging to the LGBT+ community
- A majority (68%) of respondents stated that they did not experience challenges in starting or scaling business due to their own individual status as part of the LGBT+ community
- 17% are not sure if they met with any challenges

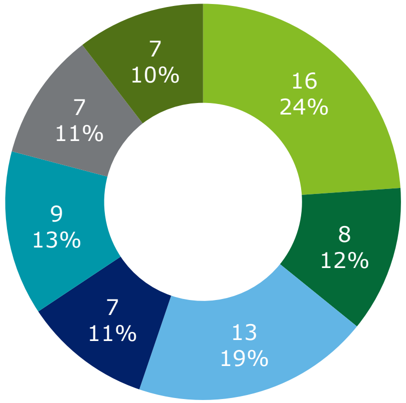
Total responses 192

Challenges: Spotlight- Cisgender Men vs. Other Gender Identities

Overall, the same financial challenges were flagged by cisgender men and other identities

QB20 **Please indicate the nature of challenge(s) you may have encountered as a result of being part of the LGBT+ community.**

Cisgender men

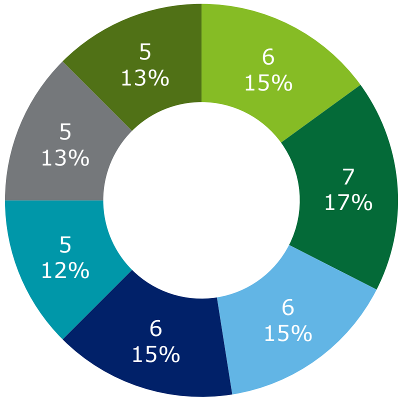


Total selection 286
(For 13 sub-questions)

Top responses

- Challenges in acquiring funding or financing your business
- Difficulties in networking within your sector
- Inability to access mentorship or coaching
- Growing my business from a certain level (e.g., sales or FTEs)
- Difficulty or discrimination when acquiring suppliers
- Discrimination or push back from potential or existing customers
- Challenges promoting or advertising your company as a LGBT+ owned/partially owned business

All other gender categories



Total selection 221
(For 13 sub-questions)

Top responses

- Challenges in acquiring funding or financing your business
- Inability to access mentorship or coaching
- Difficulty or discrimination when acquiring suppliers
- Difficulty in hiring or retaining staff
- Discrimination or push back from potential or existing customers
- Challenges renting and/or procuring a space for your business
- Challenges promoting or advertising your company as a LGBT+ owned/partially owned business

QB20 has 13 sub questions, and the above response count is for all the questions summed up
Unlimited responses were permitted for QB20 on selecting yes for QB19

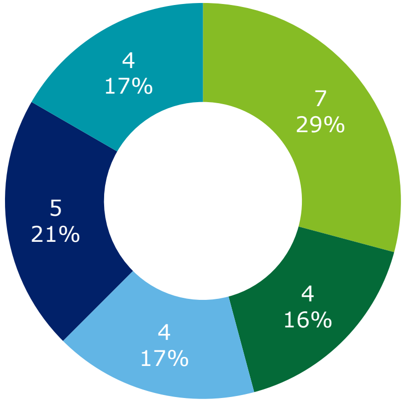
Total responses: 39
(Respondents selected yes for QB19)

Challenges: Spotlight – Visible Minorities vs. Others

Broadly, respondents of all ethnic/visible minority backgrounds flagged financial challenges as the key barriers

QB20 **Please indicate the nature of challenge(s) you may have encountered as a result of being part of the LGBT+ community.**

Visible minority

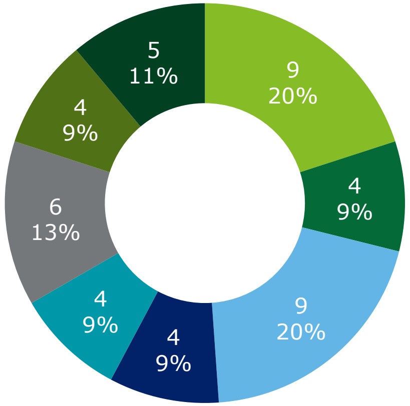


Total selection 221
(For 13 sub-questions)

Top responses

- Challenges in acquiring funding or financing your business
- Difficulties in networking within your sector
- Inability to access mentorship or coaching
- Difficulty or discrimination when acquiring suppliers
- Discrimination or push back from potential or existing customers

Non-visible minority



Total selection 286
(For 13 sub-questions)

Top responses

- Challenges in acquiring funding or financing your business
- Difficulties in networking within your sector
- Inability to access mentorship or coaching
- Growing my business from a certain level (e.g., sales or FTEs)
- Difficulty or discrimination when acquiring suppliers
- Difficulty in hiring or retaining staff
- Challenges renting and/or procuring a space for your business
- Challenges promoting or advertising your company as a LGBT+ owned/partially owned business

QB20 has 13 sub questions, and the above response count is for all the questions summed up
Unlimited responses were permitted for QB20 on selecting yes for QB19

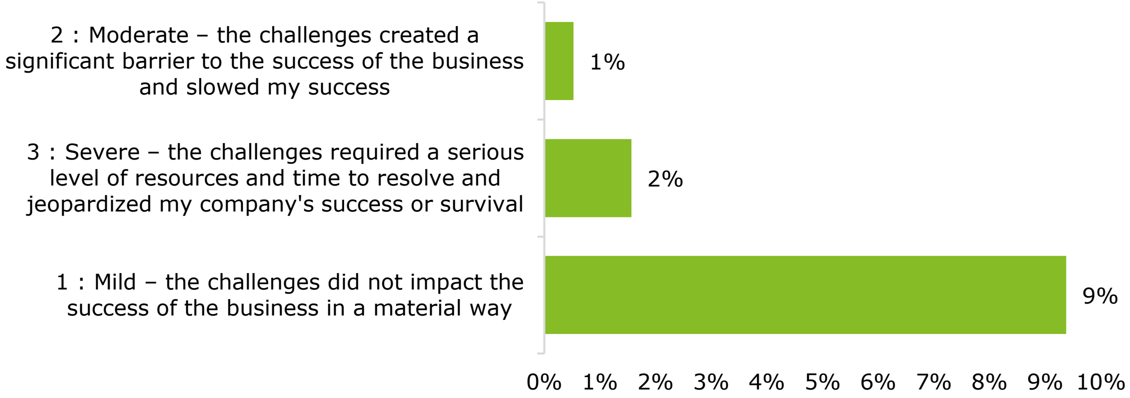
Total responses: 39
(Respondents selected yes for QB19)

The Impact of Challenges: Spotlight – Cisgender vs. Other Gender Identities

Cisgender men were slightly more likely to state impacts were mild, but very few respondents stated that challenges were severe

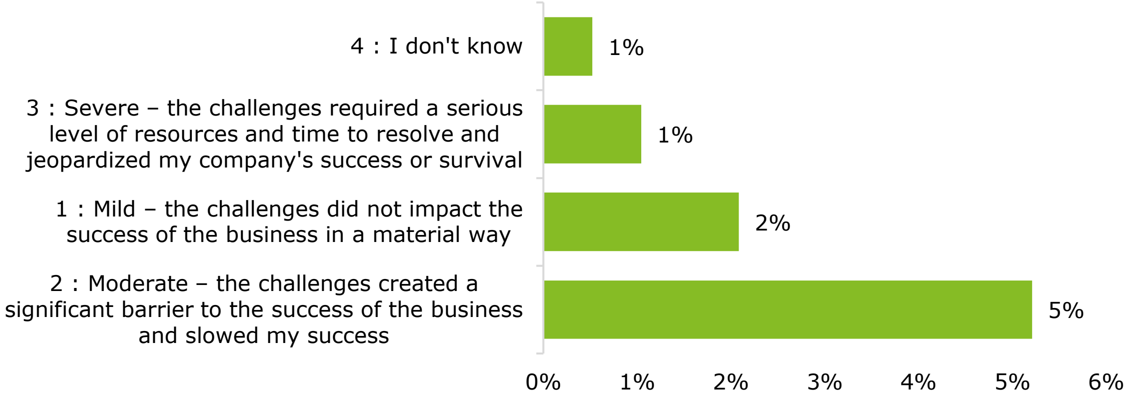
QB21 **Please describe the impact of these challenges to your business success. Would you say that they have been …**

Cisgender men



Total selection 22

All other gender categories



Total selection 17

- When asked to contextualize the impact of challenges, Majority of respondents (9%) faced mild challenges not impacting their business, While (3%) founders stated they faced severe to moderate level challenges

- When asked to contextualize the impact of challenges, Majority of respondents (5%) faced mild challenges not impacting their business, While (3%) founders stated they faced severe to moderate level challenges

Unlimited responses were permitted for QB20 on selecting yes for QB19

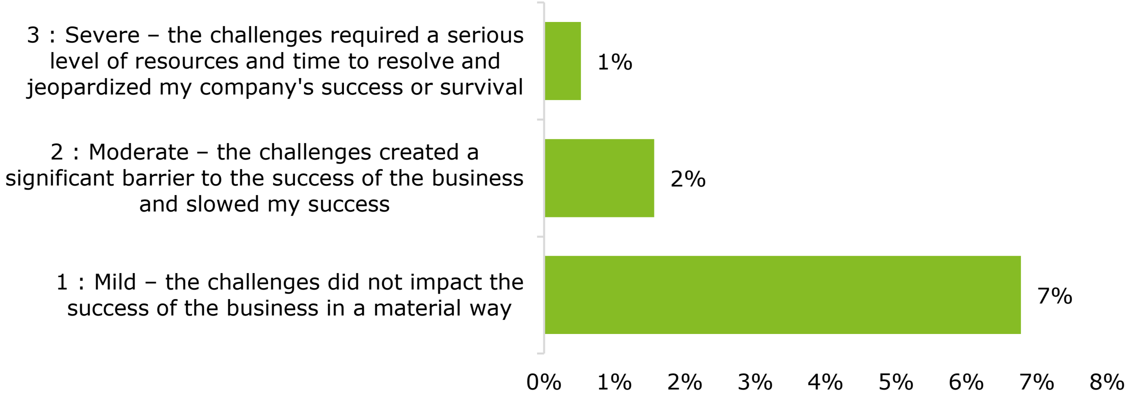
Total respondents: 39
(Respondents selected yes for QB19)

The Impact of Challenges: Spotlight – Visible Minority and Non-Visible Minorities

Overall, respondents of different ethnic/visible minority backgrounds had similar sentiments on the extent to which challenges affected businesses

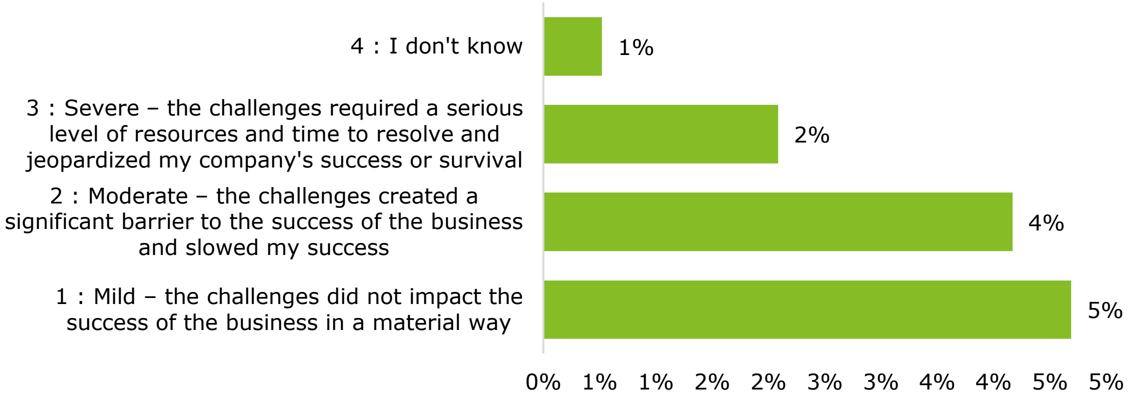
QB21 **Please describe the impact of these challenges to your business success. Would you say that they have been …**

Visible minority



Total selections 17

Non-visible minority



Total selections 22

- When asked to contextualize the impact of challenges, Majority of respondents (7%) faced mild challenges not impacting their business, While (3%) founders stated they faced severe to moderate level challenges

- When asked to contextualize the impact of challenges, Majority of respondents (5%) faced mild challenges not impacting their business, While (6%) founders stated they faced severe to moderate level challenges

Unlimited responses were permitted for QB20 on selecting yes for QB19

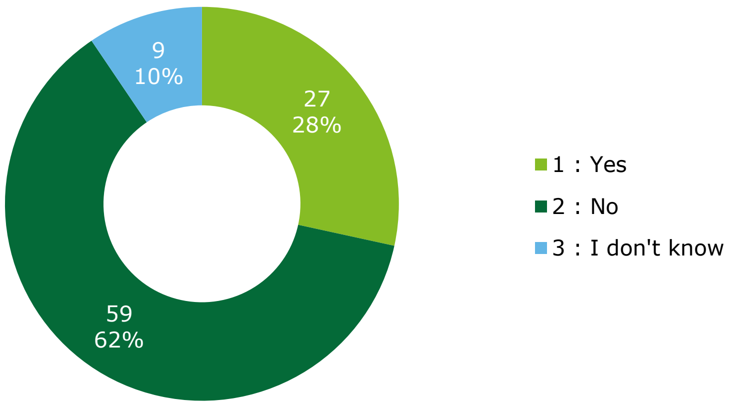
Total responses; 39
(39 respondents selected yes for QB19)

Disclosure: Spotlight – Cisgender Men vs. Other Gender Identities

Cisgender men and other gender identities had a similar stance on the topic of disclosure in an official capacity

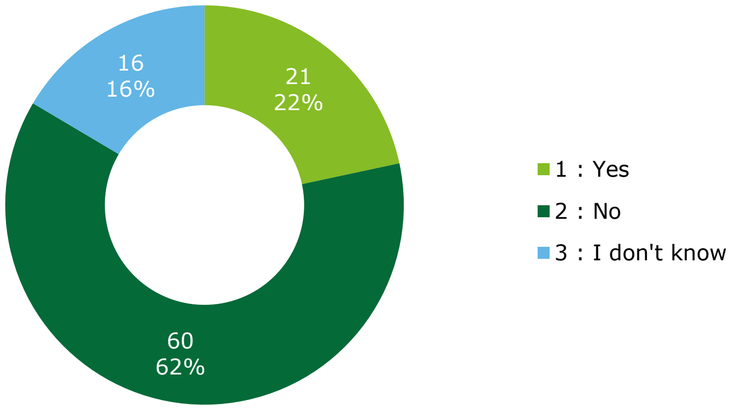
QB27 **When accessing funding/financing did you choose to disclose that the company was LGBT+ owned in official presentations/ marketing or engagement with stakeholders?**

Cisgender men



Total responses 95

All other gender categories



Total responses 97

- A majority of cisgender respondents (62%) chose not to disclose their LGBTQ status in official presentations, marketing or engagement with stakeholders
- While 28% openly did so of which a very few were able to acquire special funds set for LGBTQ companies.

- A majority of respondents (62%) chose not to disclose their LGBTQ status in official presentations, marketing or engagement with stakeholders
- While 22% openly did so of which a very few were able to acquire special funds set for LGBTQ companies.

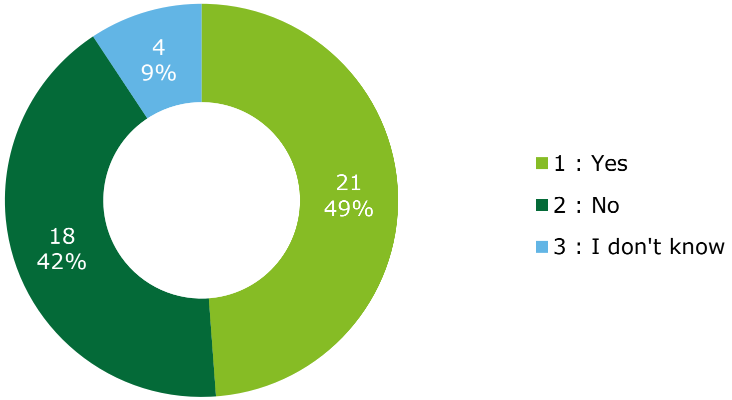
Total responses 192

Disclosure: Spotlight -Visible Minority vs. Non-Visible Minority

Broadly, visible minority respondents disclosed their status more often than those not part of visible minorities

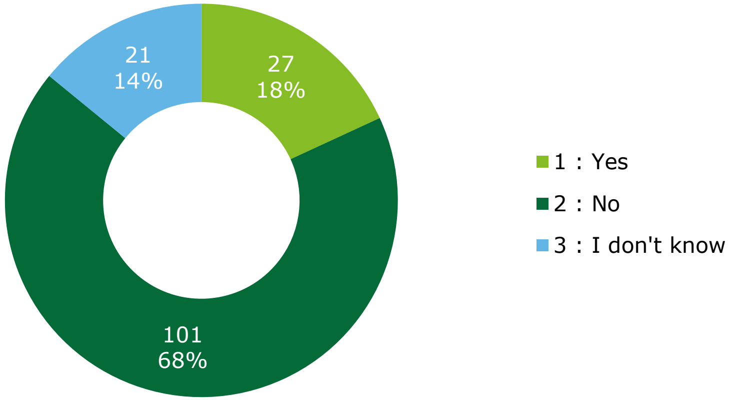
QB27 **When accessing funding/financing did you choose to disclose that the company was LGBT+ owned in official presentations/ marketing or engagement with stakeholders?**

Visible minority



Total responses 43

Non-visible minority



Total responses 149

- A majority of respondents (42%) chose not to disclose their LGBTQ status in official presentations, marketing or engagement with stakeholders
- While 49% openly did so of which a very few were able to acquire special funds set for LGBTQ companies.

- A majority of respondents (68%) chose not to disclose their LGBTQ status in official presentations, marketing or engagement with stakeholders
- While 18% openly did so of which a very few were able to acquire special funds set for LGBTQ companies.

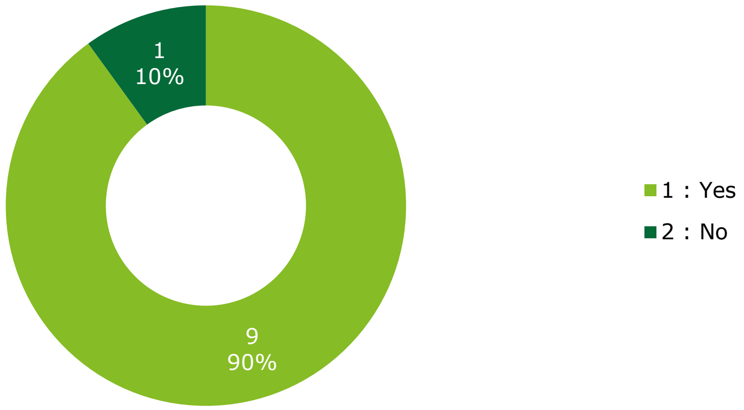
Total responses 192

Supporting Access to Capital: Spotlight - Visible Minority vs. Non-Visible Minority

Both visible minority founders and non-visible minority founders broadly achieved success in accessing dedicated LGBT+ funding vehicles

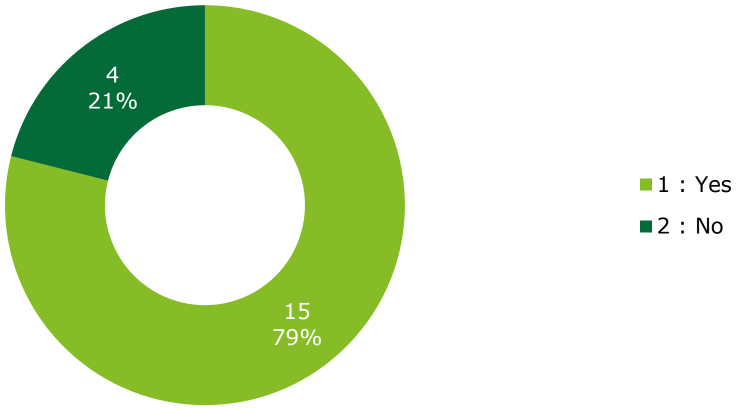
QB30 **Were you able to successfully acquire specialized funding vehicles/programs available to LGBT+ owners or founders?**

Visible minority



Total selection 10

Non-visible minority



Total selection 19

- A majority of visible minority founders aware of specialized vehicles were successful in achieving funding – (90%)

- A majority of non-visible minority founders aware of specialized vehicles were successful in achieving funding – (79%)

Unlimited responses were permitted for QB30 on selecting yes for QB29

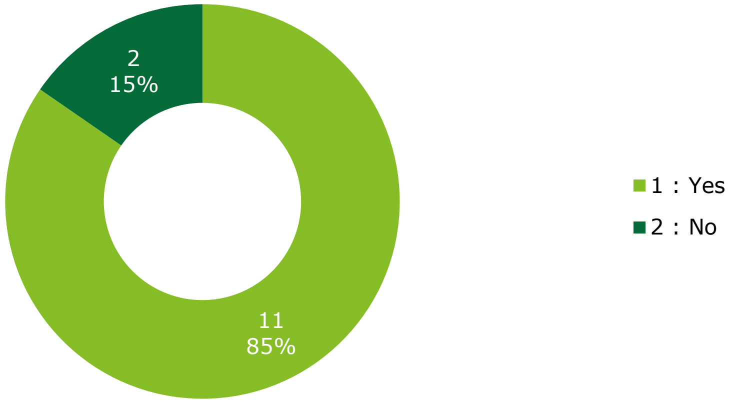
Total responses : 29
(Respondents selected yes for QB29)

Supporting Access to Capital: Spotlight - Cisgender vs. Other Identities

Of those who were aware of specialized LGBT+ funding, financing vehicles, a majority were able to access successfully

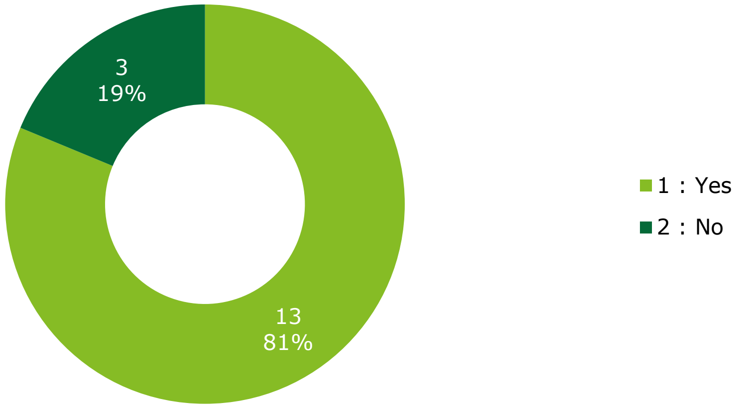
QB30 **Were you able to successfully acquire specialized funding vehicles/programs available to LGBT+ owners or founders?**

Cisgender men



Total selection 13

All other gender categories



Total selection 16

- A majority of cisgender men who were aware of dedicated LGBT+ financial/funding vehicles, most were successful in able to access them

- A majority of founders from other gender identities (81%) who are familiar with funding/financial programs dedicated to LGBT+ funding, were able to access them

Unlimited responses were permitted for QB30 on selecting yes for QB29

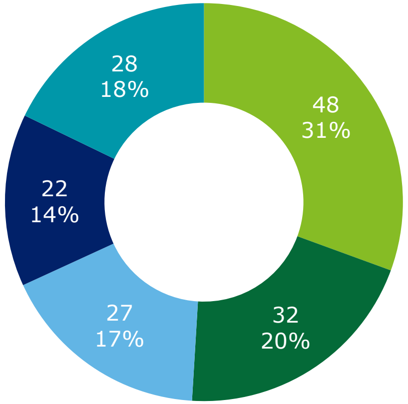
Total responses: 29
(Respondents selected yes for QB29)

Supporting Access to Capital: Spotlight – Cisgender Men vs. Other Gender Identities

Broadly, all founders held similar perspectives on the tactics that could assist founders access financing

QB31 **In your view, which activities could help future LGBT+ founders or owners access financing/capital successfully?**

Cisgender men

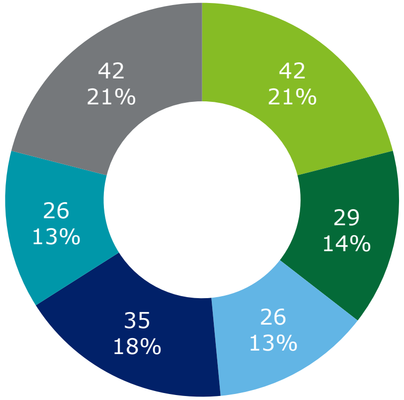


Total selection 1045
(For 11 sub-questions)

Top responses

- More forms of funding vehicles/programs dedicated for LGBT+ owners/founders
- Assistance navigating the process of accessing private funding
- Assistance navigating the process of accessing public funding
- More flexible financing terms
- Coaching and mentoring

All other gender categories



Total selection 1067
(For 11 sub-questions)

Top responses

- More forms of funding vehicles/programs dedicated for LGBT+ owners/founders
- Assistance navigating the process of accessing private funding
- Assistance navigating the process of accessing public funding
- More flexible financing terms
- Making higher funding amounts made available
- Coaching and mentoring

QB31 has 11 sub questions, and the above response count is for all the questions summed up

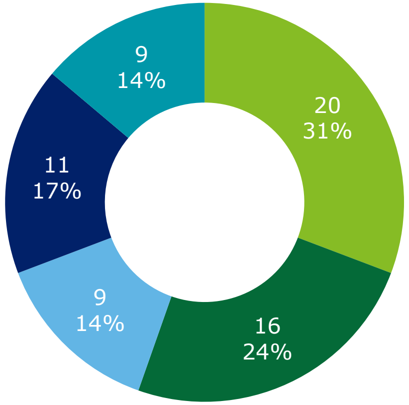
Total response 192

Supporting Access to Capital: Spotlight - Visible minority vs. non-visible minorities

Broadly, all respondents had similar perspectives on what could help LGBT+ founders access to financing

QB31 **In your view, which activities could help future LGBT+ founders or owners access financing/capital successfully?**

Visible minority

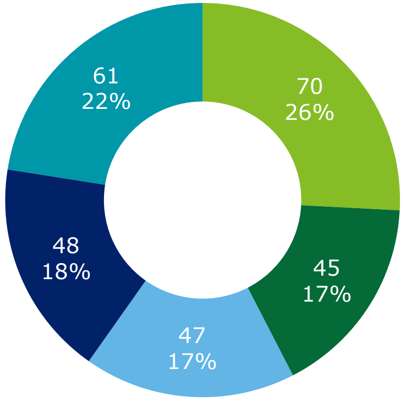


Total responses 473
(For 11 sub-questions)

Top 5

- More forms of funding vehicles/programs dedicated for LGBT+ owners/founders
- Assistance navigating the process of accessing private funding
- More flexible financing terms
- Making higher funding amounts made available
- Coaching and mentoring

Non-visible minority



Total responses 1639
(For 11 sub-questions)

Top 5

- More forms of funding vehicles/programs dedicated for LGBT+ owners/founders
- Assistance navigating the process of accessing private funding
- Assistance navigating the process of accessing public funding
- More flexible financing terms
- Coaching and mentoring

QB31 has 11 sub questions, and the above response count is for all the questions summed up

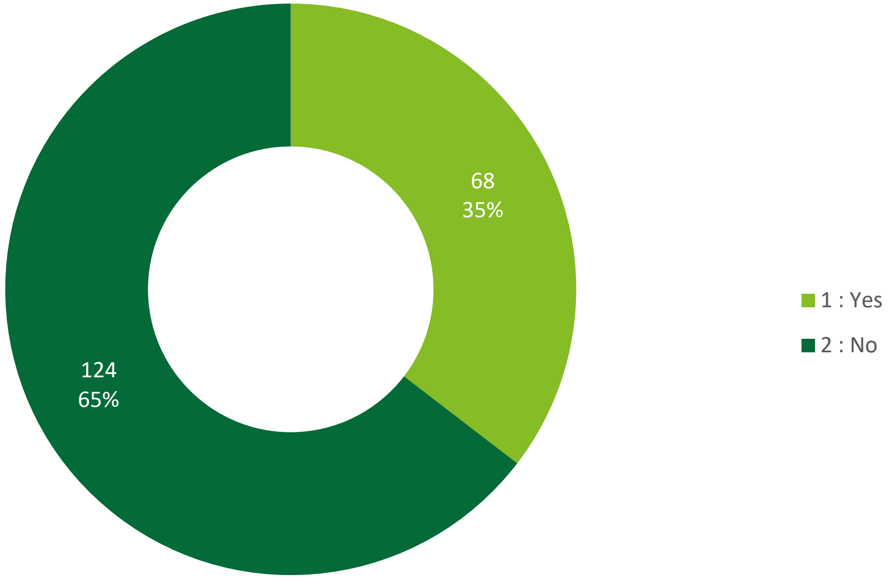
Total response 192

Appendix B: Additional Survey Results

The following section includes a selection of questions CGLCC has requested to be reported on that have not been included in the narrative and findings in the body of the report.

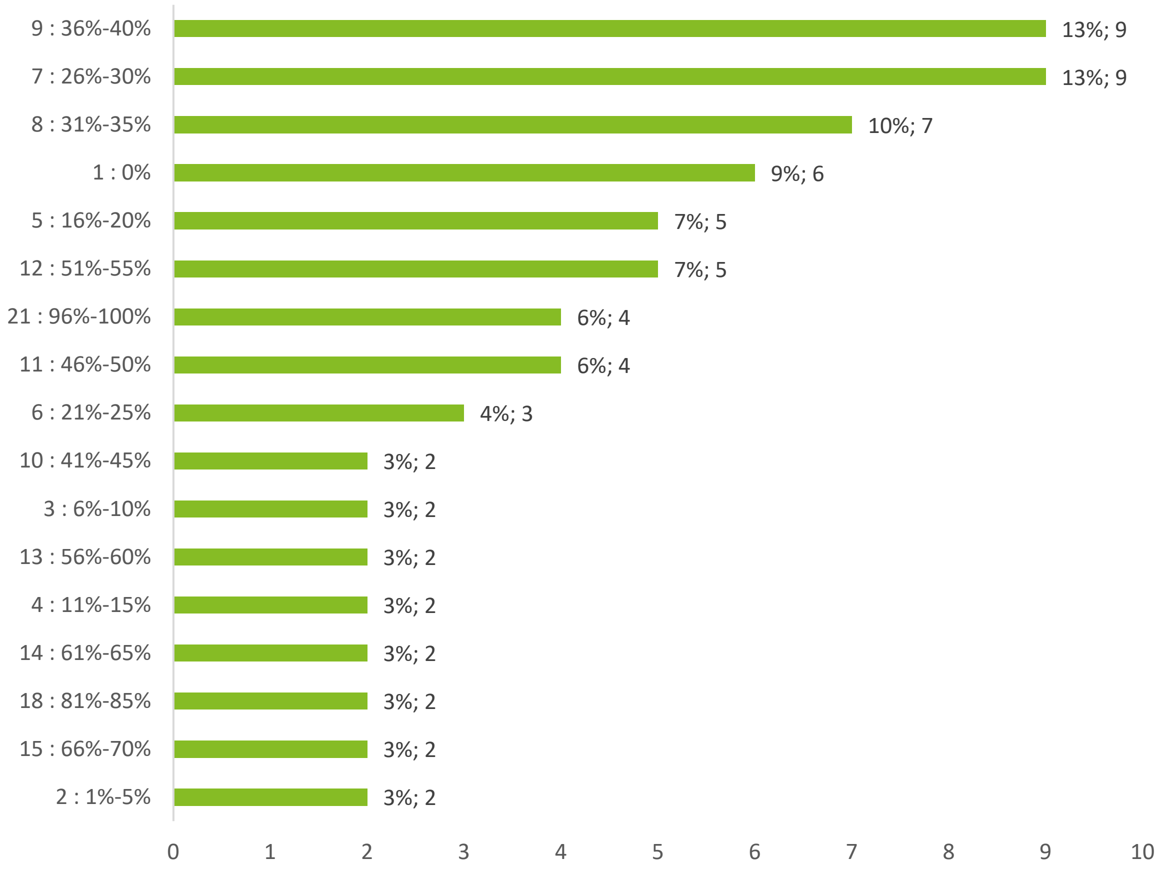
Governance

QA11 **We would like to know about the governance of your company. Does your company report to a Board of Directors?**



Governance: Board of Directors

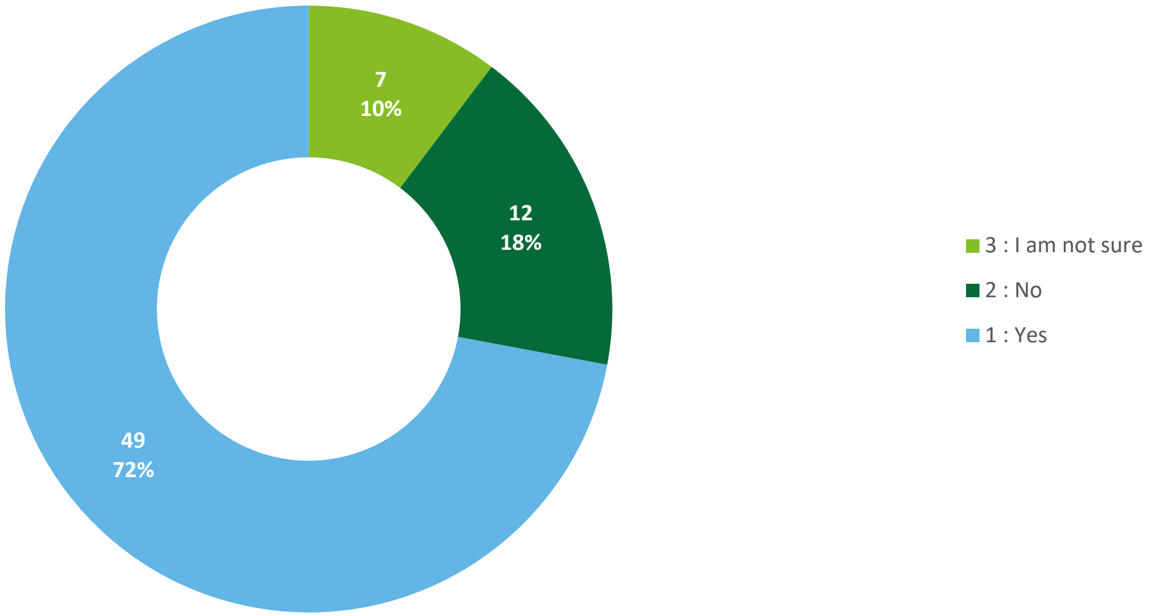
QA12 **What percentage of your Board of Directors identify as women?**



Total responses 68

Governance: Board of Directors

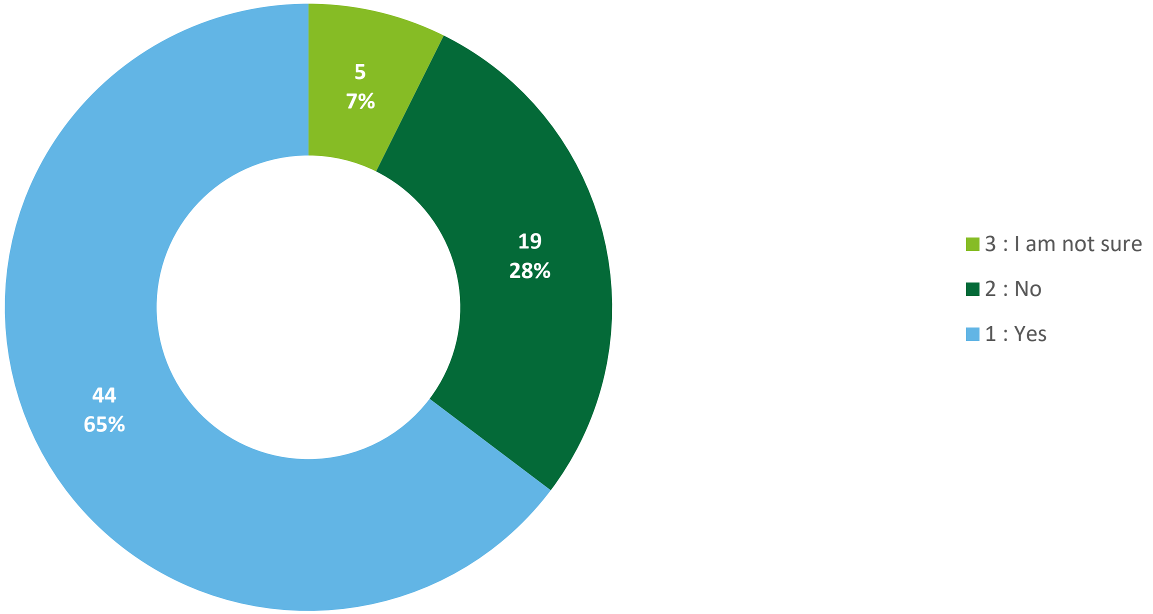
QA13 **Does your company's Board of Directors have members that identify as part of the LGBT+ Community?**



Total responses 68

Governance: Board of Directors

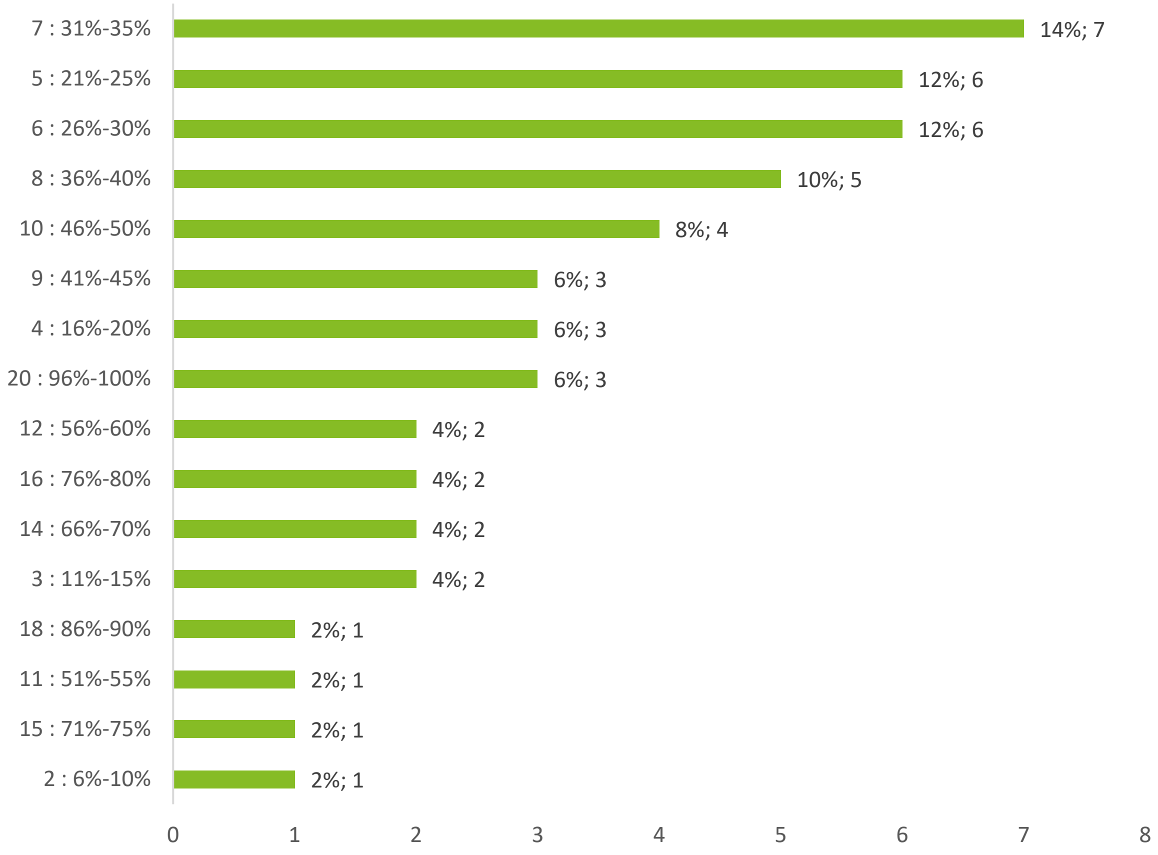
QA15 **Does your company's Board of Directors have individuals that are disabled, indigenous, black and/or other visible minorities?**



Total responses 68

Firm Demographics

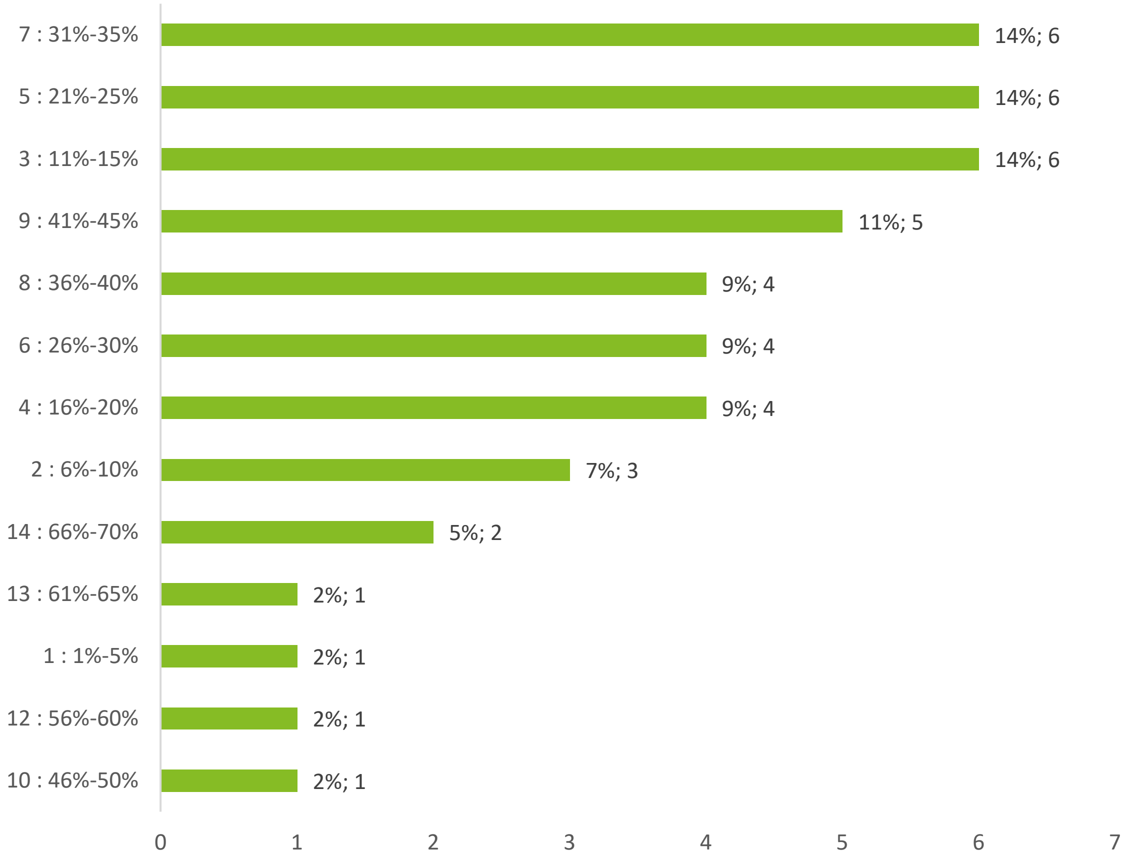
QA14 **Please identify the percentage of individuals who identify as part of the LGBT+ Community.**



Total responses 49

Firm Demographics

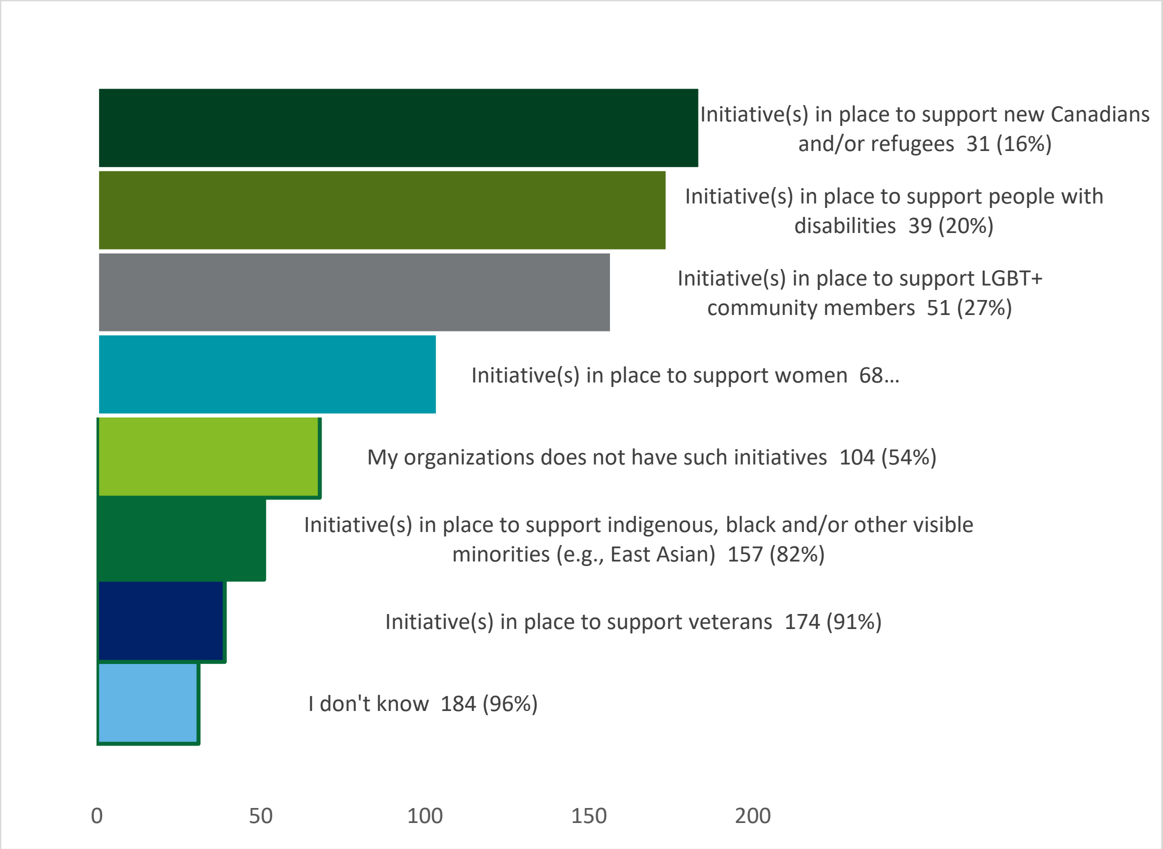
QA16 **Please specify the percentage of individuals that are disabled, indigenous, black and/or other visible minorities.**



Total responses 146

Firm Supplier Diversity/Inclusion Strategies

QA17 **Does your organization have any of the following commitments, strategies or initiatives in place to increase diversity within staff and/or leadership?**

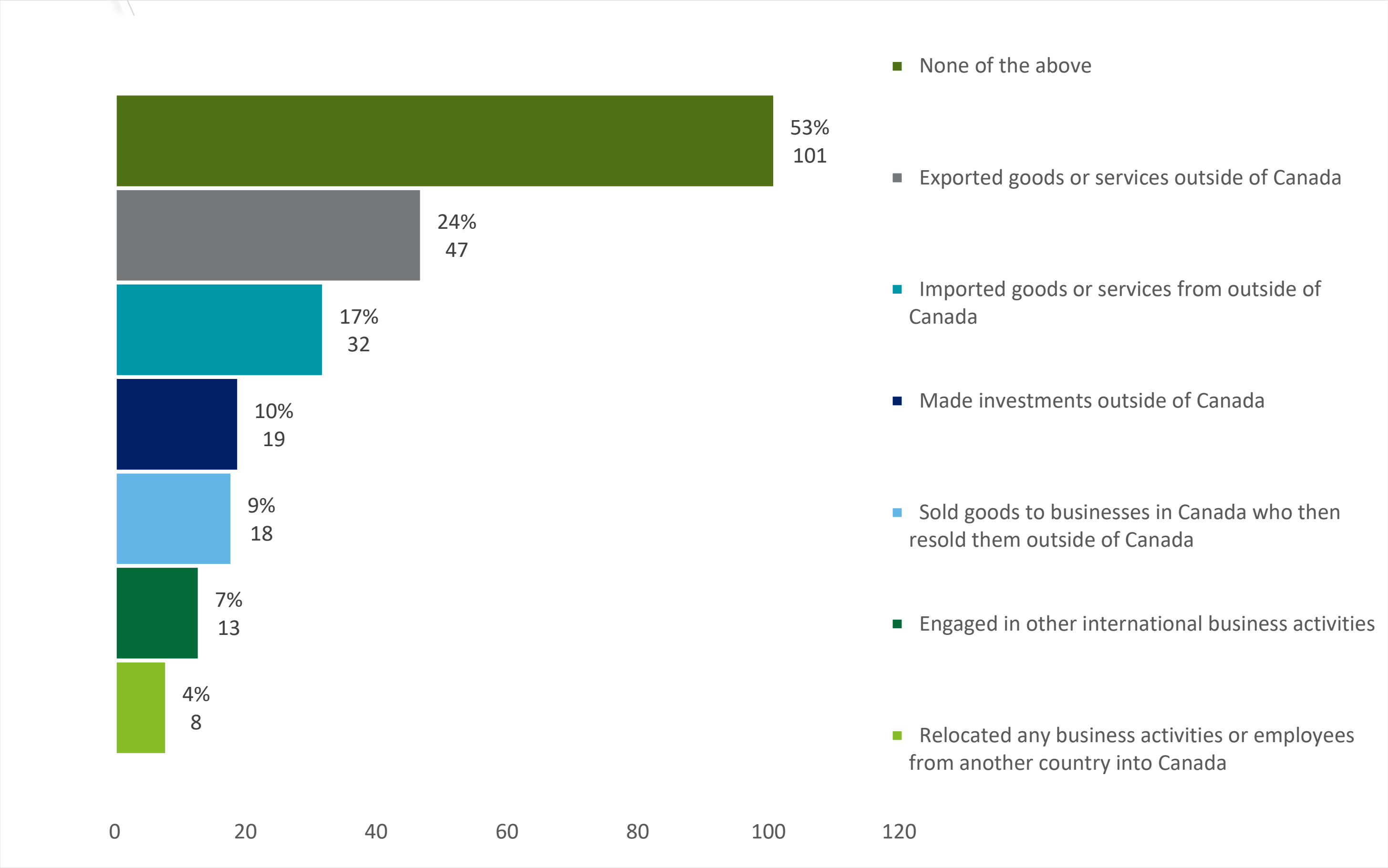


QA17 has 8 sub questions, and the above response count is for all the questions summed up

Total responses 192

Firm Supplier Diversity/Inclusion Strategies

QB5 **Please select the activities your company has been engaged in 2019**

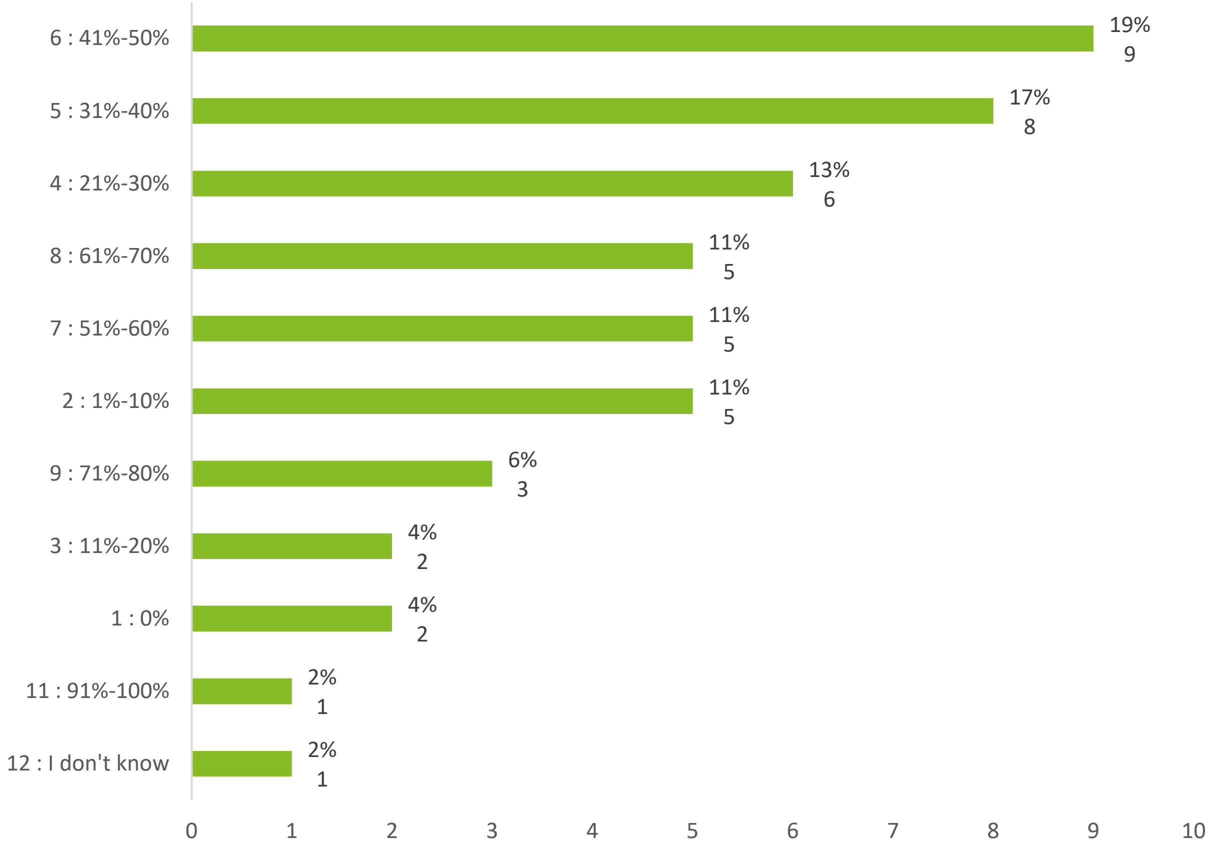


QB5 has 7 sub questions, and the above response count is for all the questions summed up

Total responses 192

Firm Sales (Exporting Activities)

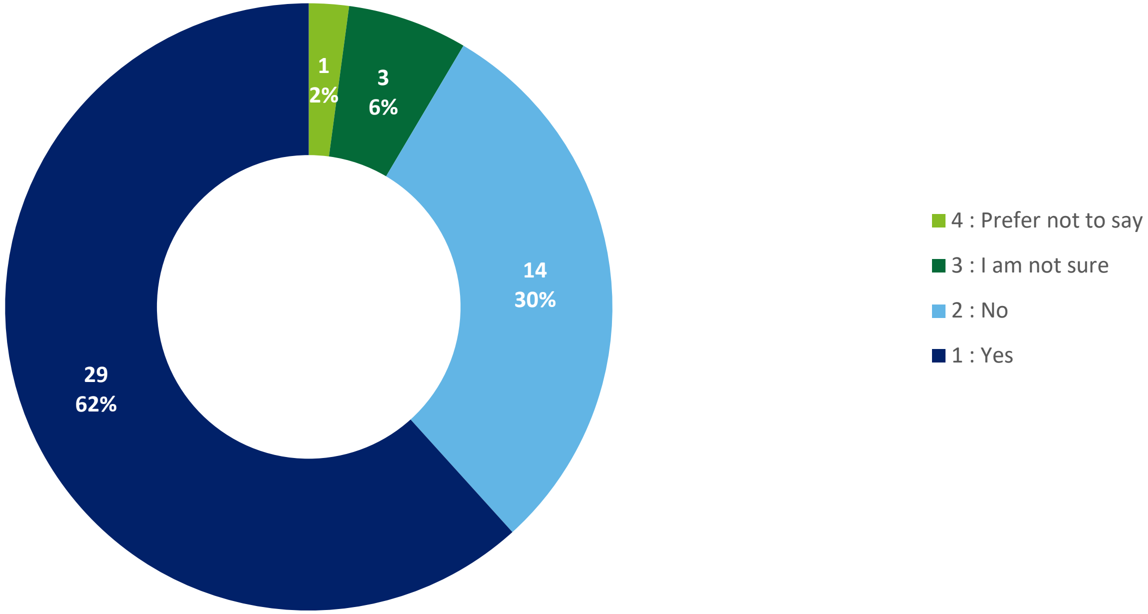
QB6 **Please estimate the proportion of your company's sales that come from international exporting activities**



Total responses 47

Firm Export Behaviour

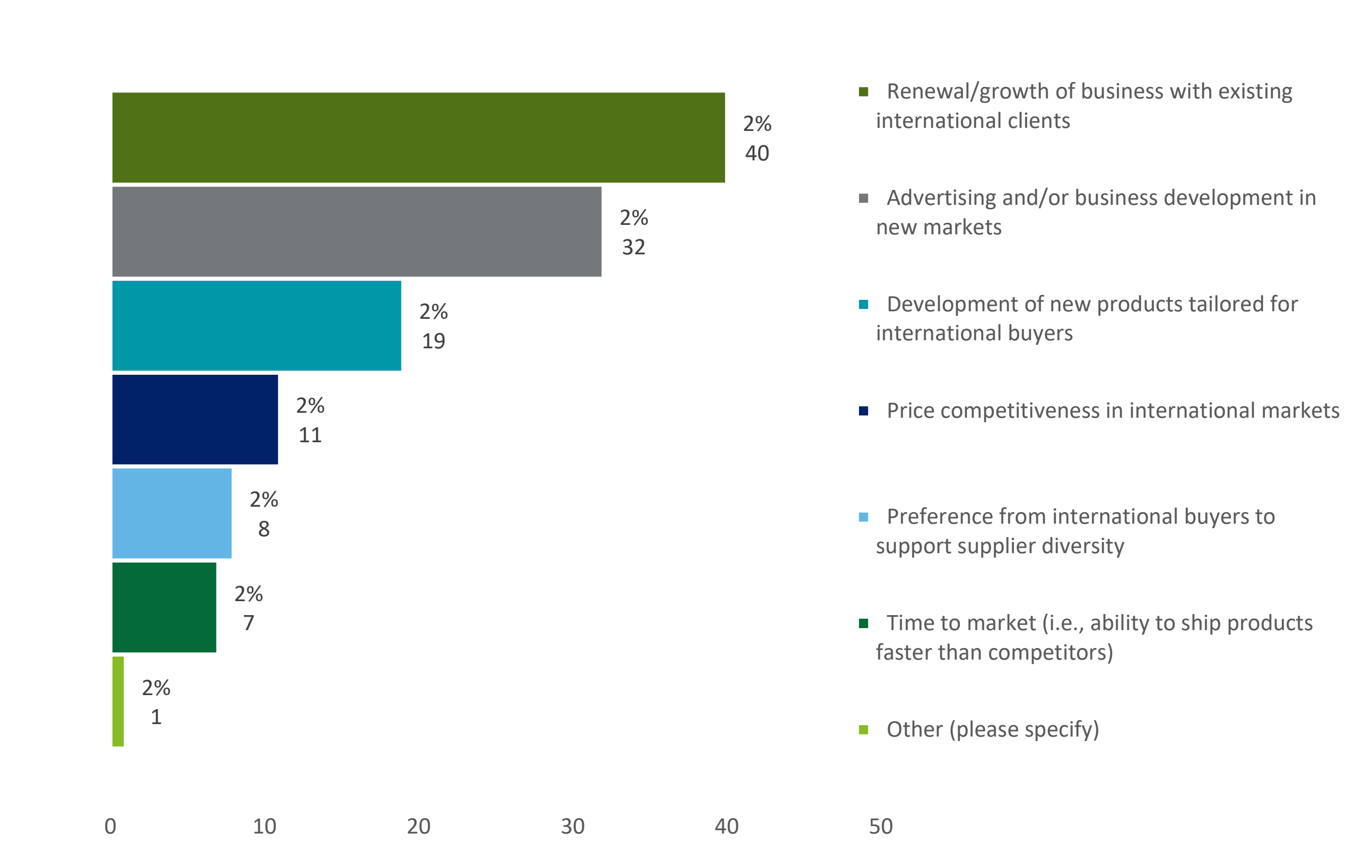
QB7 **In the last 5 years has your company increased its international export activity (i.e., in terms of dollar value or number of customers?)**



Total responses 47

International export activity

QB9 **If you expect international export activity to grow, what factors do you think will drive this success?**

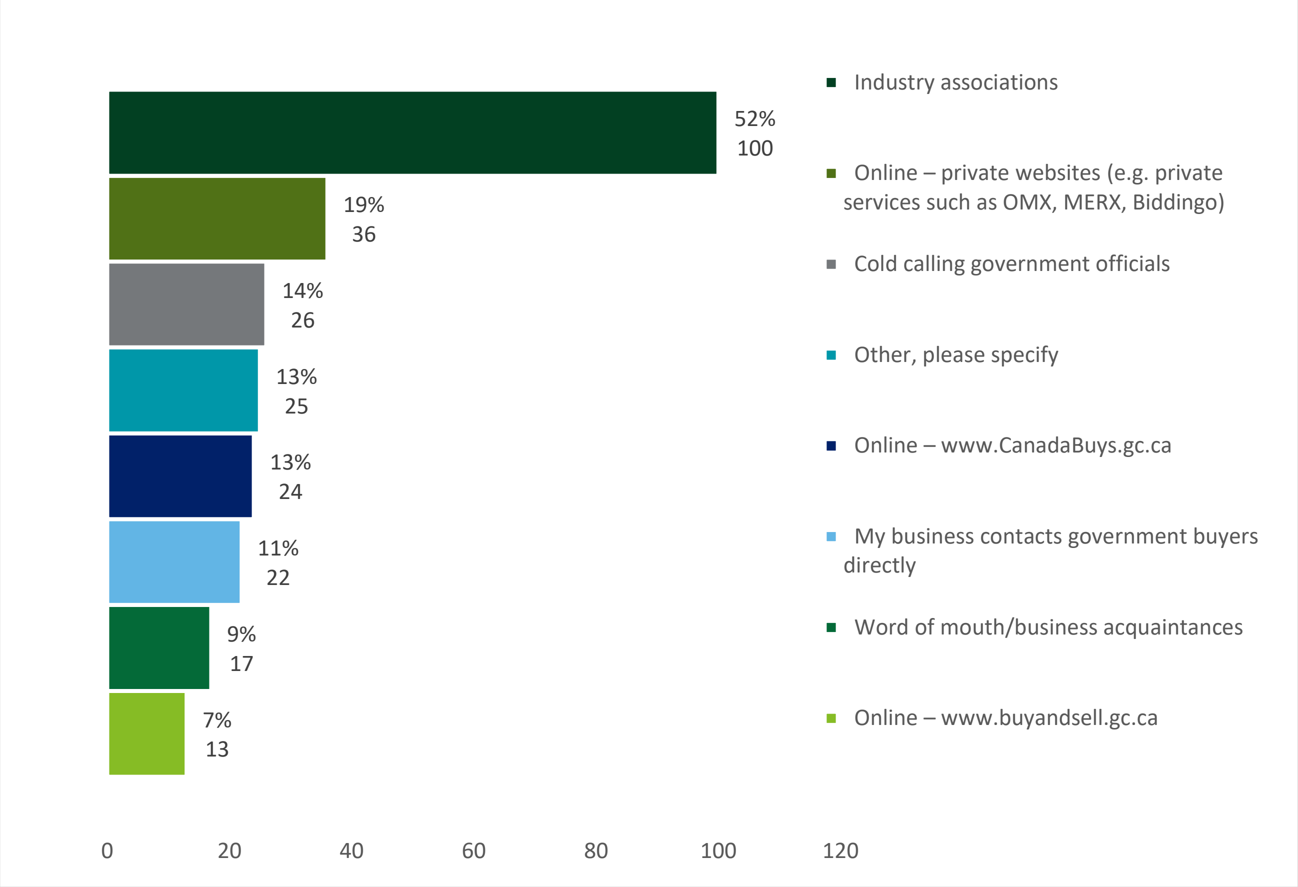


QB9 has 7 sub questions, and the above response count is for all the questions summed up

Total responses 63

Federal procurement

QB12 **Typically, how do you become aware of federal government procurement opportunities for your business?**

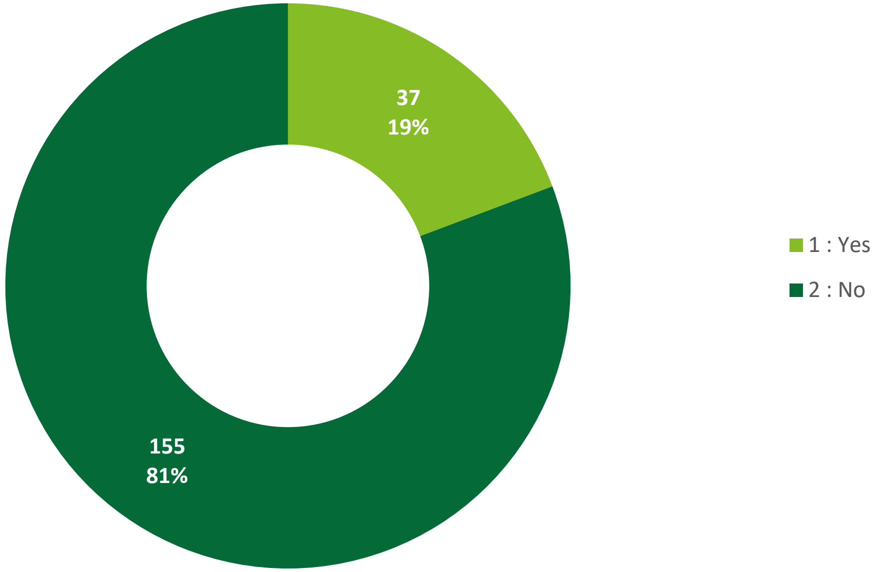


QB12 has 8 sub questions, and the above response count is for all the questions summed up

Total responses 192

Federal procurement

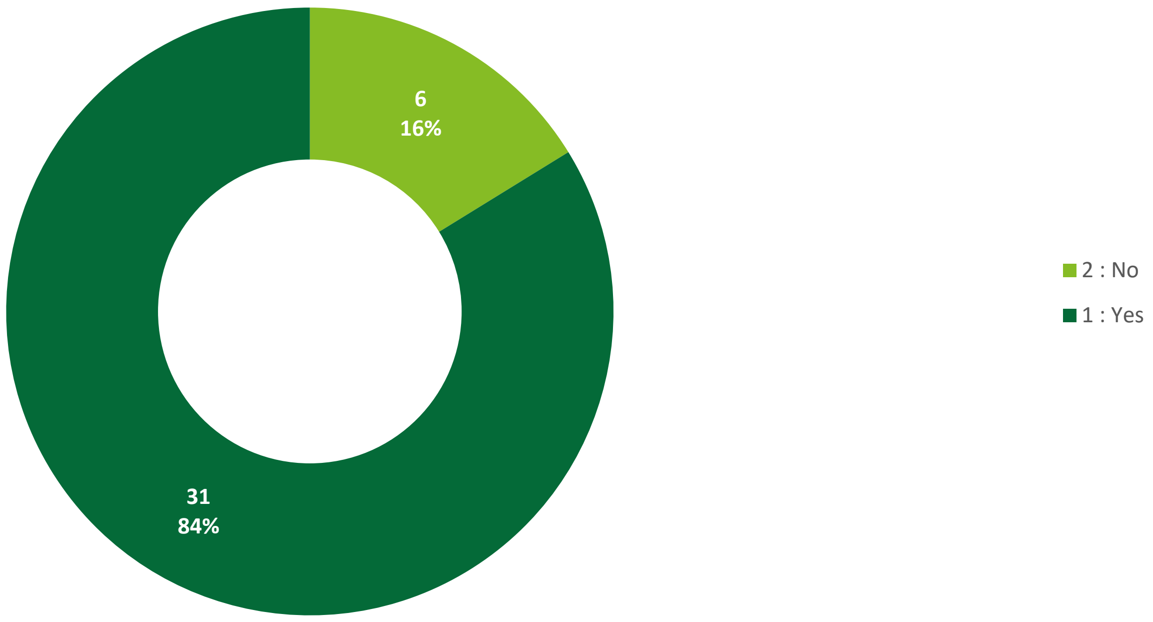
QB13 **Has your business ever bid on a federal government tender?**



Total responses 192

Government procurement

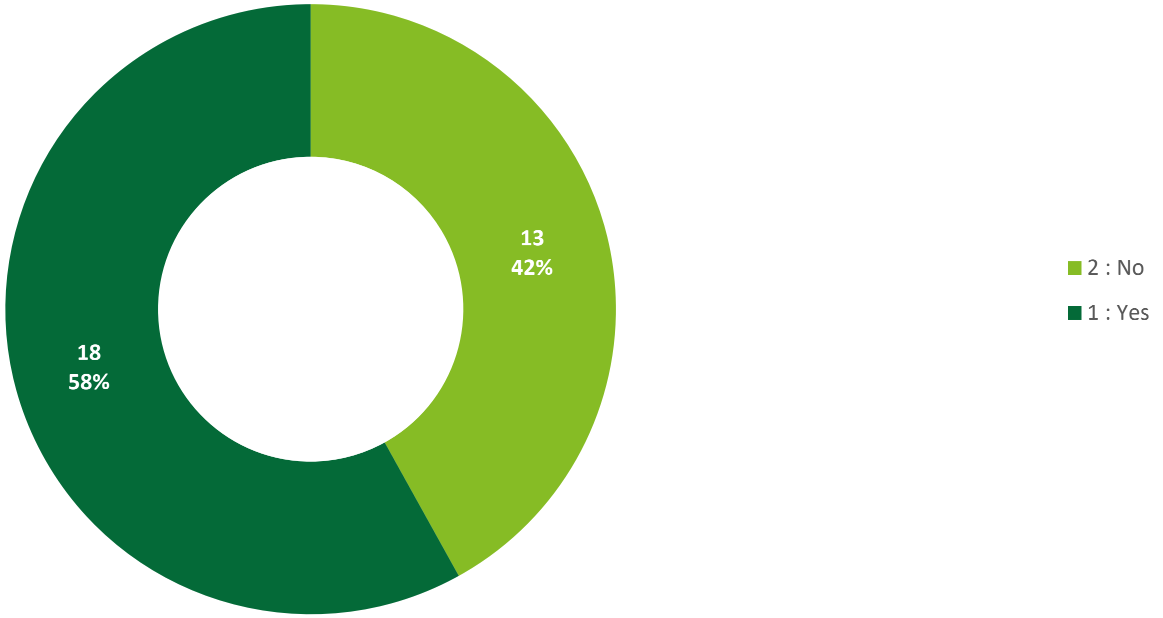
QB14 **Did your business bid on a federal government tender in 2019 or 2020?**



Total responses 37

Federal procurement

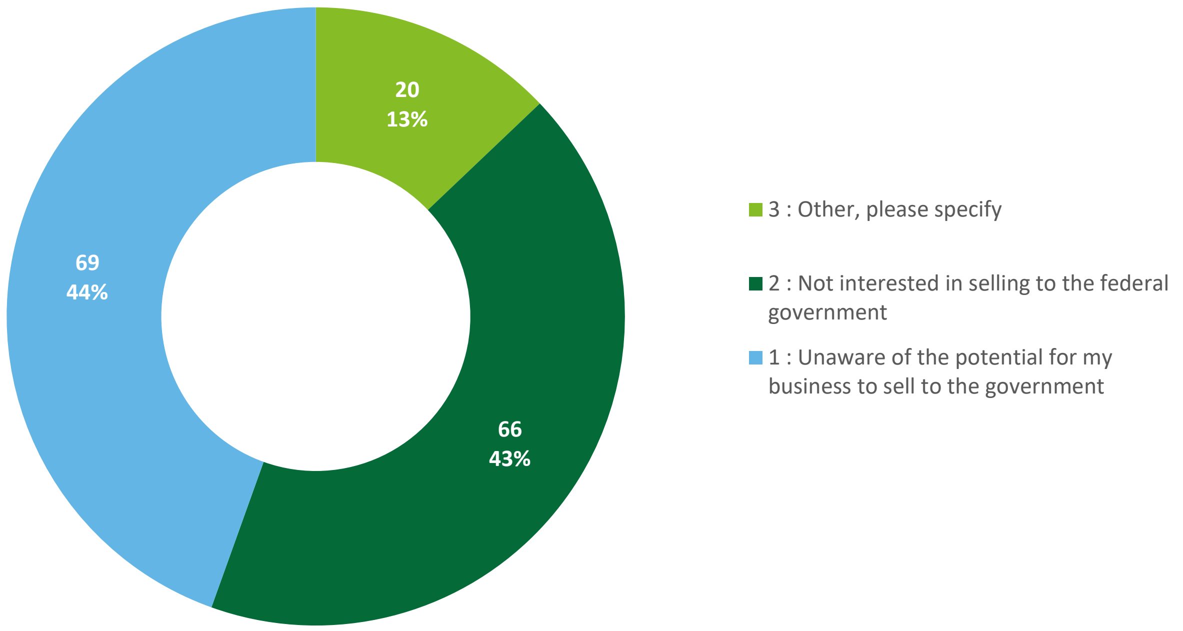
QB15 **Was your business awarded a contract with the federal government in 2019 or 2020?**



Total responses 31

Federal procurement

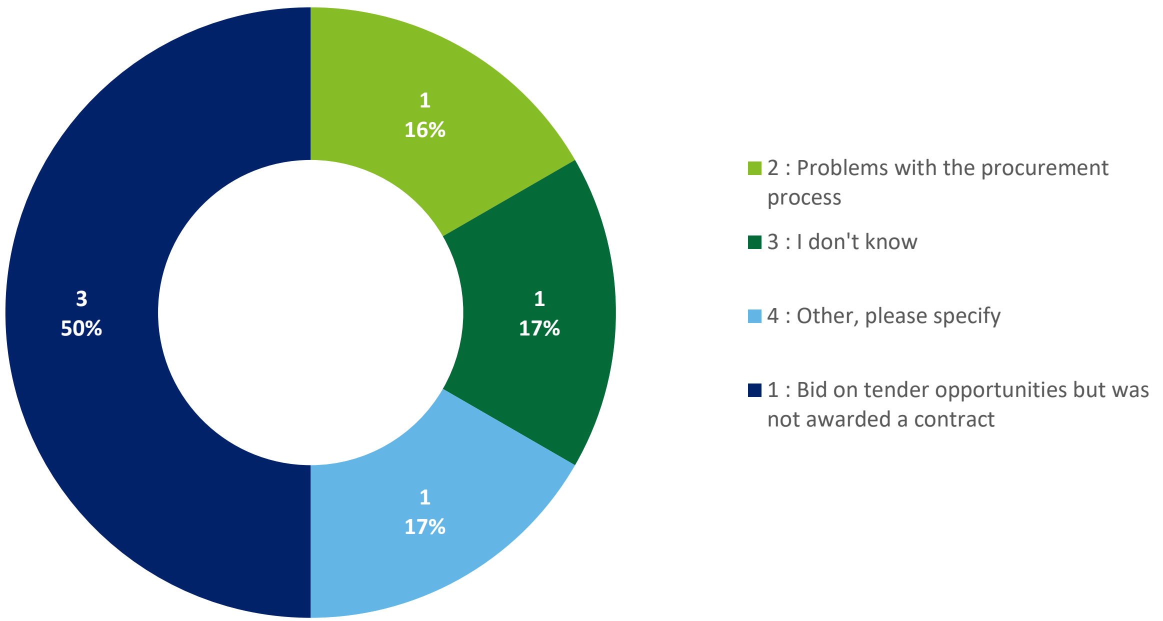
QB16 **If you have not bid on a federal government tender, please indicate the main reason.**



Total responses 155

Federal procurement

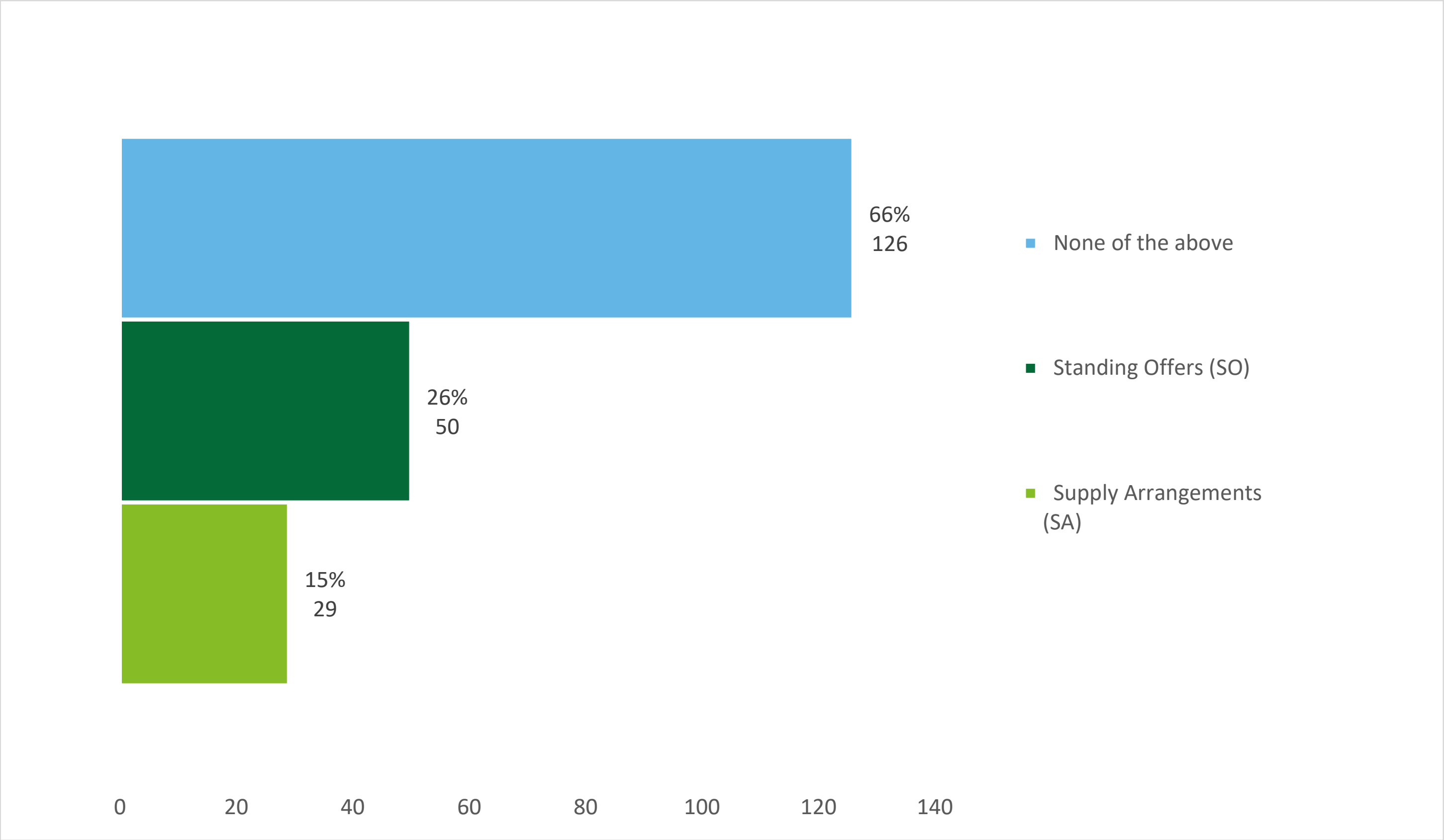
QB17 **If you have never been awarded a federal government contract, please indicate the main reason.**



Total responses 6

Federal procurement

QB18 **Are you aware of/familiar with any of the following federal government methods of supply?**



QB18 has 3 sub questions, and the above response count is for all the questions summed up

Total responses 192

Deloitte.