



VISIBLE MINORITIES IN CANADA'S ENTREPRENEURIAL LANDSCAPE

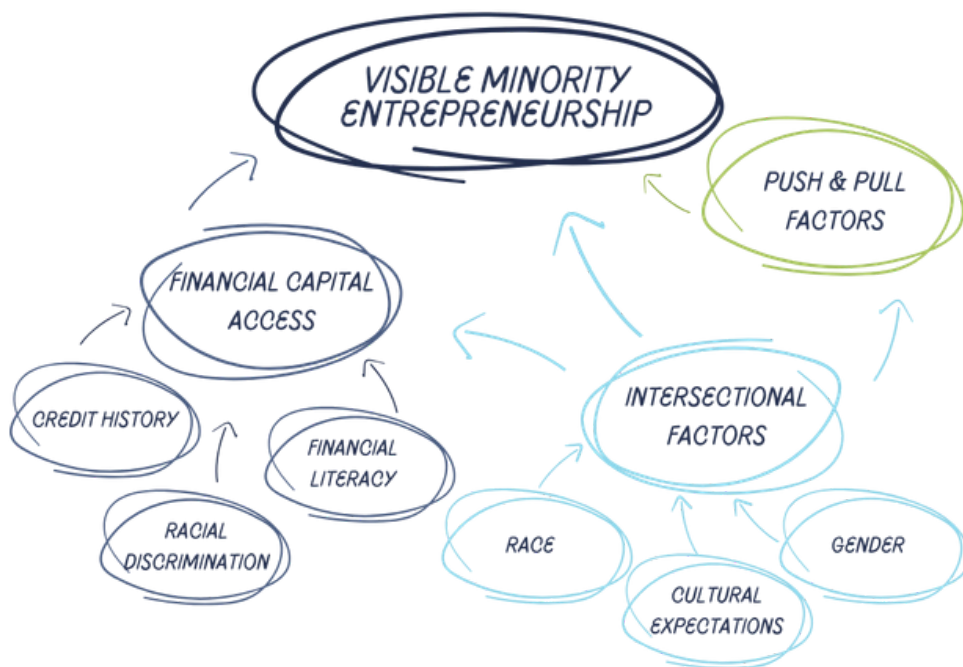
Research Brief

WHAT THIS RESEARCH IS ABOUT

Entrepreneurship is a key driver of economic growth. It creates new jobs, fosters innovation, and opens up new avenues for financial transactions. Visible minority entrepreneurs are an important part of Canada's socio-economic development. Visible minorities account for 26.5% of the Canadian population (Statistics Canada, 2023), and this number is expected to grow. As this population expands, the number of visible minority entrepreneurs also increases (Akbar & Preston, 2023; Dana & Vorobeva, 2021).

Despite their many contributions, visible minorities face persistent structural and systemic barriers. These barriers include limited access to capital, market networks, and mentorship (Lo & Teixeira, 2015; Zubair & Brzozowski, 2018). Labour market discrimination and systemic barriers have pushed many into entrepreneurship. In other words, marginalized groups are more likely to become entrepreneurs out of necessity than passion.

Existing research highlights the contributions and challenges of visible minority entrepreneurs. However, their experiences are not well understood. Comprehensive research is needed to understand how entrepreneurship functions as a pathway to economic success. Gaps in research also reflect broader systemic inequalities in Canada.



WHAT YOU NEED TO KNOW

Visible minority entrepreneurs in Canada—especially those from Chinese, South Asian, and Black communities—are an important and growing group. Employment barriers, including discrimination and limited job opportunities, push them into starting their own businesses. They experience additional challenges as entrepreneurs, such as accessing loans. Research shows that many initially rely on support from family and community, but that long-term success depends on broader business connections and access to mainstream opportunities. Women visible minority entrepreneurs often face added cultural and family pressures. To better support visible minority entrepreneurs, governments and organizations can improve access to funding, support inclusive business networks, and address systemic barriers related to race and gender.

WHAT THE RESEARCHERS DID



The researchers wanted to learn more about visible minority entrepreneurship (VME) in Canada. They examined Canadian entrepreneurship research to answer two main questions:

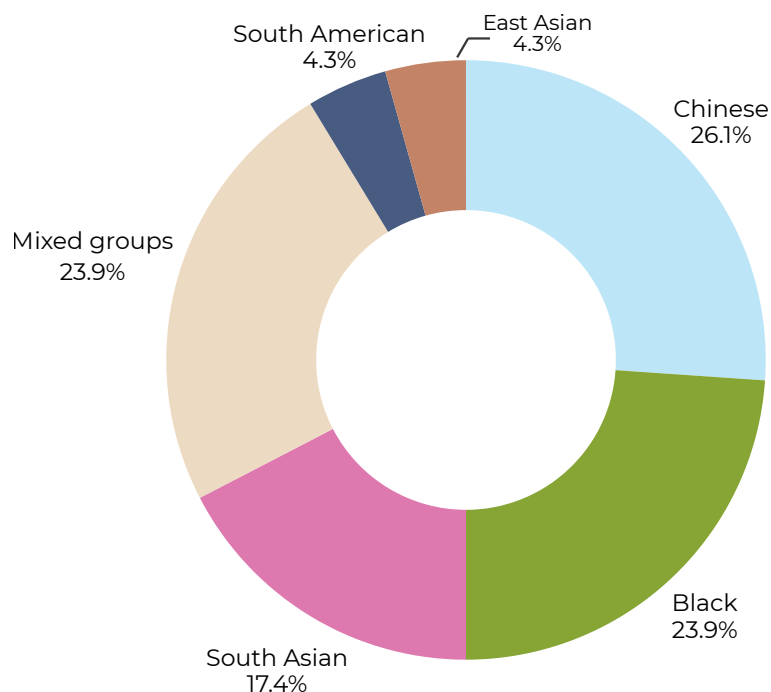
- 1. What does existing literature on Canadian entrepreneurship tell us about the worldviews, experiences, and contributions of visible minorities?**
- 2. How can this scoping review shape further research, policy, and practice in the field?**

They used an intersectional approach to examine how race, gender, education, economic status, and culture shape entrepreneurial experiences and outcomes. They reviewed English-language articles published between 1985 and 2023 to cover old and new trends. The team, including a lead investigator, scientific librarians, and research assistants, followed Arksey & O'Malley's (2005) five stage framework for scoping reviews. Of the 4848 articles, 46 met the study criteria and were analyzed. This study identified important patterns, challenges, and opportunities for creating inclusive entrepreneurial ecosystems. It also highlighted gaps in the current literature.



41% of reviewed articles were published after 2020.

Distribution of Visible Minority Groups by Articles



LOOKING MORE CLOSELY



Visible minority entrepreneurs are a dynamic and growing part of Canada's economy. They create jobs and drive innovation. Yet, persistent, structural, and systemic barriers shape their experiences. Gender and social challenges, discrimination, and financial barriers impact the growth, pathways, and sustainability of their ventures. Addressing these barriers is essential for fostering equitable and inclusive economic development in Canada.

Visible minorities represent **26.5%** of the Canadian population.

Entrepreneurial Drivers

Both “push” and “pull” factors, which are closely linked to labour, shape VME. Push factors *push* visible minorities into entrepreneurship as a survival strategy. Often rooted in systemic barriers, push factors can lead to economic self-determination. Alternatively, *pull* factors reflect a proactive, empowered choice of entrepreneurship. Pull factors include the desire for independence, market opportunities, and leveraging ethnic networks.

15.7% of all private-sector businesses were majority owned by visible minorities.

Access to Financing

Limited access to financing remains a common obstacle affecting business growth and sustainability. Barriers include racial discrimination, credit history, financial literacy, and a lack of awareness of funding opportunities. Many entrepreneurs, especially Black entrepreneurs, rely on “bootstrapping”, personal funds, family support, or informal financing methods.

71% Black entrepreneurs' start-up capital is from “Bootstrapping”.

Transnational Entrepreneurship

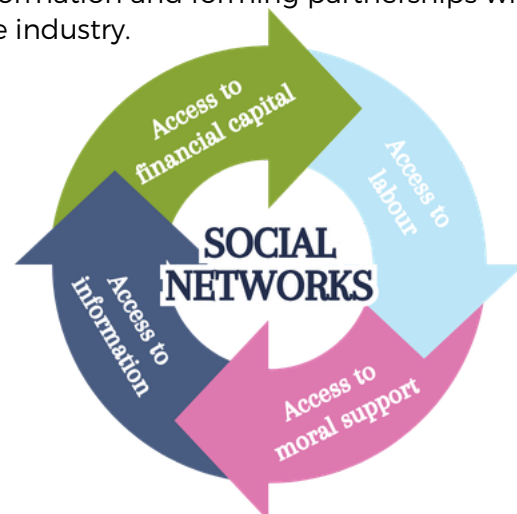
This emerging trend can enhance immigrant entrepreneurship and foster bilateral relations. As immigrant communities grow, the demand for culturally specific products rises. This creates a dual opportunity for visible minority entrepreneurs. While supporting economic development in both countries, they maintain strong ties to their cultural heritage.

Gendered Barriers

Women from visible minority groups encounter multiple barriers. These barriers include family expectations, restrictive community norms, and limited access to leadership opportunities. These challenges further constrain their ability to become entrepreneurs and to scale or sustain their business.

Role of Social Networks

Family and community-based social networks provide crucial initial start-up capital and support. However, long-term business success requires expanding to wider markets, professional networks, and mainstream business resources. These connections are crucial for accessing vital information and forming partnerships within the industry.



KEY POINTS

Addressing visible minority entrepreneurship in Canada requires comprehensive, sustained, and equity-focused approaches. Systemic barriers and access to resources must be tackled. Approaches need to reflect the diverse, intersectional realities of VME.

Complex Entrepreneurial Motivations

The motivations behind entrepreneurship are complex, driven by both necessity and opportunity. They are often shaped by a combination of structural and personal factors rather than a single cause.

Systemic Barriers

Structural inequities significantly affect visible minority entrepreneurs, especially newcomers, limiting access to employment, networks, and resources.

Network Limitations

Family and ethnic networks serve as critical support systems, but often fall short when it comes to expanding businesses or accessing wider market opportunities.

ACTION ITEMS

Address Systemic Barriers

Reform policies and programs to reduce structural inequities and ensure equitable access to resources.

Expand Networks and Mentorship

Connect visible minority entrepreneurs to investors, mentors, and business networks beyond ethnic communities to enable market growth.

Prioritize Evidence-Based Research

Capture diverse experiences of visible minority entrepreneurs across regions to inform policy, programming, and resource allocation.

Policy Gaps

Policy initiatives such as the Black Entrepreneurship Program (BEP) and Racialized and Indigenous Supports for Entrepreneurs (RAISE) are important steps forward, but do not yet meet the scale or complexity of the need.

Financial Literacy Gaps

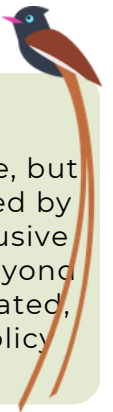
Newcomers face challenges navigating credit systems vital to business financing and growth.

Under-explored Opportunities

Cross-border entrepreneurship is an important growth strategy, but is not adequately supported by current policies.

KEY TAKEAWAY:

Visible minority entrepreneurs are essential to Canada's economic future, but their full potential remains constrained by systemic inequalities. Advancing inclusive entrepreneurship requires moving beyond fragmented supports toward coordinated, evidence-based, and equity-driven policy action.



Enhance Financial Literacy

Develop targeted programs that integrate personal and business finance for visible minority entrepreneurs, with attention to newcomers' needs.

Promote Market and Cross-Border Access

Support entrepreneurs in expanding beyond local ethnic enclaves and navigating international business opportunities.

Strengthen Community-Based Support

Build capacity within local organizations to deliver holistic, culturally responsive wrap-around services.

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SOURCE

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ABOUT PRAN

PRAN is a partnership of universities, community-based organizations, and government organizations interested in the experiences of Sub-Saharan African immigrants and refugees (SSAIs) in Canada. PRAN members are posing new questions and approaches grounded in non-Western ways of knowing to develop valuable evidence-based resources to support SSAIs to thrive in Canada. PRAN is co-funded provided by SSHRC & PRAN partners. www.pran-network.ca

