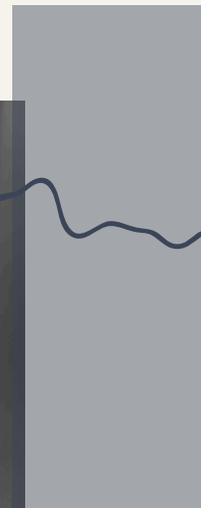
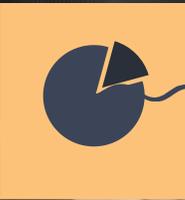




# Understanding Loan Experiences for Women and Non-Binary Entrepreneurs

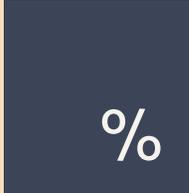
“

\$



”

\$



[ ]



WeBC is funded by Pacific Economic Development Canada.

This study is funded by Women and Gender Equality Canada (WAGE) as part of WeBC's "Fostering Inclusive Economic Growth" project.

# 01

## Executive Summary



***Women and gender-diverse entrepreneurs across British Columbia are fueling innovation, creating jobs, and enriching their communities. Yet, when seeking business loans, they continue to face persistent systemic barriers.***

These challenges are not a reflection of their capability or preparation, but rather the result of unclear lending processes, inflexible criteria, and limited relationship-based support from lenders.

This report shares the results of research conducted between October 2024 and April 2025, which was funded by Women and Gender Equality Canada (WAGE) as part of WeBC’s “Fostering Inclusive Economic Growth” project. To ensure objectivity and remove our own biases, WeBC engaged The Thick Data Company as an independent evaluator.

Drawing on insights from 295 survey respondents, 36 in-depth interviews, and three roundtable discussions with 11 entrepreneurship support organizations, this research explores the full experience of seeking a business loan—from deciding whether to apply, to navigating the process, to facing the outcomes. The voices represented include those who have succeeded, those who were denied, and those who chose not to apply.

295 survey respondents

36 in-depth interviews

3 roundtable discussions

11 entrepreneur support organizations

# Barriers to Accessing Capital

*Before diving into the findings, it's important to recognize that the journey to accessing capital is often shaped by a complex landscape of requirements and perceptions.*

Entrepreneurs report substantial barriers, including complex and inconsistent application processes, unclear loan requirements, unrealistic collateral demands, and perceived biases within lending systems. More than half of respondents completed only one loan application—often their first and only attempt. For many, the complexity and emotional toll of the process led them to disengage from seeking further financing, resulting in lost opportunities for both the entrepreneurs and the broader ecosystem. Those denied loans frequently resort to high-cost alternatives such as credit cards or personal savings, compounding financial risk and delaying critical business growth.

*Many entrepreneurs never apply at all, citing unclear eligibility requirements, concerns about credit implications, and assumptions that their applications would be rejected.*



This is reflected in the data: only 40% of entrepreneurs who applied for business loans were successful in securing one. Entrepreneurs with disabilities face notably lower success rates: just 30% compared to their able-bodied peers at 46%, and single, separated, or divorced entrepreneurs are consistently denied loans more often than dual-income applicants. While racialized individuals in our sample report higher success rates than non-racialized entrepreneurs, the sample size for self-identifying racialized individuals was limited.

**ONLY 40%**

success rate for entrepreneurship loans

**JUST 30%**

success rate for entrepreneurs with disabilities

From the perspective of support organizations, a consistent theme emerged: these providers are filling critical gaps in the system by:

- 1 translating financial language,
- 2 coaching entrepreneurs through the application process,
- 3 and building trust where institutions have fallen short.

Support organizations see measurable impact from their approach and know it works for those they serve. However, they also recognize that expanding this proven approach requires systemic reform and deeper collaboration with funders and policymakers.





# Opportunities and Recommendations

To address these systemic barriers, the report identifies several strategic opportunities:

- 1 Clarify and simplify loan eligibility criteria and application processes
- 2 Expand financial literacy programs tailored to entrepreneurs' specific contexts
- 3 Standardize application documentation requirements across lenders
- 4 Introduce alternative and inclusive credit assessment methods
- 5 Prioritize relationship-based lending models and offer consistent, clear feedback after loan decisions

Relationship-building emerges as a crucial determinant of loan application success with traditional and development lenders. Entrepreneurs who receive proactive, personalized interactions from lending officers report significantly better outcomes and experiences compared to those relying on self-guided research or generic online information.

***By addressing these opportunities, lenders and support organizations can reduce unnecessary friction, increase entrepreneur confidence, and promote a fairer, more inclusive lending environment. Implementing these targeted improvements will unlock broader economic growth, foster resilient entrepreneurship, and better serve BC's diverse entrepreneurial community.***

# Table of Contents

<b>01. Executive Summary</b>	<b>i</b>	<b>04. Research Findings</b>	<b>6</b>
<ul style="list-style-type: none"><li>• Barriers to Accessing Capital</li><li>• Opportunities and Recommendations</li></ul>		<ul style="list-style-type: none"><li>• Why Capital Matters</li><li>• Barriers to Accessing Loans</li><li>• Impacts of Denial or Opting Out</li></ul>	
<b>02. Introduction</b>	<b>1</b>	<b>05. Opportunities for Change</b>	<b>17</b>
<b>03. About the Study</b>	<b>3</b>	<ul style="list-style-type: none"><li>• Awareness and Education</li><li>• Application Design</li><li>• Risk and Assessment</li><li>• Relationship and Recovery</li><li>• Opportunities to Redesign the System</li></ul>	
<ul style="list-style-type: none"><li>• Methodology</li><li>• Survey Respondents</li><li>• Qualitative Interviews with Entrepreneurs</li><li>• Consultations with Entrepreneurship Support Organizations</li><li>• About the Data</li><li>• Helpful Terminology</li></ul>		<b>06. Conclusion</b>	<b>21</b>
		<b>07. Pathway to Inclusive Growth</b>	<b>22</b>



We have prepared this report from Kelowna, the traditional, ancestral, and unceded *tl̓x̌w̌úlaʔx̌w̌* (land) of the syilx people who have resided here since time immemorial. We recognize, honour, and respect the syilx lands upon which we live, work, and play. WeBC is committed to working towards truth and reconciliation by continuing our learning as an organization and team.



VISIT US AT [WE-BC.CA](http://WE-BC.CA)

# 02

## Introduction

Women entrepreneurs in Canada continue to face persistent and well-documented barriers to accessing capital. Although women now account for nearly 18% of small- and medium-sized enterprises (SMEs) with at least one employee, this share has only marginally increased over the past decade and remains significantly below parity with men<sup>[1]</sup>.

Despite this, women-owned businesses consistently demonstrate efficiency and impact. Startups founded by women deliver twice as much per dollar invested than those founded by men<sup>[1]</sup>. The barriers women face are further shaped by the sectors in which they operate. Women-owned businesses tend to be concentrated in service-oriented industries such as retail trade, health care and social assistance, and accommodation and food services. These sectors, while essential to community well-being and economic resilience, are frequently perceived by investors and lenders as lower-margin, less scalable, or less innovative—perceptions that can disadvantage women entrepreneurs regardless of business viability or performance<sup>[2]</sup>.

Women are also significantly less likely to seek financing. When they do apply, they tend to request smaller amounts and are more likely to be rejected<sup>[3]</sup>. Internal data from WeBC confirms this trend: only 17% of respondents in a recent survey had applied for a business loan through a bank, even though many expressed a need for capital to support growth, manage cash flow, or expand operations.

A majority of women report that existing financing products do not meet their needs. According to WeBC's 2021 "The Path Forward" report, 61% of women entrepreneurs stated that current funding options were not a good fit for their business models<sup>[4]</sup>. As a result, many turn to informal sources such as personal savings, friends and family, or credit cards to fund their businesses<sup>3</sup>. This reliance on informal financing reinforces a cycle of under-capitalization, particularly for underrepresented entrepreneurs. For example, crowdfunding models like those facilitated by platforms such as Lendogram have enabled community members to collectively fund businesses overlooked by traditional finance, while wraparound business coaching has significantly improved repayment rates.<sup>[4]</sup>

The misalignment between financial institutions and women-led businesses is compounded by outdated lending criteria that privilege collateral, personal credit, and long financial track records<sup>[5]</sup>. These criteria often work against women, especially those who are racialized, have disabilities, newcomers, or living in rural communities, as their financial histories may reflect systemic barriers, caregiving responsibilities, or prior experiences of financial abuse.

18%

percentage of SME's that are women-owned

2x

return per dollar from women-founded startups compared to men-founded startups

17%

percentage of respondents who applied for a loan through a bank

61%

of women entrepreneurs indicated current funding options were not a good fit for their business models

[1] WEKH. (2023). *The State of Women's Entrepreneurship in Canada 2024*.

[2] Women's Enterprise Organization of Canada. (2022). *Bootstrap or Borrow*.

[3] WeBC. (2021). *The Path Forward: Advancing the Funding Journeys of Women Entrepreneurs*.

[4] WEKH. (2022). *Disrupting Capital Through the Crowd*.

[5] WeBC. (2022). *Closing the Gap: How Lenders Can Improve Access to Capital for Women Entrepreneurs*.



*For example, Indigenous women are starting businesses at twice the rate of the Canadian average; yet, they remain disproportionately underfunded due to jurisdictional gaps and lender risk aversion<sup>[3]</sup>.*

This underfunding is exacerbated by financial systems that do not accommodate the realities of Indigenous entrepreneurs, such as requirements for property-based collateral, which can be inaccessible due to collective land ownership structures on reserve. Additionally, many Indigenous women entrepreneurs report that mainstream financing institutions fail to consider their community-focused definitions of success, further perpetuating exclusion from capital systems<sup>[6]</sup>.

These barriers are not just logistical but psychological. Many women report feeling disheartened or intimidated by the loan application process, especially when they lack trusted relationships with financial institutions<sup>[2]</sup>. Twenty-eight percent of entrepreneurs refrain from applying for loans because they feel they won't qualify<sup>[2]</sup>. Broader socio-cultural barriers contribute to decreased willingness to borrow, and thus self-exclusion, including risk aversion, aversion to borrowed money, and historical institutional biases<sup>[7]</sup>. Confidence gaps, lack of mentorship, and inequitable treatment from lenders all compound these challenges.

Despite these obstacles, collaboration between lenders and entrepreneur-serving organizations has been shown to improve satisfaction and outcomes. Programs that incorporate wraparound support, business advising, and community connections help de-risk loans and build entrepreneurs' confidence<sup>[4]</sup>. Research also shows that capital access outcomes improve when funders actively partner with trusted local intermediaries, such as Black-led organizations, newcomer supports, and incubators—all with established community relationships. These organizations help bridge gaps by reducing cultural and systemic frictions in the lending process, offering mentorship, financial coaching, and help navigating bureaucracy<sup>[5]</sup>.

**Canada has already lost an estimated \$150 billion in economic potential over the past eight years due to the gender gap in entrepreneurship. Closing this gap is not only an equity imperative—it represents a significant opportunity for growth.**

**Innovation, Science and Economic Development Canada (ISED) estimates that achieving gender parity could increase Canada's GDP by more than 6% by 2026, underscoring the transformative impact of unlocking women and non-binary-led enterprise for Canada's innovation economy<sup>[8]</sup>.**

28%

of women entrepreneurs refrain from applying for loans because they feel they won't qualify

\$150B

lost economic potential over the past 8 years due to the gender gap in entrepreneurship

6%

estimated increase to Canada's GDP by achieving gender parity by 2026

[6] WEKH. (2025). See It. Be It.

[7] Community Social Planning Council of Greater Victoria. (2020). Financial Inclusion in the Green Economy.

[8] Canadian Chamber of Commerce Business Data Lab. (2022). Women Entrepreneurs: Canada's Biggest Missed Business Opportunity.

# 03

## About the Study

### Methodology

The findings presented by The Thick Data Company in this report reflect insights from a quantitative survey (n=295) and qualitative interviews (n=36) with women and gender-diverse entrepreneurs across British Columbia. Three group video discussions were also hosted online with representatives from entrepreneurship support organizations (n=11).

### Survey Respondents

WeBC distributed the quantitative survey link to its database, with fieldwork running from October 24, 2024 to December 12, 2024. The survey was offered in English. The survey included 295 women and gender-diverse entrepreneurs across British Columbia.

#### Gender Identity

Women	286
Gender-Diverse	9
n= 295	

#### Region

Lower Mainland / Southwest	47%
Vancouver Island / Coast	27%
Thompson-Okanagan	15%
Kootenay	4%
Northern BC	4%
Prefer Not To Say	3%
n= 74	

#### Age

25-34	11%
35-44	33%
45-54	33%
55-64	16%
65+	6%
Prefer Not To Say	1%
n= 75	

#### Identity Group

Indigenous	9%
Racialized or visible minority	18%
Immigrant	20%
Persons with disabilities	21%
LGBTQIA2S+	9%
Single/divorced/widowed	23%
n= 96	

# Qualitative Interviews with Entrepreneurs

From February to April 2025, 36, 30-minute qualitative webcam/telephone interviews were conducted. To achieve a robust qualitative sample size, a mixed-method recruitment approach was used. Survey respondents who agreed to be re-contacted were invited to participate, and additional participants were recruited through referrals and network outreach to ensure a mix of those who were successful and unsuccessful in securing a business loan.

The thirty-six participants in the qualitative interviews included a mix of women and gender-diverse entrepreneurs with a range of lived experiences. The sample aimed to reflect diversity in loan outcomes (both successful and unsuccessful applicants), and identity where possible. Two interviews were conducted in French and the remainder in English. Not all qualitative participants came from the survey sample, and not all were re-screened for full demographic details.

**36**  
qualitative interviews  
with women and  
gender-diverse  
entrepreneurs

**mixed**  
method recruitment  
approach used



## Consultations with Entrepreneurship Support Organizations

To complement the survey and interview data, three group discussions were held with a total of 13 representatives from 11 organizations that support entrepreneurs across British Columbia. These participants brought a wide range of perspectives, reflecting the varied roles they play in the ecosystem, from direct business lending to culturally and demographically tailored advisory support.

Participants included representatives from:

- 1** **Lenders**, including those offering government-backed and community-based financing options.
- 2** **General business support organizations**, such as local chambers of commerce.
- 3** **Women-focused entrepreneurship organizations** providing mentorship and early-stage guidance.
- 4** **Organizations supporting specific demographic groups**, including Black entrepreneurs, newcomers, and Indigenous business owners.

This diversity was critical to understanding the broader systemic and operational challenges entrepreneurs face.

## About the Data

The value of this data lies in its qualitative depth, the lived experiences shared, and the directional signals it provides for future exploration and intervention.

Due to the relatively small sample size and the absence of weighting to reflect broader demographic proportions, these findings should be interpreted with caution. Results provide indicative insights into common experiences, barriers, and opportunities faced by this entrepreneur group but do not represent statistically generalizable conclusions.

Additionally, responses from subsets of respondents (e.g., received loans, BIPOC, people with disabilities) have even smaller sample sizes, increasing the margin of error and limiting reliable subgroup analysis.

## Helpful Terminology

### Entrepreneurs

Indicates small and medium-sized enterprises (SMEs), business owners, entrepreneurs, and self-employed individuals. In the case of this study, all entrepreneurs identify as women or non-binary, and are located in British Columbia.

### Lenders

An umbrella term referring to any organization that provides business loans including, but not limited to, traditional, alternative, and development lenders.

### Traditional lenders

Banks and credit unions.

### Development lenders

Support organizations such as WeBC, BDC, WEOC, etc.

### Alternative lenders

Include, but are not limited to, specialized or other operators integrated into businesses through point-of-sale solutions, like Shopify.





## Research Findings

### i Why Capital Matters

#### Entrepreneur Context

Access to capital is not a luxury for women and non-binary entrepreneurs, it is an essential resource. It ensures businesses can maintain stability, survive lean periods, and pursue meaningful growth. Entrepreneurs are not seeking capital for their hobby or vanity project. They're building new businesses with sound business plans, or growing existing businesses to meet market needs—in a system that appears, to them, to function in a way that was not designed with them in mind.

This need spans the entrepreneurial journey, from early-stage founders navigating startup costs to seasoned entrepreneurs scaling proven business models. Regardless of tenure or experience, a consistent theme emerges: capital is essential for businesses to reach their full potential.

Periods of high upfront costs—including inventory purchases, vendor payments, payroll, and tenant improvements—frequently occur before revenue is realized. Loans bridge this gap, helping entrepreneurs maintain momentum and retain their valuable team members. Many strive to maintain a cash cushion, but loans offer (in theory) a faster, more flexible way to secure working capital when timing is critical.

“

*My boyfriend is a sole proprietor, a contract freelancer. He's been offered business loans with zero need for it. I've been operating my business successfully, sustained through a COVID pivot, employ a team of 5 people and I'm rejected?”*

“

*My husband gets three times the amount of offers for lending products... they'll give my husband a \$20,000 unsecured line of credit at an interest rate that's half.”*



In this section, we explore:

1

**How entrepreneurs use capital** to stabilize operations and invest strategically.

2

**The consequences of not accessing capital**, including growth delays and reliance on high-cost alternatives.

3

**The systemic importance** of accessible lending in enabling sustainable, inclusive entrepreneurship.

4

**The compounding effects** of barriers to capital access.

This context underscores why barriers to capital access have far-reaching effects, not only for individual businesses, but for the broader contributions to economic growth and GDP.

## How Entrepreneurs Use Capital

### Stabilizing Cash Flow

The most common reason entrepreneurs seek capital is to stabilize cash flow.

This includes:

- Covering payroll for employees
- Purchasing inventory
- Paying vendors on time
- Navigating lean or unpredictable months

Without access to timely funding, small revenue gaps can become existential threats. Entrepreneurs are left to manage income volatility through reactive measures, e.g. using high-interest credit products, delaying payments, reducing hours, or drawing from personal accounts.

## The Consequences of Not Accessing Capital

### Stunted Growth and Instability

Capital is also critical for:

- Scaling operations
- Investing in tenant improvements for leased spaces
- Entering new markets or pivoting business models
- Acquiring other businesses

Many entrepreneurs share stories of missed opportunities—plans they were ready to act on but couldn't pursue due to financing barriers. In some cases, the lack of capital meant abandoning growth plans altogether; in others, it meant turning to suboptimal financing options that created longer-term instability.

# The Systemic Importance of Accessible Lending

For many, capital access is not only about business growth; it's about navigating and correcting for systemic disadvantage. Entrepreneurs from underrepresented groups, including BIPOC, persons with disabilities, immigrant, and single or divorced individuals, are disproportionately impacted by exclusionary financial systems. They may lack traditional measures of wealth, access to informal capital networks, or the credit profiles lenders favour.

When assessed transparently and without bias, business loans can serve as a critical bridge, helping viable businesses with sound products or services achieve sustained success.

One example of how lending systems are evolving is the emergence of alternative lenders like Shopify. Shopify assesses loan-readiness based solely on recent sales data—no applications, documentation, or meetings required. Entrepreneurs using Shopify as their point-of-sale provider are proactively offered capital based on actual sales trends. Those who access this financing report high satisfaction with the ease of access and clarity of repayment terms. Deductions are made automatically between the time of sale and when funds are deposited, removing friction from the process.

This shift toward data-driven, low-friction lending models highlights the potential for more inclusive approaches—especially for entrepreneurs whose business models or identities fall outside traditional lending norms. While alternative lenders are not a universal solution, they demonstrate how rethinking assessment criteria can reduce barriers and expand access to capital.

“

*Why bother? I know I'll get a no. It's just not built for people like me.”*

# The Compounding Effects of Capital Denied

When entrepreneurs are denied access to loans, they're often re-directed or turn to high-interest credit cards, personal lines of credit, or bootstrapping.

These alternatives are:

- More expensive
- Less transparent
- Higher risk over time

The impact is cumulative: debt builds, margins shrink, and financial flexibility disappears. Entrepreneurs may delay paying themselves, postpone long-term investments, or experience burnout from managing ongoing financial stress.

Access to capital shapes a business' ability to adapt, grow, and plan for the future. When it's withheld—whether due to system design, misinterpretation, or unconscious bias—the consequences ripple outward. The effects are felt not only by the entrepreneur, but also by their employees, vendors, and the broader economy.



## ii Barriers to Accessing Loans

*While capital is critical to business success, too many growth-minded entrepreneurs are shut out of accessing it.*

For women and non-binary business owners—especially those navigating structural inequities—the path to a loan is often unclear, inconsistent, or impossibly demanding. The result is a cascade of lost opportunities; growth is stalled, financial risk increases, and trust in the lending system erodes.



This section outlines four major, recurring barriers identified through survey data and in-depth interviews:

- 1 Self-exclusion due to perceived ineligibility
- 2 Friction and confusion in the application process
- 3 Credit and collateral criteria that filter for privilege
- 4 A lack of relationship-based support throughout the process

These barriers are not the result of individual shortcomings; they reflect systems that were not designed with today's entrepreneurs in mind.

“

*“I was okay with providing a guarantee, I’m in a privileged position to be able to do so. I was not okay with being asked for my husband’s tax return.”*

## Barrier 01 The Self-Exclusion Effect

A significant number of entrepreneurs never apply for a loan—not because they don’t need it, but because they assume they won’t qualify.

This phenomenon, often misunderstood as a confidence gap, is more accurately a rational response to opaque and exclusionary systems. Entrepreneurs describe feeling uncertain about whether their business would be seen as “legitimate enough,” whether their personal credit history would disqualify them, or whether the process was even worth attempting.

Common reasons for opting out of loan applications include:

- Lack of clarity on eligibility requirements
- Concern over high interest rates or collateral demands
- Fear that denial would harm their credit or future prospects

This barrier is especially pronounced among:

- Single or divorced women and mothers navigating financial instability or past financial abuse
- Entrepreneurs with no existing relationships at financial institutions
- Neurodivergent entrepreneurs who interpret questions literally and honestly

For many, the decision not to apply is a calculated one, rooted in prior experiences, lack of guidance, and systems that signal they don’t belong.



Support organizations share that peer mentorship and panel events that showcase success stories as well as the stories that normalize application fails and lessons-learned are opportunities for entrepreneurs to better see themselves in the journey of seeking capital.

“

*If my husband applies for a loan, he’s offered \$20K unsecured. I apply for the same thing and I’m asked for his tax return.”*

“

*I’m a self-employed single mom. Because my personal credit is what a loan for my business is based on and I have been self-financing my business and have personal debt of nearly \$80,000 from buying my ex-husband out of our house, my credit use is high. I always pay my bills on time but nobody wants to lend to someone with such a high amount of debt and a single income supporting a household. So my hesitations are mostly about being rejected and having another denied loan application on my credit report.”*

## Barrier 02 The Application Maze

Half of entrepreneurs who completed loan applications submitted only one application, with most submitting between 1-3 applications.

This underscores the significance of the initial application experience. Even for those who do attempt the process, the journey through a loan application can feel overwhelming, inconsistent, and inefficient with most reporting that each application takes several hours. The requirements vary widely across institutions, documentation is often duplicative, and entrepreneurs are expected to tailor business plans and financials for each new lender.

Entrepreneurs spend hours over the course of several weeks compiling materials, only to be denied with no explanation—or worse, redirected toward high-interest alternatives like credit cards. For those without financial training or prior experience, the process often feels like a test they were set up to fail.

The burden of navigation falls entirely on the entrepreneur, with little proactive support from lenders. And when mistakes are made—especially due to literal interpretation or honest responses—denial is swift and feedback is vague.

In some cases, entrepreneurs are only told how to “correct” their answers after being rejected, including advice on how to interpret questions in ways that avoid triggering automatic denials or better frame their financial story. But by then, the damage is done. They’re advised to wait months before reapplying, despite having a viable business and a willingness to engage.

Major friction points include:

- Time-consuming document preparation
- Lack of required document standardization across lenders
- Unclear instructions or expectations
- Confusing terminology or jargon

“

***“It’s exhausting. Every lender wants things their way, so you’re constantly redoing the same work.”***

“

***“They told me what to do differently—but only after rejecting me.”***

### Opportunities for System Redesign

Based on research and discussions with support organizations, entrepreneurs are calling for a more transparent and standardized lending experience. They want consistent terminology, clearer instructions, and constructive feedback when denied.

Support organizations have identified several opportunities to improve the process:

- Redesign application forms with plain-language explanations, examples, and tooltips
- Create a glossary of loan terms and notes about the intent of questions to help entrepreneurs interpret requirements
- Develop industry-specific guides and training for entrepreneurs seeking loans
- Offer “who does what when” maps of the capital journey
- Provide self-assessment tools, readiness checklists, and coaching on financial storytelling
- Introduce mock applications and “dummy” financial data rooms to build confidence and preparedness

## Barrier 03 Credit and Collateral Bias

---

Traditional credit assessments and collateral requirements remain among the most powerful and exclusionary filters in the lending process.

While intended to mitigate risk, these criteria often disadvantage the very entrepreneurs who need capital most.

Credit challenges are common among:

- Single, separated, or divorced entrepreneurs, who experience lower success rates compared to their dual-income counterparts
- Renters who cannot build credit through housing because rent and utility payments aren't reported to the credit bureaus
- Immigrant entrepreneurs who may face systemic barriers to capital or distrust the lending apparatus
- Entrepreneurs with disabilities, who face lower success rates compared to their able-bodied peers

Even when credit scores are acceptable to lenders, many entrepreneurs are asked to provide personal guarantees or show the cash equivalent of the loan in their account, essentially proving they don't need the money to access it.

Collateral expectations also introduce gender bias. Married entrepreneurs often report being asked for their spouse's financials, even when the business is solely theirs. Some share stories of their businesses being dismissed as "hobbies," despite employing teams and generating significant revenue. In contrast, some women face barriers shaped not by external perceptions, but by personal histories that continue to affect their financial autonomy.

Many immigrant entrepreneurs face additional barriers rooted in their financial backgrounds and lived experiences. Those from cash-based economies may hold negative perceptions of debt, while others from countries with unstable financial or political systems, or unfamiliar with Canadian systems, may lack trust in institutional lenders. Still others come from non-credit-based systems and need targeted support to understand how credit works, build a credit history, and navigate the requirements of Canada's financing landscape.

“

*If I had that money in cash, I wouldn't need a loan, would I? It makes no sense. So, I find ways around to show it.”*

“

*My credit score is still poor from domestic abuse I experienced in my early twenties. I'm still unable to apply for a credit card through my bank. I've since applied for a credit card outside; however it's just not enough improvement to go for a business loan.”*

## Barrier 04 Relationship Gaps

Perhaps the most striking finding is the impact of human connection. Entrepreneurs who have access to a lending officer—someone they could speak to directly, ask questions of, and learn from—report a greater likelihood of reapplying in the future.

When human interaction is available, it can be transformative; yet, for many entrepreneurs, that connection never happens. They describe the process as lonely and confusing, with no one to clarify requirements and no feedback after denial. But not all interactions are positive—entrepreneurs emphasize that for human support to be helpful, it must be respectful, informed, and free from bias.

Though entrepreneurs rate interactions with lending officers as most helpful; relationships with lenders can also introduce interpersonal bias from loan officers who are described as patronizing, condescending and dismissive instead of respectful, balanced, and supportive.

For other tools, online eligibility checklists and independent research are rated least helpful. Webinars and online resources are seen as generic and insufficient. Static eligibility checklists are misunderstood or interpreted honestly and literally. In contrast, a single conversation with a helpful lending officer often made the difference between giving up and trying again.

**Relationship-building is not a bonus—it’s a business imperative. Entrepreneurs view it as a two-way street: lenders should connect with them before lending needs arise. Without relationships, entrepreneurs are lost to the system, and lenders miss the opportunity to serve loyal, growth-oriented clients.**

### Most helpful support:

- Conversations with lending staff
- Clarification of loan terms
- Feedback on denied or partially approved applications

### Least helpful support:

- Reading eligibility criteria on websites
- Doing independent online research
- Asking friends or family

“

*Talking to someone changed everything. But that didn’t happen until after I was denied.”*

“

*I was told: ‘Don’t go there, that lender isn’t for people like us’.”*

### Support Organization Strategies

Support organizations emphasize the importance of creating low-pressure opportunities for entrepreneurs and lenders to connect. These include networking events, lender booths at community gatherings, and warm introductions between support organizations and viable entrepreneurs.

They also recommend expanding access to guidance and support through:

- Office hours outside the standard 9–5
- Co-working sessions for applicants with lender representatives who can answer questions
- Multilingual support and neuro-inclusive formats to meet the needs of diverse entrepreneurs

Support organizations are calling for formal referral protocols, such as warm hand-offs. For example, they propose that each organization commit to introducing entrepreneurs to at least two lender partners—creating a more intentional and supported pathway to capital.

## iii Impacts of Denial or Opting Out

When women and non-binary entrepreneurs are denied loans or feel forced to opt out of the application process entirely, the consequences are immediate, compounding, and far-reaching.

These aren't just missed funding opportunities; they're missed opportunities for growth, stability, and long-term business success.

Loan denial doesn't end the need for capital. It does, however, redirect entrepreneurs to more precarious alternatives. After denial, the most common next steps entrepreneurs report are, turning to high interest credit products, personal accounts, and revenue reinvestment or bootstrapping, followed by grants, and loans from alternative lenders.

“

*I am very averse to debt and have been trying to personally fund my business as much as possible. I'm working out what size of loan would be helpful and want to be intentional about how it would be leveraged to support my business growth before I decide to apply. I'm not sure what the likelihood that I would be approved and/or at what rate.”*

### 1 Turning to High-Cost Alternatives

Denied applicants often turn to credit cards, personal lines of credit, or other high-interest financial products.

These alternatives:

- Come with compounding interest rates that quickly escalate debt
- Reduce available cash flow through high minimum payments
- Increase personal financial risk and stress

Some entrepreneurs also rely on:

- Personal savings or bootstrapping
- Reverse mortgages, particularly among older business owners
- Crowd-funding or borrowing from family and friends

These stopgaps are often unsustainable, leaving businesses exposed and under-resourced.

“

*They wouldn't approve my loan, but they offered me a credit card with a 19% interest rate. Now I'm using that to pay vendors—it's a trap.”*

## 2 Delayed or Abandoned Growth

---

Without access to capital, many entrepreneurs are forced to delay or cancel plans to:

- Expand operations or locations
- Hire or retain staff
- Invest in equipment or tenant improvements
- Launch new products or pursue new markets

Some walk away from growth opportunities entirely, even when their business is well-positioned for success.

“

*“I had to say no to buying out a competitor because I couldn’t get financing in time. That opportunity’s gone now.”*

## 3 Compounding Risk and Burnout

---

Financial strain doesn’t just affect the bottom line; it takes a toll on mental health and personal well-being. Entrepreneurs denied loans often take on additional roles within the business, delay paying themselves, or operate without a safety net.

The result is:

- Increased emotional exhaustion
- Greater financial insecurity
- Heightened vulnerability to unexpected downturns

This burden is especially acute for single entrepreneurs, persons with disabilities, or racialized entrepreneurs who are already navigating systemic disadvantage.

“

*I do everything myself now—inventory, payroll, marketing because I can’t afford to hire. I’m exhausted.”*

## iv

# Missed Opportunities for Lenders and the Ecosystem

When committed entrepreneurs are denied or discouraged from applying:

- 1 Lenders lose potential long-term clients who are loyal and carry low default risk
- 2 Entrepreneur word-of-mouth casts lenders in a negative light; some actively dissuade peers from applying to certain institutions based on past experiences
- 3 Support organizations struggle to refer entrepreneurs to funding pathways that reflect their realities and offer a reasonable chance of success
- 4 Economic growth slows, particularly in communities that rely on small businesses for employment and services

*This isn't just a failure of individual lending decisions—it's a systemic loss. The current system reduces the pool of potential borrowers and reinforces distrust in financial institutions, undermining the broader ecosystem of entrepreneurship and inclusive economic development.*



“

*I changed banks after that experience. I'd rather deal with a lender who sees me as a real business, not a risk.”*

# Opportunities for Change

**Barriers to business loans are not inevitable. They are the result of decisions, assumptions, and systems that can be redesigned. Entrepreneurs are not asking for lower standards or handouts. They are asking for fairness, transparency, and support that meets them where they are.**

Based on survey data and lived experiences, we've identified four key leverage points where small shifts could unlock meaningful improvements in access, cost of capital, entrepreneur well-being and business outcomes.

## 1 Awareness and Education

**GOAL:** Build clarity and confidence before entrepreneurs even apply.

Too many worthy entrepreneurs never submit an application. Not because they can't succeed, but because they don't believe they will. This can be reversed by creating clear, human, and accessible entry points.

“

*If someone had just walked me through it first, I wouldn't have given up.”*

### Opportunities

- 1 Create plain-language, public-facing eligibility guides
- 2 Offer live pre-application Q&As, practice forms, and/or coaching
- 3 Normalize multiple applications and reapplications
- 4 Clarify timelines, reapply windows, and what to expect after a denial

## 2 Application Design

GOAL: Reduce unnecessary friction and cognitive load.

The current process filters for persistence and privilege – not potential. Entrepreneurs waste valuable time tailoring documents and navigating conflicting formats and expectations.

“

*It's not hard because we're unprepared. It's hard because every lender makes it hard in a different way.”*

### Opportunities

- 1 Standardize documentation requests across lenders
- 2 Accept common templates (e.g., profit/loss, business plans)
- 3 Introduce simplified pathways for loans under a set threshold (e.g. <\$25K)
- 4 Provide real examples and annotated application walk-throughs

## 3 Risk and Assessment

GOAL: Measure what matters—and who matters.

Traditional credit and collateral models exclude capable entrepreneurs with non-traditional profiles. Reimagining how risk is assessed opens the door to a broader and more diverse borrower base.

“

*I'm not asking for charity. I'm asking to be evaluated fairly.”*

### Opportunities

- 1 Incorporate alternative indicators (e.g., rent payments, POS sales, utility bills)
- 2 Use character-based or relationship-informed lending models for smaller loans
- 3 Remove spousal financial disclosure unless legally required
- 4 Build bridges between traditional financial institutions, alternative, and development lenders for handoffs

## 4 Relationship and Recovery

GOAL: Make guidance and follow-up the default, not the exception.

A single helpful conversation can mean the difference between a customer gained or a customer lost. Human connection builds trust, improves accuracy, and creates long-term relationships.

### Opportunities

- 1 Ensure every denial includes feedback and next steps
- 2 Implement re-application coaching or check-ins
- 3 Assign points of contact for questions or clarification
- 4 Create a warm handoff system between lenders and support organizations

“

*They only explained what I did wrong after rejecting me. I wish that had come before.”*





# Opportunities to Redesign the System

## Transparent & Standardized Lending

- 1 Make plain-language application forms with explanations, examples and toolkits.
- 2 Create a glossary of loan terms and FAQs.
- 3 Use industry-specific guides and training for seeking loans.
- 4 Offer “who does what, when” journey maps.
- 5 Provide self-assessment tools, readiness checklists and mock applications/financial data rooms.

## Expanded Support & Connection

- 1 Create informal connection points for entrepreneurs and lenders (networking events, lender booths).
  - Expand access to support: Office hours outside 9am–5pm.
  - Co-working sessions for applications with lender reps available to answer questions.
  - Multilingual support and inclusive formats.
- 2 Create a referral system.
- 3 Build networks by introducing entrepreneurs to other lending partners.



# 06

## Conclusion

***The path to capital is not broken for everyone, but it is failing many of the entrepreneurs our economy needs.***

This research has illuminated the structural and procedural barriers that inhibit women and non-binary entrepreneurs from accessing the capital they need to sustain and grow their businesses. These barriers are not merely administrative inconveniences; they are systemic design flaws that exclude qualified, capable entrepreneurs and disproportionately impact those already navigating social, economic, and geographic disadvantages.

Entrepreneurs who were surveyed and interviewed for this study did not lack determination or business acumen. What they lacked was access to a lending system that is transparent, consistent, and responsive to the realities of modern entrepreneurship. The cumulative effect of easily misinterpreted eligibility criteria, inconsistent application processes, and complex risk assessment models is a loss of confidence—not only in the loan process, but in the institutions that uphold it.

The consequences are considerable. Entrepreneurs are pushed toward higher-cost credit alternatives, forced to delay or abandon growth opportunities, and required to carry disproportionate personal financial risk. For lenders, this represents a missed opportunity to build long-term relationships with high-potential clients. For support organizations, it places greater burden on already strained advisory and capacity-building services.

However, this moment also presents a powerful economic opportunity. By removing the barriers outlined in this report—from pre-application clarity and process standardization to modernized credit assessment and post-denial support—lenders and support organizations can unblock the potential in viable entrepreneurs, with viable business models. Doing so would not only strengthen individual businesses but also inject new innovation, jobs, and resilience into the economy.

***Accessible credit for these entrepreneurs is not charity. It is a high-return investment in the growth and competitiveness of our communities.***

## 4 Partner With The Ecosystem

Leverage WeBC and our partners' 30+ years of lending and support for women entrepreneurs as a strategic partner. Strengthen your institution's capacity by collaborating on development lending, skills training, and mentorship—expanding support for women entrepreneurs beyond your core offerings. Gain advisory guidance on strategy, metrics, product design, and client outreach, ensuring your portfolio is both data-driven and sustainable.

## 2 Rally Your Team

Women's entrepreneurship strategies cannot be built—or sustained—in isolation. Bring together decision makers from lending, credit risk, community investment, product, analytics, client experience, marketing and technology to co-design a shared, institution-wide approach.

## 5 Strategy Set Up & Beyond...

A strong women's entrepreneurship portfolio isn't a one-off initiative. It requires long-term commitment in your main corporate strategy. Growth happens through steady, year-over-year refinement: evaluating products, adjusting levers, and expanding reach while staying aligned with your institution's risk comfort. By working closely with WeBC and the women's enterprise ecosystem, you can identify emerging opportunities, strengthen supports beyond your core offerings, and ensure your investments help today's women-owned small businesses become tomorrow's growth engines.

## 3 Uncover Your Blind Spots

Work with the women's entrepreneurship ecosystem to identify what data you need—and don't yet have—to see your full landscape. Use training and insight-gathering to surface biases and systemic barriers before strategy creation, ensuring the portfolio is built on evidence, not assumptions.

## 1 Be A Champion

Anyone, in any role, can spark meaningful change. Step forward as a champion of women entrepreneurs by building your own understanding of the opportunities: learn the data, explore the missed markets, and understand the business case.

With this knowledge, you'll be ready to influence decision-makers—or to lead the charge yourself if you're in a position to do so. Change starts with one informed, committed person who decides to act.





SUPPORTING  
WOMEN ENTREPRENEURS  
IN BC

# Unlocking the Power of Women Entrepreneurs as Economic Drivers

WeBC is a federally funded, not-for-profit development lender committed to increasing women's full participation in British Columbia's economy. For over 30 years, we have supported women entrepreneurs through development loans, skills training, and advisory services designed to build their financial capacity and long-term business success.

As a development lender, WeBC exists to complement—not compete with—mainstream financial institutions. Our role is to prepare women entrepreneurs to become strong, bankable clients by improving their credit readiness, strengthening their business fundamentals, and guiding them through the requirements of traditional financing. Through tailored lending, capacity-building programs, and one-to-one advisory support, we help women reach the point where they can confidently access capital through your institution.

WeBC works in close partnership with financial institutions and other ecosystem lenders to create seamless referral pathways, increase women's access to appropriate capital at each stage of growth, and fuel long-term economic impact across the province. Together with our banking partners, we ensure women entrepreneurs have the knowledge, support, and financial readiness they need to successfully enter and thrive within the Canadian banking system.



Phone

1.800.643.7014



Website

[www.we-bc.ca](http://www.we-bc.ca)



Email

[hello@we-bc.ca](mailto:hello@we-bc.ca)



Connect

[@thewebc](https://www.instagram.com/thewebc)



## WeBC is funded by



Pacific Economic  
Development Canada

Développement économique  
Canada pour le Pacifique



Innovation, Science and  
Economic Development Canada

Innovation, Sciences et  
Développement économique Canada

This study is funded by Women and Gender Equality Canada (WAGE) as part of WeBC's "Fostering Inclusive Economic Growth" project.