



# Environmental Scan on Entrepreneurs with Disabilities

## Executive Summary

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## EXECUTIVE SUMMARY

The following executive summary outlines the findings from the Environmental Scan on Entrepreneurs with Disabilities research project. This project aimed to fill a knowledge gap on the experiences of people with disabilities with respect to pursuing self-employment income or entrepreneurial opportunities. It was conducted in support of advancing the Government of Canada's Employment Strategy for Canadians with Disabilities and Disability Inclusion Action Plan, as well as the implementation of the Opportunities Fund for Persons with Disabilities. The project included an environmental scan of academic and grey literature and interviews with several representatives of programs that support entrepreneurs with disabilities. It drew on both Canadian and international studies and applied a Gender-based Analysis Plus (or intersectional) lens to capture the intersections between disabilities, gender, and race.

## OVERVIEW OF ENTREPRENEURSHIP IN CANADA

Overall, there is limited data available on entrepreneurs with disabilities both in Canada and internationally. Few research studies have been conducted that provide systematic evaluative evidence on issues related to entrepreneurs with disabilities and fewer still apply an intersectional lens to capture how disability intersects with other social identities (e.g., race, gender, age, and other sociodemographic characteristics) and disability type and severity. This is particularly true for research that aims to understand the strengths and weaknesses of the different types of supports for entrepreneurs with disabilities in Canada.

Entrepreneurship is extremely important for Canadian economic growth and employment. In 2019, the Business Development Bank of Canada reported more than 1.1 million small and medium-sized enterprises (SMEs) in Canada. SMEs form the backbone of entrepreneurial activity across the country. In 2019, SMEs accounted for 90 per cent of all private sector jobs, employing 10.7 million Canadians and contributing roughly \$1 trillion to Canada's gross domestic product.

Since 2014, entrepreneurship has experienced a resurgence in Canada among newcomers, women, youth between the ages of 18 and 34, and older adults over the age of 55. Despite an increasingly diverse entrepreneurial landscape, there are persistent and intersecting systemic

barriers to entrepreneurship for marginalized groups (e.g., people with disabilities, BIPOC<sup>1</sup> individuals, women, LGBTQ2S+<sup>2</sup>).

According to the 2017 Canadian Survey on Disability (CSD), 8.6 per cent of people with disabilities were self-employed in 2016 compared with 11.1 per cent of people without disabilities. This contrasts slightly with evidence in the United States and in Europe, where many studies in the literature indicate that self-employment/entrepreneurship rates among people with disabilities are much higher than among those without disabilities. Overall, start-up efforts by people with disabilities are less likely to succeed than those without disabilities and entrepreneurs with disabilities generally earn less income on average than people with disabilities who work in the labour market.

While the COVID-19 pandemic has had a large and disproportionate impact on businesses owned by underrepresented groups, including people with disabilities, the subsequent changes to labour markets and business norms have also created novel market opportunities for entrepreneurs with disabilities through the increased availability and prevalence of remote work.

## MOTIVATIONS, BARRIERS, AND ENABLERS TO ENTREPRENEURSHIP

The motivations and decisions of people with disabilities related to pursuing entrepreneurship are multifaceted and complex, involving individual, social, and economic factors, as well as broader systemic inequities and discrimination. For some people with disabilities, entrepreneurship can be a necessity rather than a choice due to persistent barriers in traditional forms of employment. Researchers often refer to these factors as ‘pull’ and ‘push’, in that they describe how people with disabilities are *pulled* towards entrepreneurship and *pushed* out of the traditional labour market (Darcy et al., 2020).

Individuals’ motivations in pursuing entrepreneurship are diverse and can only truly be understood within the context of the individual who is part of a broader socio-economic system. Further, disability is not a homogenous social category given the wide range and severity of impairments, and therefore entrepreneurs with disabilities have a wide range of capacities and challenges related to operating their businesses.

Key motivating factors that contribute to encouraging people with disabilities to pursue entrepreneurship include: the flexibility and freedom that allows people with disabilities to

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<sup>1</sup> Black, Indigenous and People of Colour.

<sup>2</sup> Lesbian, gay, bisexual, transgender, queer, two-spirit, and additional people who identify as part of sexual and gender diverse communities.

better manage their disability needs and other personal responsibilities; the opportunity for greater financial independence; avoidance of workplace discrimination; personal development and contribution to society.

The barriers and enablers to entrepreneurship for people with disabilities involve three key areas:

- 1. Access to education and information:** People with disabilities typically have lower rates of educational attainment, which impacts their employment prospects as well as entrepreneurial outcomes. As such, several studies recommend the development of education and training resources aimed at helping people with disabilities become entrepreneurs. This includes vocational rehabilitation programs, mentorship, business-planning support, career guidance, and business-related skill development.
- 2. Economic and material resources:** People with disabilities tend to have lower incomes and a greater reliance on income supports and benefits than non-disabled people and have difficulties accessing financial capital to establish their businesses. The inequitable access to business funds is due to discriminatory practices on the part of financial institutions, a lack of financial literacy, poor credit ratings, and a lack of accessible information on funding opportunities. Equally, government disability benefits and supports often add additional complexities to the pursuit of entrepreneurial projects for people with disabilities. For example, benefit programs and income supplements are tied to an individual's earnings and ability to work. While many entrepreneurs with disabilities seek to become financially independent from income assistance programs, these programs nonetheless can help mitigate economic inequities by allowing people with disabilities to continue meeting their basic needs.
- 3. Social networks and supports:** Well-developed social networks are vital for people with disabilities seeking to start a business, which can offer social support and help provide business resources and financing. Entrepreneurs with disabilities do best with access to a combination of informal supports, such as family and friends, and formal networks made up of professionals such as job coaches, business mentors, and personal support workers, who are trained to support their unique disability needs.

It is important to note that the previous types of barriers and enablers are intrinsically entwined with systemic barriers and social categories. The meaning of "choice" is complex in this context and central to entrepreneurship for people with disabilities. Systemic workplace inequities and barriers significantly impact the reasons that people with disabilities pursue entrepreneurship, when the scope of their employment choices is limited. Further, the intersections of race, gender, age, and disability type and severity amplify systemic barriers for entrepreneurs with disabilities and shape every step of their entrepreneurial journeys.

## CONSTRUCTING ENTREPRENEURIAL IDENTITIES AND MARKETS

For many people, entrepreneurship is not only a career path but also a key part of an individual's social identity, tying personal traits and abilities to economic outcomes. Common representations of entrepreneurial identities are rooted in ideas of ableism, whiteness, individualism, and meritocracy. This view places success (and failure) as the responsibility of the individual entrepreneur and ignores the systemic inequities that have a significant impact on success. In this way, entrepreneurship can be both emancipatory and oppressive for people with disabilities, particularly when the 'freedom' of entrepreneurship is tied to ableist ideas of productivity and self-worth.

Entrepreneurs with disabilities present themselves and their disabilities in particular ways to build legitimacy with different types of clients and enter specific markets. Some entrepreneurs may conceal their disability to avoid discrimination and stereotypes, while other entrepreneurs with disabilities may perceive their disability as an opportunity to distinguish themselves and their business. Entrepreneurs with disabilities may also use their own embodied and lived experiences with disability to develop products and services for the disability market (e.g., accessibility consulting, mobility product development, adaptive equipment design).

## SUPPORTING ENTREPRENEURS WITH DISABILITIES

In Canada, several supports and programs aimed at entrepreneurs with disabilities are delivered by federal and provincial governments as well as non-governmental organizations. Through these programs, entrepreneurs with disabilities can access many services including financial support such as income supports, loans, and grants; training, workshops, and educational programs; mentoring services; business planning support; and networking opportunities. No studies were identified that provide evaluative evidence on the efficacy of programs and services available in Canada for entrepreneurs with disabilities.

The review of Canadian and international supports and programs highlighted several best practices, such as providing accessible business-related training and support services, offering adequate financial support and wrap-around services, supporting the development of formal and informal networks, and increasing the visibility of entrepreneurs with disabilities to counter stereotypes.

Actionable best practices for supporting entrepreneurs with disabilities include:

- Supporting participants at every step of their entrepreneurial journey;
- Skills training that recognizes the unique competencies and skills needed by entrepreneurs with disabilities, while also building on strengths;

- Accommodations to effectively participate in all types of services, particularly training;
- Offering financial support for business-related expenses;
- Wrap-around services (e.g., housing, health services, counselling, childcare) to support the overall well-being of participants;
- Supporting entrepreneurs with disabilities to develop their informal and formal networks through mentorship programs, peer-to-peer support groups, and networking events;
- Offering programs and services specifically aimed at people with disabilities who have intersecting identities; and
- Elevating the profile of entrepreneurs with disabilities to increase their visibility and counter stereotypical conceptualizations of entrepreneurship.

The literature review also revealed best practices that are more broad-based and beyond a single intervention, namely:

- Developing policies that promote entrepreneurship while also addressing systemic barriers related to intersecting identities;
- Ensuring that government income supports and services align with goals related to encouraging entrepreneurship;
- Enhancing entrepreneurship-focused education and training opportunities; and
- Developing a community of entrepreneurs with disabilities.

## CONSIDERATIONS FOR FUTURE RESEARCH

The following are considerations for pursuing future research to better understand how to effectively support entrepreneurs with disabilities in Canada.

**Engaging entrepreneurs with disabilities to better understand their needs and what types of supports they find most useful to better align services and programs.**

The research is clear that people with disabilities require and benefit from support throughout all stages of their entrepreneurial journey. Services currently being offered in Canada include financial support, business plan development, skills development, mentorship, training, peer networking, etc. However, it is less clear what types of programs and services are most needed by entrepreneurs with disabilities and why. A research study that pursues a deep understanding

of the types of supports that entrepreneurs with disabilities consider to be most helpful will ensure that services are better aligned with needs.

**Identifying differences in the needs and experiences of entrepreneurs with disabilities based on social identity (e.g., race, gender, age, and other sociodemographic characteristics), and disability type and severity.**

The lack of research on the intersection of social identities and disability type and severity has resulted in an incomplete picture of the diversity of experiences and systemic barriers faced by entrepreneurs with disabilities. This lack of data stems in part from the difficulties in generating findings that can be applied and generalized to the inherently diverse population of people with disabilities. Studies that specifically seek to understand the experiences of entrepreneurs with disabilities based on social identity and disability type and severity are critical for tailoring services based on need.

**Entrepreneurial and business-related skills development that is specifically aimed at entrepreneurs with disabilities – particularly foundational competencies such as defined by Skills for Success.**

Skills development is a particular area of support that was identified in the literature as being important for entrepreneurial success, but that is also not well understood. The skill sets identified in the literature are fairly broad and descriptive in nature and not fully conceptualized. There needs to be more research on the specific types of competencies required by entrepreneurs with disabilities to successfully engage in entrepreneurship and how these may differ from the skills required by non-disabled entrepreneurs. Piloting entrepreneurial support models that combine more formalized skills development (for example, incorporating ESDC's new Skills for Success framework) with promising entrepreneurial initiatives, will help to identify the detailed competencies, knowledge, and skills that people with disabilities need to succeed with their business goals.

**Evaluating the outcomes of existing programs and services to understand what is working well and what could be improved.**

Finally, there are a variety of programs and services across Canada that offer different approaches and types of services that support entrepreneurs with disabilities. However, there is little research evidence on what aspects of these programs are working well for entrepreneurs with disabilities and why. By assessing the outcomes of existing programs and services (such as the Opportunities Fund for Persons with Disabilities), we can better understand the precise factors (program and contextual) that are leading to positive results. Further, by looking more deeply at how program outcomes are experienced by different groups of entrepreneurs with disabilities, we can ensure that services are meeting the needs of all entrepreneurs with disabilities in Canada.

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