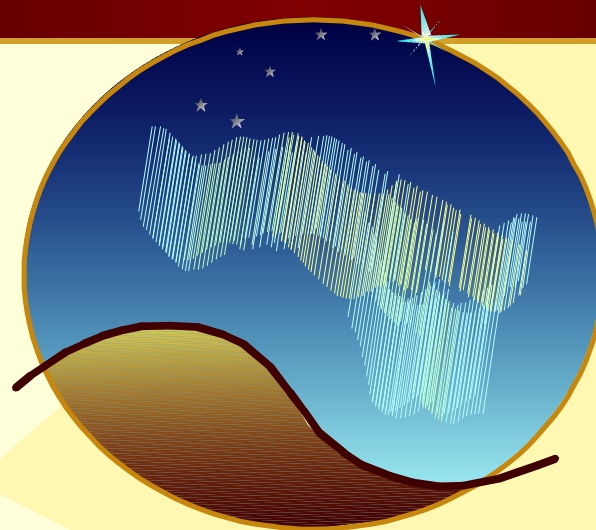


Aboriginal *Entrepreneurs* **in Canada**

Progress & Prospects



This report was prepared by the Micro-Economic Policy Analysis Branch
and Aboriginal Business Canada

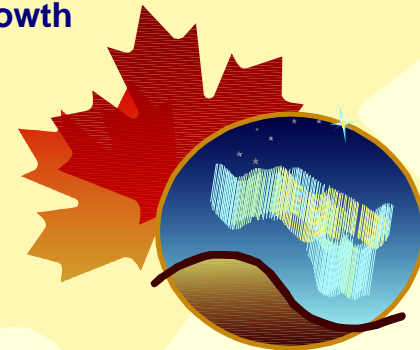
Introduction

Within Canada, a vibrant business sector of privately-owned Aboriginal businesses is emerging. This sector is still relatively small in the overall context of Canadian business — but it is growing. And it holds considerable future promise, as Aboriginal entrepreneurs are youthful and are expanding their horizons — moving into new areas.

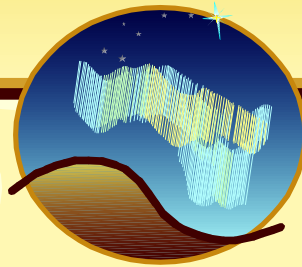
There are now over 20,000 North American Indians, Métis and Inuit in Canada who have their own businesses. Well established in primary and traditional industries, these Aboriginal entrepreneurs are also found increasingly in more knowledge-based endeavours. In many ways, they are leading their own way to a brighter economic future.

But what do we know about these privately-owned Aboriginal businesses and their success factors? And how do Aboriginal businesses compare with Canadian small businesses in general?

These are important questions, because the continuing growth of the Aboriginal business sector will be integral to meeting the future needs of the fast-growing Aboriginal population, while contributing increasingly to the growth and prosperity of the wider Canadian economy.



*The Recent Growth in Aboriginal
Entrepreneurship*



Aboriginal entrepreneurship is rising dramatically...

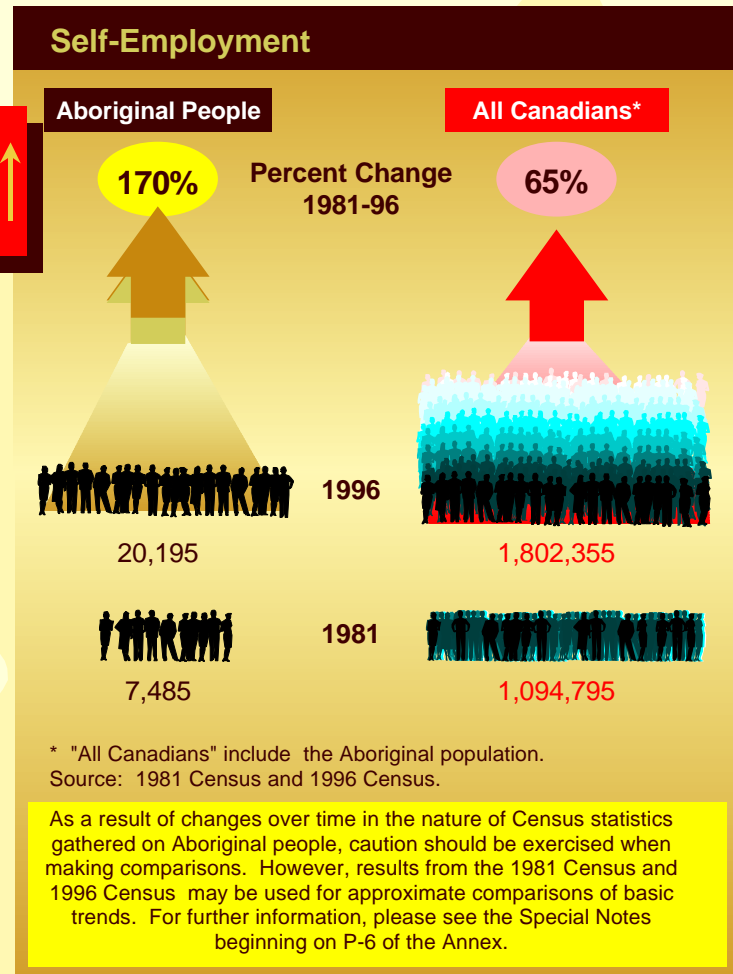
Aboriginal entrepreneurs are playing an increasingly important role in the Canadian economy.

The 1996 Census shows there were more than 20,000 Indians, Métis and Inuit who were self-employed.

- This is a huge increase from 1981 — and while it reflects fast population growth, it also highlights a growing interest by Aboriginal people in pursuing their own businesses.

Between 1981 and 1996, the number of Aboriginal people who were self-employed grew more than 2½ times faster than the national increase in self-employment.

More than 2½ times faster growth ↑



...across industries...

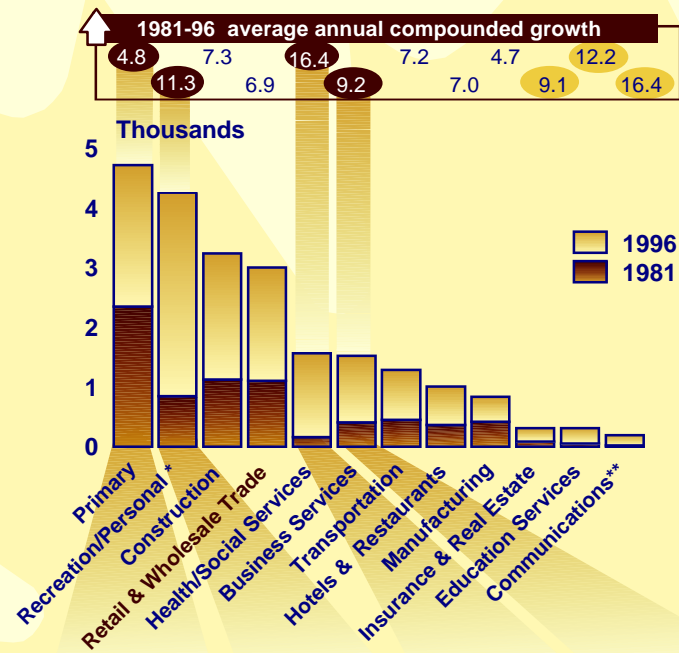
Aboriginal entrepreneurs are active in businesses that span the spectrum — from primary activities to manufacturing and services. They are still most prevalent in "traditional" pursuits, such as fishing and trapping, farming, and the contracting trades (e.g., excavating, plumbing).

However, Aboriginal entrepreneurs are also venturing into "new economy" areas that are highly knowledge-based.

- Indeed, while Aboriginal self-employment in these areas is smaller, it is growing quickest.

Today, Aboriginal entrepreneurs are in virtually every facet of the Canadian economy — including software design, manufacturing, tourism, the arts, health care, engineering and management consulting.

Self-Employed Aboriginal People



- E.g.:**
- Logging
 - Farming
 - Mining

- E.g.:**
- Sound recording
 - Photography
 - Casinos

- E.g.:**
- Personal Care services
 - Ambulance services
 - Clinics

- E.g.:**
- Computer services
 - Management consulting

* Includes amusement, recreation, personal and household services, along with membership organizations and miscellaneous other services.
 ** Includes utilities.

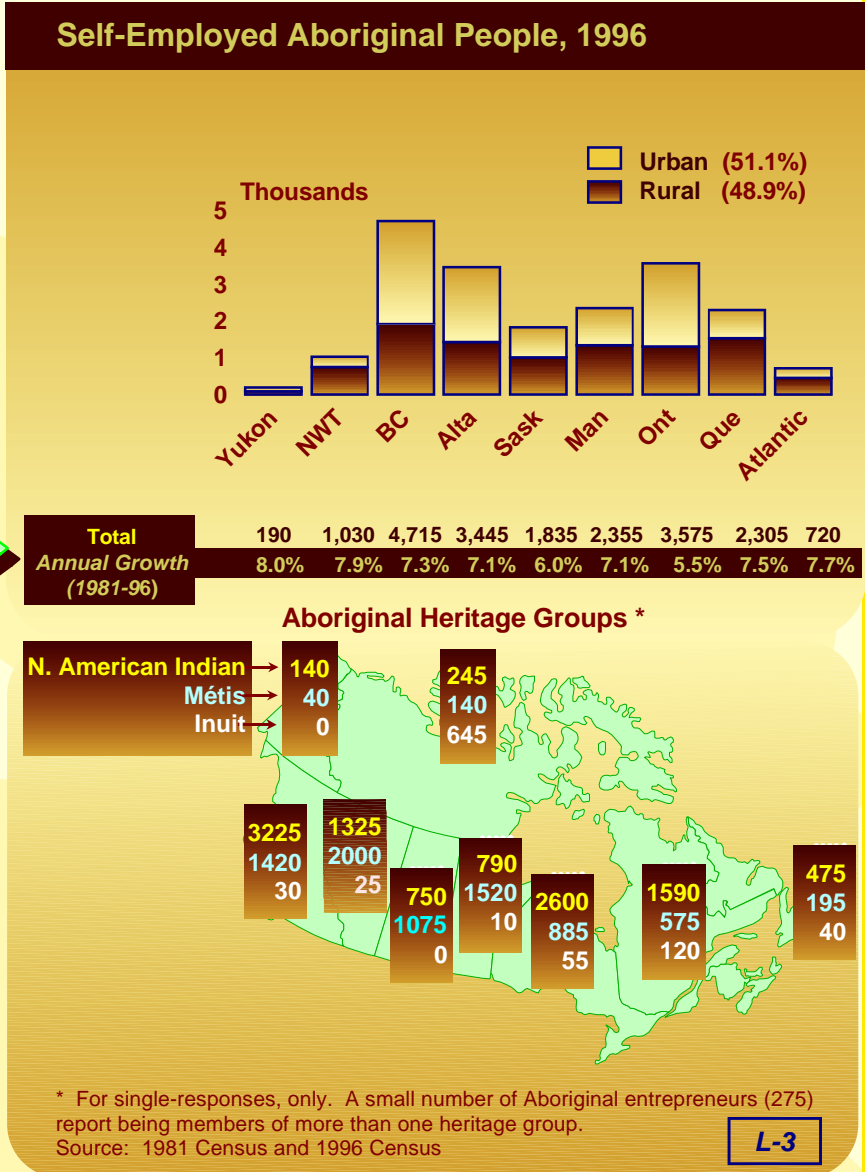
Source: 1981 Census and 1996 Census

...and across Canada...

Aboriginal individuals who are self-employed can be found in every part of Canada — in large urban centres, as well as in rural and very remote locations.

In B.C., Alberta and Ontario, there are more self-employed Aboriginal individuals working in urban areas than in rural locations.

Aboriginal business reflects demographics — about two out of every three Aboriginal firms are west of Ontario, and more than 50% are in urban areas.



...and all Aboriginal heritage groups...

Entrepreneurial activity is growing strongly across all Aboriginal heritage groups.

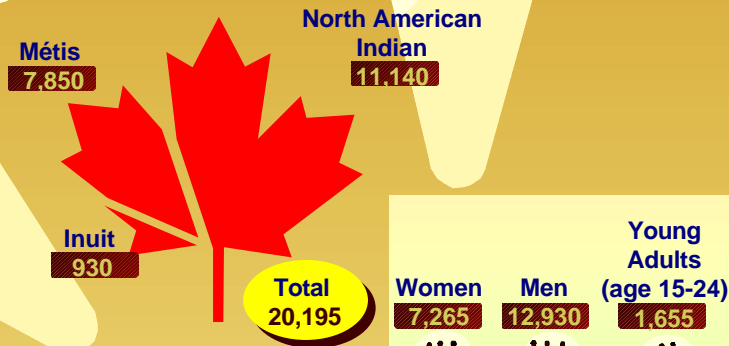
- It is increasing fastest among the Métis.

Women entrepreneurs are showing the quickest growth.

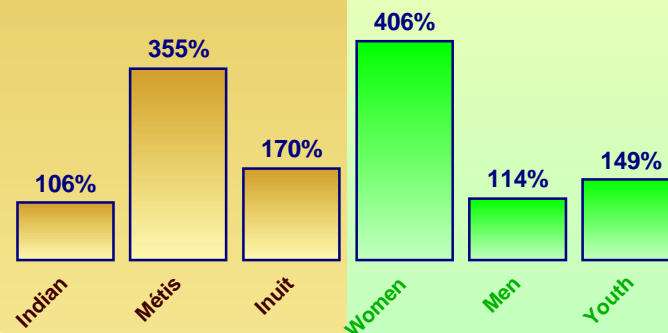
Aboriginal youth, too, are taking part in the rapid rise in self-employment.

Aboriginal groups are diverse — but all share an entrepreneurial spirit that is evident in rising numbers of self-employed.

Self-Employed By Aboriginal Heritage*, 1996



Growth of Self-Employed Aboriginal People, 1981-96



Growth on an average annual basis, 1981-96					
Indian	Métis	Inuit	Women	Men	Youth
4.9%	10.6%	6.8%	11.4%	5.2%	6.3%

* For single-responses, only. A small number of Aboriginal entrepreneurs (275) report being members of more than one heritage group
Source: 1981 Census and 1996 Census

...in the process creating jobs!...

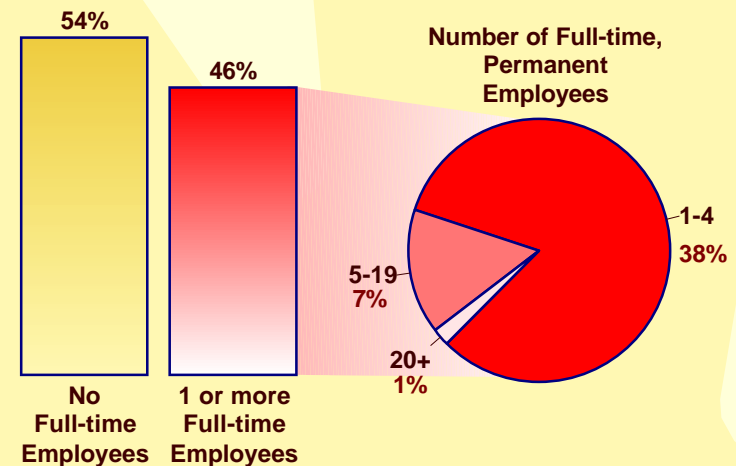
A large proportion of self-employed business owners also employ others — and this contributes further to the overall employment of Aboriginal people as well as other Canadians.

The 1996 Aboriginal Business Survey (conducted for Industry Canada by Statistics Canada) found:

- 46% of Aboriginal businesses hire additional full-time, permanent workers
- As well, 46% hire at least one permanent part-time worker, and 43% hire at least one temporary/casual worker

Not only has the increase in Aboriginal self-employment been substantial, but many of these business-owners also hire additional help.

Business* Employment Structure, 1995
Number of permanent, full-time employees



* Excludes Aboriginal community-based businesses
Source: David Caldwell and Pamela Hunt, "Aboriginal Businesses: Characteristics and Strategies for Growth", Industry Canada Working Paper, No. 24, June 1998. The study is based on results from Statistics Canada's 1996 Aboriginal Business Survey.

...for Aboriginal and non-Aboriginal people, alike

Aboriginal self-employment is rising more than twice as fast as Aboriginal employment, generally.

As well, results from the Aboriginal Business Survey suggest that the 12,710 increase in Aboriginal businesses since 1981 could have generated 48,502 new jobs.

- Of these, 30,444 are Aboriginal jobs (counting the self-employed owners).
- This means 1 in 4 net new Aboriginal jobs can be attributed to the rise in self-employment.
- As well, Aboriginal self-employment results in the employment of other Canadians.

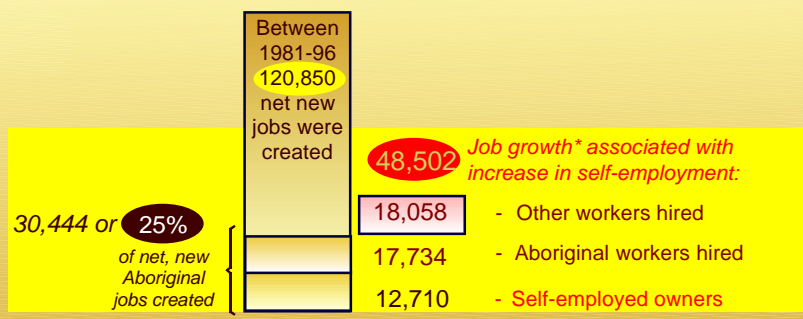
Aboriginal self-employment provides benefits beyond the self-employed figures — creating an even larger number of jobs for both Aboriginal workers and other Canadians.

Growth in Aboriginal Employment, 1981-96



* Includes self-employed plus working for others
Source: 1981 Census and 1996 Census

Net New Aboriginal Jobs,* 1981-96



* Total of permanent full-time and part-time employees, plus temporary and casual workers.
Source: 1981 Census, 1996 Census and Industry Canada calculations based on results from Statistics Canada's 1996 Aboriginal Business Survey.

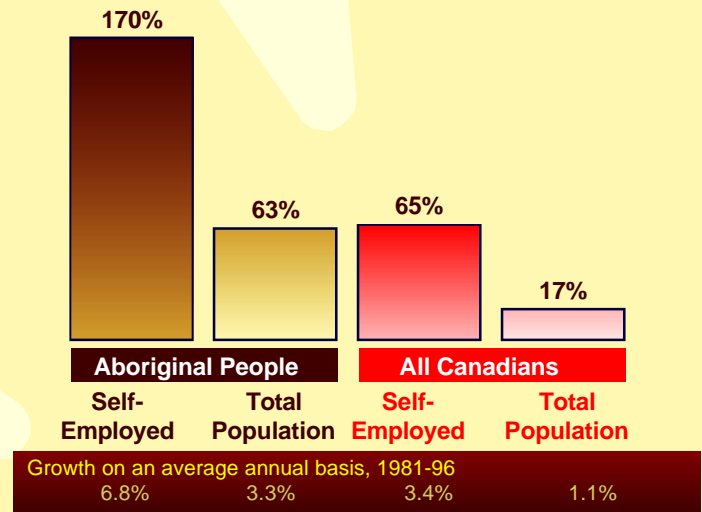
But the Aboriginal population is also rising rapidly...

While self-employment has been rising quickly, the Aboriginal population has also been growing.

Indeed, the Aboriginal population has been growing more than three times faster than that for all Canadians.

The Royal Commission on Aboriginal Peoples forecast that between 1991 and 2016, the Aboriginal population will rise by 52% (compared to 22% for non-Aboriginal Canadians).

Population Growth*, 1981-96



* Most of the rapid growth in the Aboriginal population is accounted for by natural increase, although part is due to Bill C-31 and an expanded definition of Status Indian in 1985, while some is due to more Aboriginal people reporting their heritage.

Source: 1981 Census and 1996 Census.

...especially in the cities...

The Aboriginal population has become markedly more urban.

- Over half (55%) now live in urban settings — and 30% in Canada's major cities.

- Between 1981 and 1996, the Aboriginal population in major cities doubled — from 118,000 to 239,000.

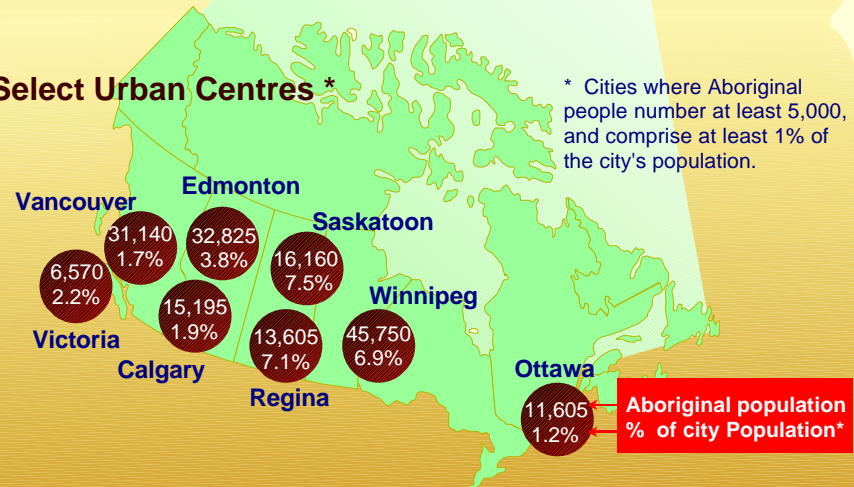
In several prairie cities, Aboriginal people now represent over 5% of the total population.

Winnipeg now has more Aboriginal people than does the entire NWT.

Population Growth, 1981-96



Select Urban Centres *



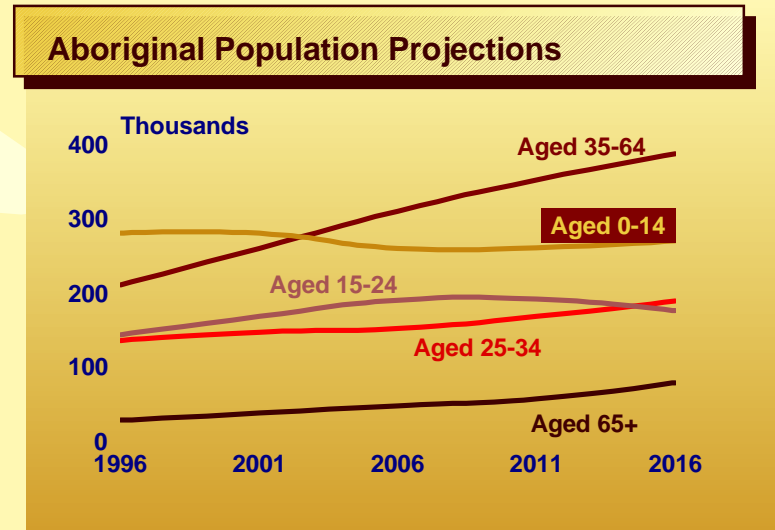
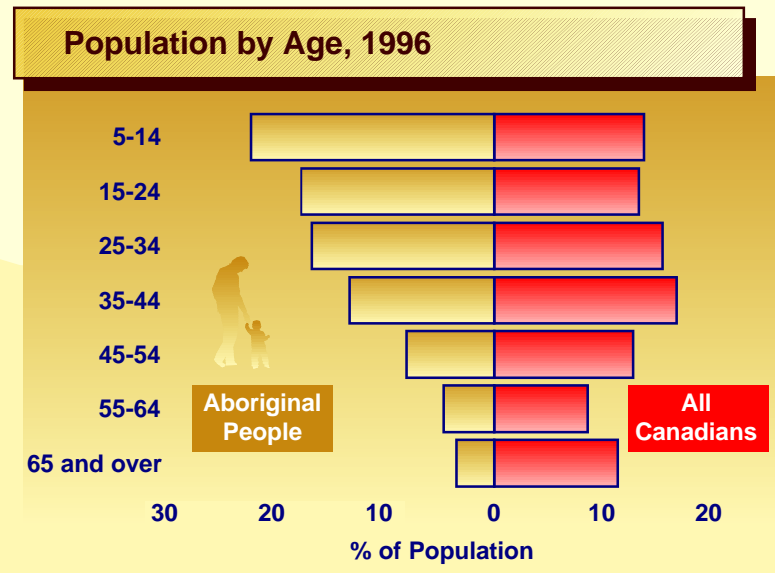
Source: 1981 Census and 1996 Census

...and many are young

The Aboriginal population is overwhelmingly young — about 10 years younger, on average, than the overall Canadian population.

As a result, the Aboriginal working-age population, especially those aged 35-64, will increase dramatically.

Over half of the Aboriginal population is under the age of 25.



Source: 1996 Census for 1996 figures. Projections for 2001 to 2016 from the Royal Commission on Aboriginal Peoples.

Despite fast business growth...

Despite fast business growth, the incidence of business ownership (the proportion of the adult population who are business-owners), remains relatively low.

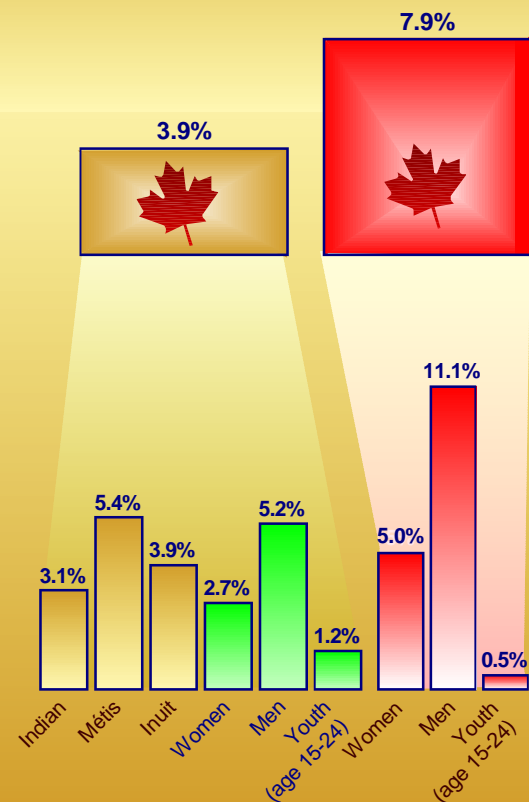
- Only 3.9% of all Aboriginal adults (age 15+) own a business versus the Canadian average of 7.9%.
- However, Aboriginal youth are almost 2 ½ times more likely to be entrepreneurs than Canadian youth in general — and that bodes well for the future.

Although Aboriginal business growth has been quick, Aboriginal business ownership still remains considerably below the national average.

Proportion of Adults who are Self-Employed, 1996

Aboriginal People

All Canadians



Source: 1996 Census

L-10

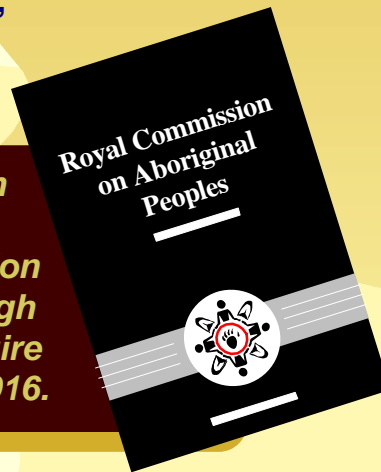
...the need for more Aboriginal businesses is accelerating

The creation of viable business opportunities will be essential:

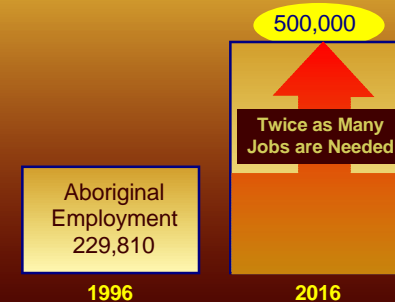
- to the future prosperity of Aboriginal Peoples;
- and for improving the employment prospects especially for the large number of young, Aboriginal job-seekers who will be soon entering the labour market.

The job situation for the Aboriginal population compares unfavourably to that of other Canadians, and while Aboriginal incomes are keeping pace, they still lag far behind overall Canadian incomes.

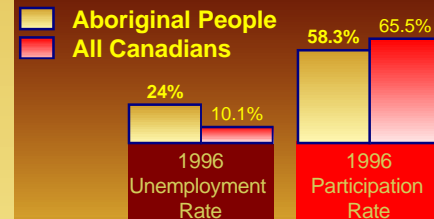
The recent Royal Commission on Aboriginal Peoples reports that continuing fast Aboriginal population growth and the need to address high Aboriginal unemployment will require about 500,000 Aboriginal jobs by 2016.



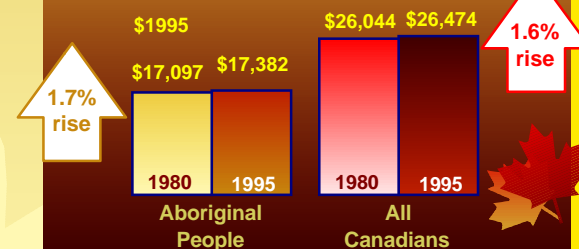
The Need to Create Aboriginal Jobs at a Faster Rate!



Unemployment rates are high... ...participation rates are low...

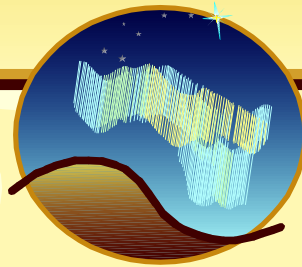


...and average earnings lag



Source: 1981 Census and 1996 Census and 1996 Royal Commission on Aboriginal Peoples

Key Characteristics



In many ways, Aboriginal businesses parallel other Canadian businesses...

Aboriginal businesses are generally similar to other Canadian businesses, in that they are mostly small.

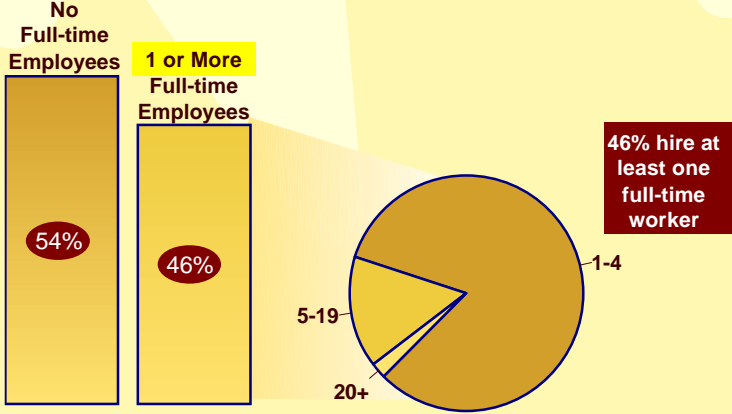
A somewhat larger proportion of Aboriginal businesses employs others.

However, there are relatively fewer large Aboriginal firms employing at least 20 workers.

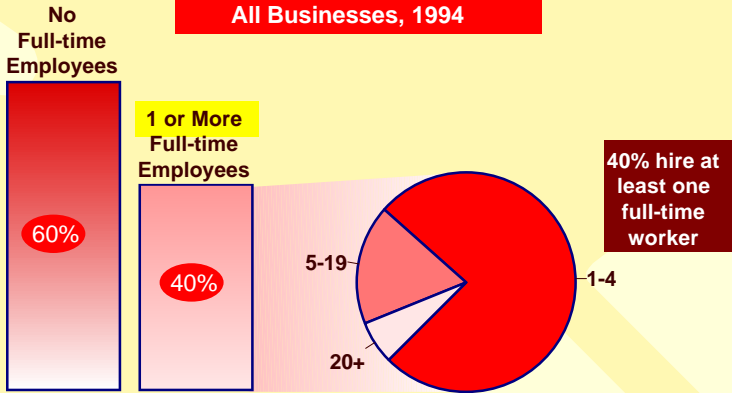
Aboriginal firms are not markedly smaller than Canadian firms in general. In fact, Aboriginal businesses have a higher tendency to be more than single-person operations.

Business Employment Structure
Number of permanent, full-time employees

Aboriginal Businesses*, 1995



All Businesses, 1994



* Excludes Aboriginal community-based businesses
Source: General small business data is obtained from Industry Canada's Entrepreneurship and Small Business Office. Aboriginal business data taken from Statistics Canada's 1996 Aboriginal Business Survey.

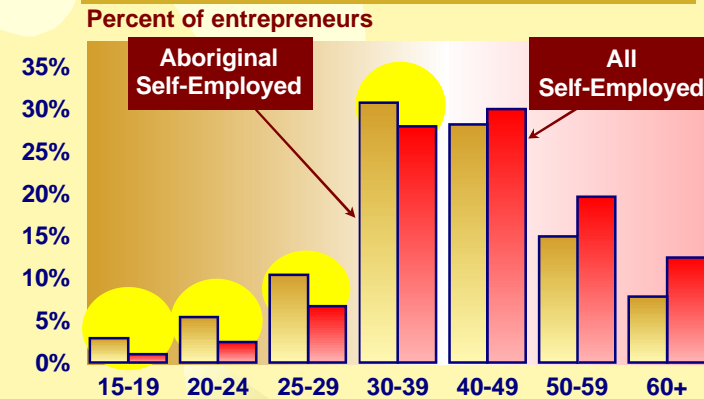
...although more Aboriginal businesses are run by young entrepreneurs...

Aboriginal entrepreneurs under 30 years of age make up almost 19% of all Aboriginal self-employed — nearly double the 10% for Canadians in general.

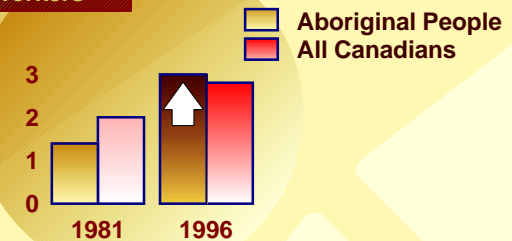
- To some degree, this reflects the younger age distribution of Aboriginal people.
- But entrepreneurship is also becoming an important option for young Aboriginal adults — and they are taking advantage of opportunities.

By 1996, the proportion of Aboriginal workers aged 15-24 who were self-employed was higher than that for all Canadians.

Self-Employment by Age, 1996



15-24 Age Group Self-employed as a percent of workers



Source: 1981 Census and 1996 Census

...including young Aboriginal female entrepreneurs

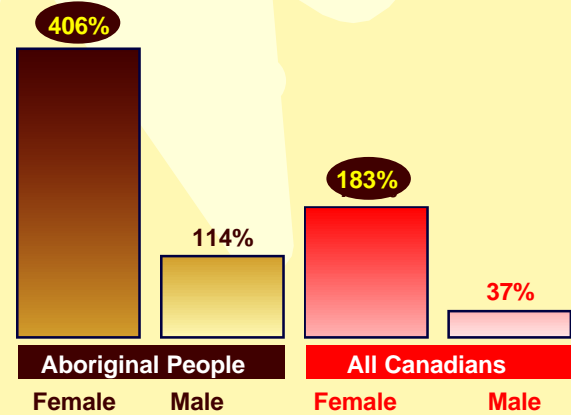
The growth in the number of self-employed Aboriginal women is double that for women generally.

Moreover, women entrepreneurs comprise a larger proportion of the Aboriginal self-employed than is the case nationally.

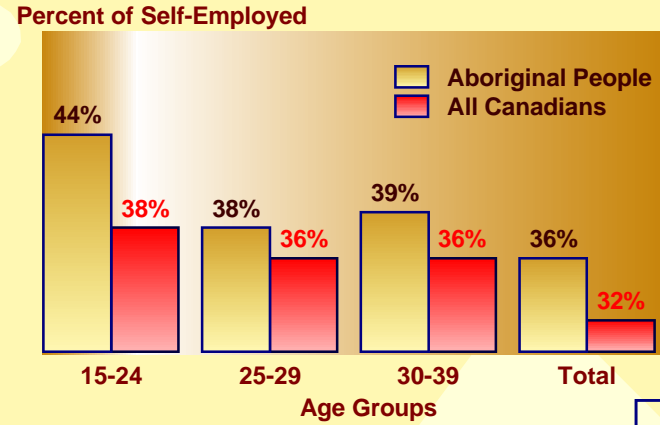
- This is true in every age group.

More and more Aboriginal women are establishing their own businesses — and changing the Aboriginal economy in the process.

Self-Employment Growth, 1981-96



Women Entrepreneurs, 1996



Source: 1981 Census and 1996 Census.

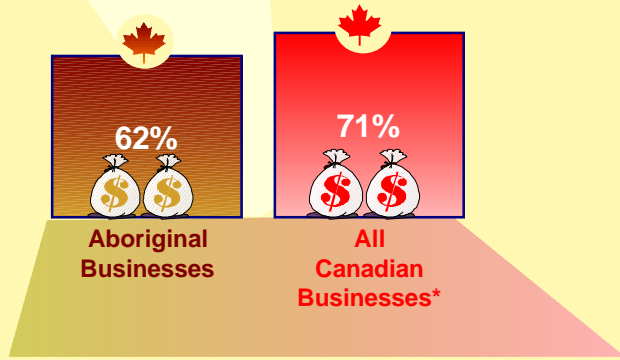
However, fewer Aboriginal businesses are as profitable...

While a clear majority of Aboriginal businesses are profitable, they still lag behind the Canadian average.

As well, the Aboriginal self-employed tend to bring in less net profit.

- This is true for the self-employed running city businesses and those located in rural areas.

Percent of Profitable Firms, 1995



* Firms with gross revenues between \$25,000 and \$5 million
 Source: Statistics Canada's 1996 Aboriginal Business Survey and Statistics Canada's Small Business Profiles.

Self-Employed Earnings, 1995

	Aboriginal People	All Canadians
Total	\$18,947	\$29,897
Urban	\$19,710	\$32,951
Rural	\$18,148	\$23,753

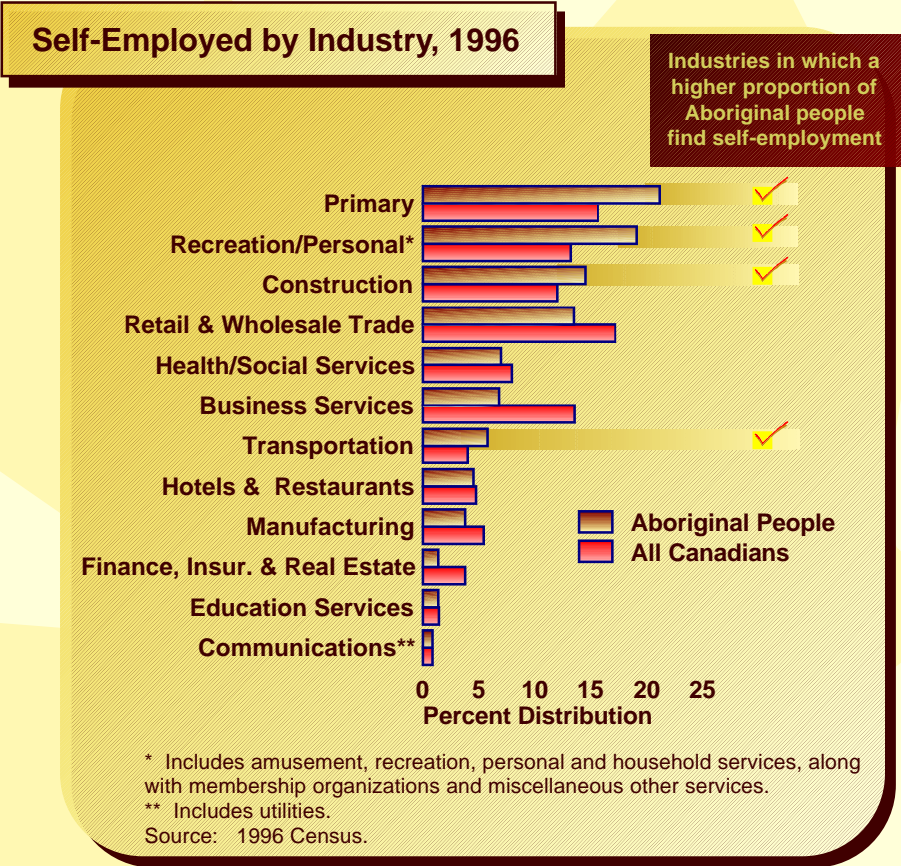
Source: 1996 Census.

...and they are more concentrated in primary activities...

Over 60% of all self-employed Aboriginal people are active in the primary, recreational/personal services, construction industries, or transportation industries.

They are noticeably under-represented in business services and in the finance, insurance and real estate industries.

Primary pursuits, such as farming, logging and fishing have traditionally been key activities vital to the sustenance of local communities — as have been arts and crafts, tourism and the contracting trades.

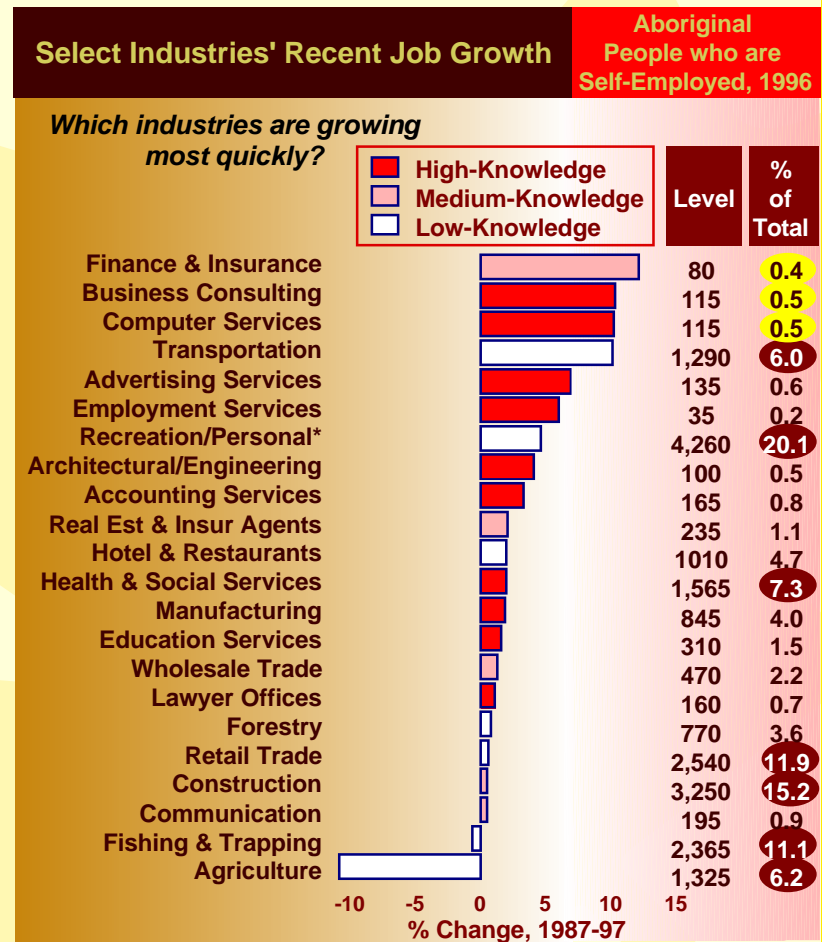


...and are perhaps less well-positioned for the future

Aboriginal business may be less well positioned for the future by not being more strongly a part of Canada's growing knowledge-based industries.

- Only small percentages of the Aboriginal self-employed are in business consulting and computer services, which are emerging as focal points for growth as the economy becomes more knowledge-based.

The knowledge economy is becoming more pervasive through the whole economy, but certain industries are emerging as focal points for growth.



* Includes amusement, recreation, personal and household services, along with membership organizations and miscellaneous other services.

** Includes utilities.

Source: 1996 Census and Industry Canada calculations based on Statistics Canada data.

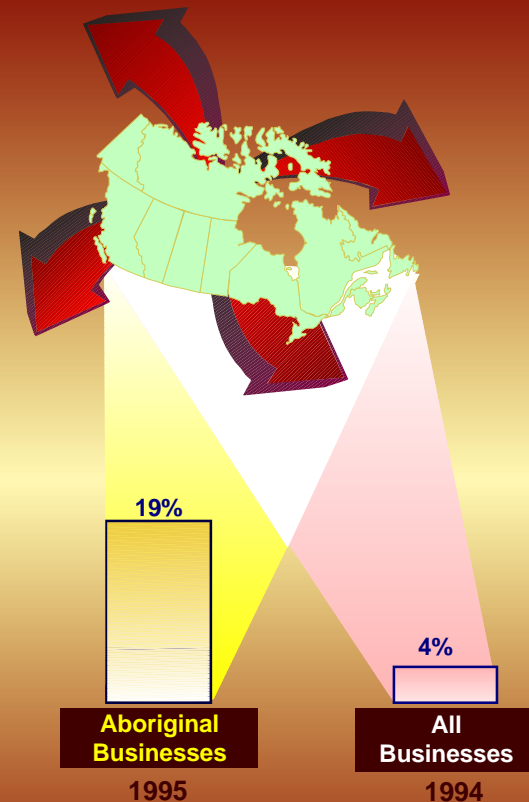
At the same time, many are already active in export markets...

Nineteen percent of Aboriginal firms are involved in some export — and a full 6% have exports as the main focus of their business.

- Only 4% of all Canadian businesses are engaged in exporting activity.

To some degree, this characteristic of Aboriginal businesses as exporters reflects the special international appeal of many of their products and services, including their rich array of arts and crafts, including fine arts.

Businesses that Export, 1995



Source: Caldwell and Hunt, 1998. The estimate of the proportion of firms in the total economy engaged in exporting was based on data in "SME Exports" and "Trends and Statistics" prepared by Industry Canada's Entrepreneurship and Small Business Office.

...and are venturing into "knowledge-intensive" areas

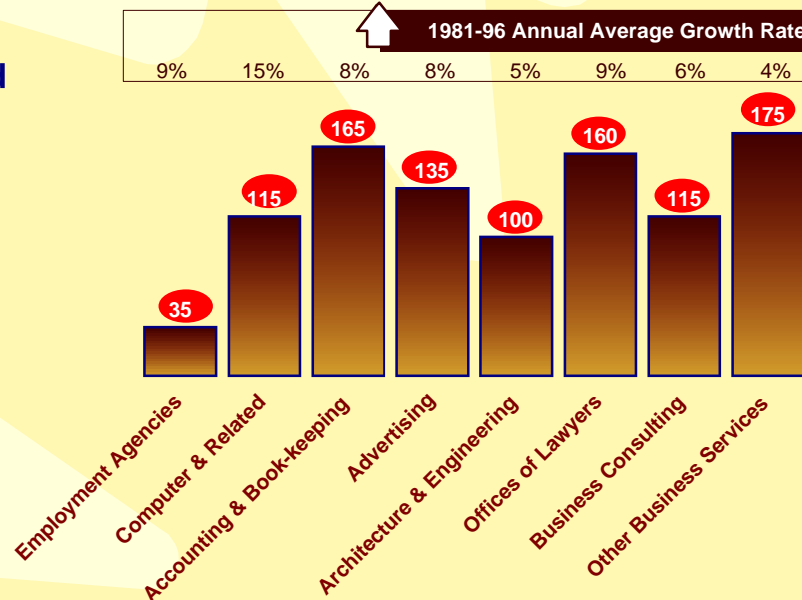
Many Aboriginal entrepreneurs are choosing to start their own businesses and pursue careers in new and often more knowledge-intensive areas such as business services.

- Among the fastest growing areas are computer services.
- The number of Aboriginal self-employed is also increasing in professions such as accounting, engineering and architecture.

The creativity of Aboriginal artists is being tapped by Aboriginal information-technology firms doing web page designs.

Aboriginal Self-Employed, 1996

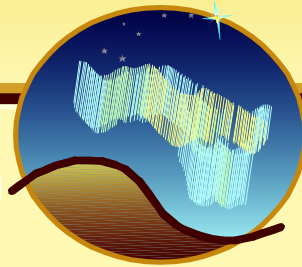
Business Services



Source: 1981 Census and 1996 Census

According to an inventory of Aboriginal high-knowledge firms in Canada compiled by the Trent Aboriginal Education Council at Trent University, there are successful Aboriginal businesses in a variety of fields ranging from computer and related services to environmental technologies.

*Improving the Prospects
for Success*



Aboriginal entrepreneurs have set their priorities...

A recent Statistics Canada survey* of over 1000 Aboriginal business owners identified the top priorities of successful businesses include the need to improve:

- Management skills — at 89%
- Improving productivity — at 88%
- Innovation — at 76%
- Financing — at 74%
- Employee training — at 67%
- Expansion of markets — at 67%

* See Caldwell and Hunt, 1998. The study is based on results from Statistics Canada's 1996 Aboriginal Business Survey.

Successful firms are defined as businesses that:

- were profitable in 1995
- had increased sales from 1995 to 1996, and
- were expecting growing income over the next two years.



Priorities for Business Success

- **Management skills**
 - **Improving productivity**
 - **Innovation**
 - **Financing**
 - **Employee training**
 - **Broader markets**
- the Aboriginal Business Survey, 1996

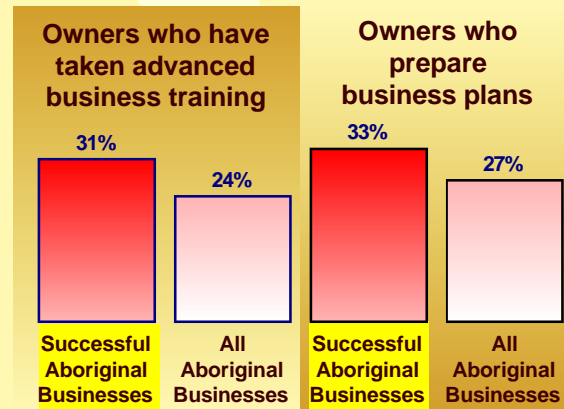
...and management skills top the list!

Aboriginal entrepreneurs with business training run more successful businesses.

And Aboriginal entrepreneurs who have developed business plans are more likely to be successful.

Management skills and planning are needed for success.

Success Characteristics



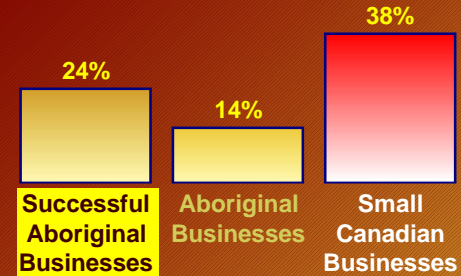
Source: Caldwell and Hunt, 1998.

Employee skill development is also important

Successful Aboriginal firms are much more likely to invest in formal training for employees.

On the whole, however, Aboriginal businesses are still less likely to formally train employees than are small Canadian businesses generally.

Owners Providing Formal Training



Source: Caldwell and Hunt, 1998.

Only 14% of Aboriginal businesses formally train employees, compared to 38% of small Canadian firms.

Aboriginal businesses also recognize the importance of being innovative...

Aboriginal businesses, particularly successful ones, are innovating in product and process design.

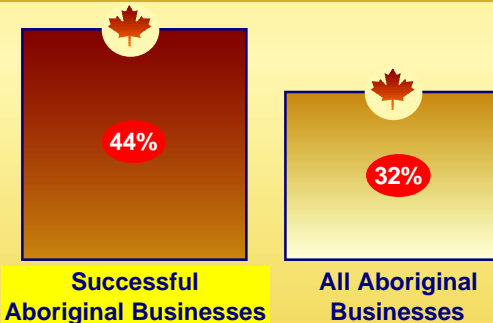
- 50% of the more successful Aboriginal businesses have introduced new products/services in the last three years.
- 44% of the more successful Aboriginal businesses have introduced new processes.

Innovation has emerged as a key to business success.

Successful Aboriginal businesses introduce new products* ...



...and processes*



*Firms introduced new products and processes in the three-year period prior to the survey year of 1996.
Source: Caldwell and Hunt, 1998.

...and improving productivity by using computers...

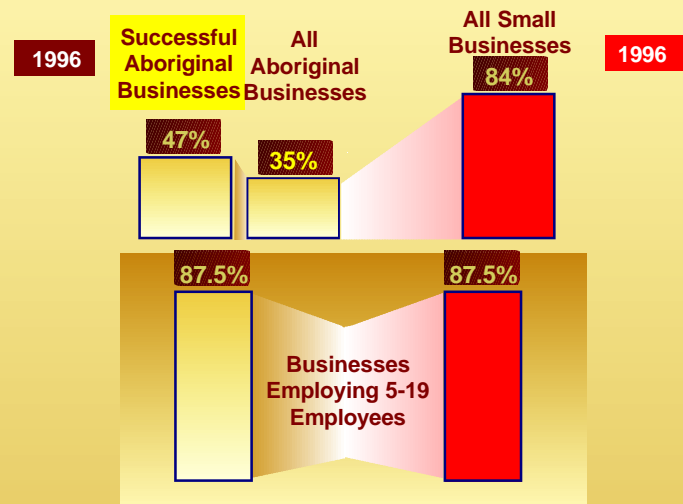
Successful Aboriginal businesses are more likely to use computers.

Aboriginal businesses have not been using computers as much as Canadian business, generally.

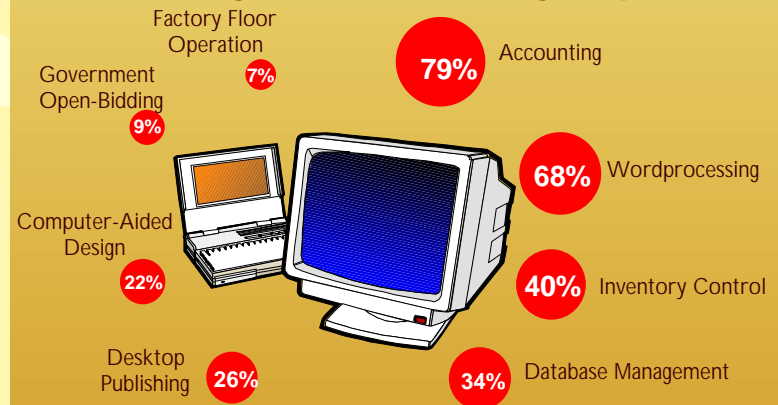
- 35% of Aboriginal businesses had a computer.
- However, the Canadian Federation of Independent Business reports that 84% of their members (who are all small businesses) use computers.

But for larger Aboriginal and non-Aboriginal businesses, employing at least 5 workers, computer use is similarly high.

Who are using computers?



How are Aboriginal businesses using computers?



Source: Statistics Canada's 1996 Aboriginal Business Survey and The Canadian Federation of Independent Business 1996's "Survey of Technologies in Small and Medium-Sized Firms"

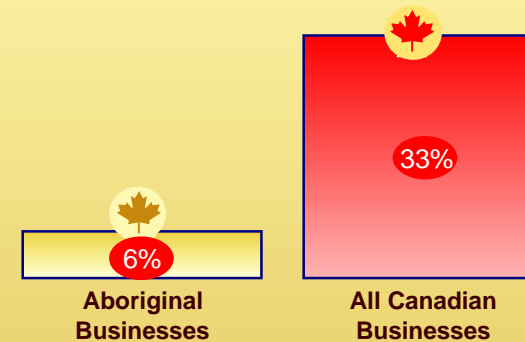
...and utilizing up-to-date information technologies

Successful firms are also more likely to use the Internet, although Aboriginal businesses have lagged behind.

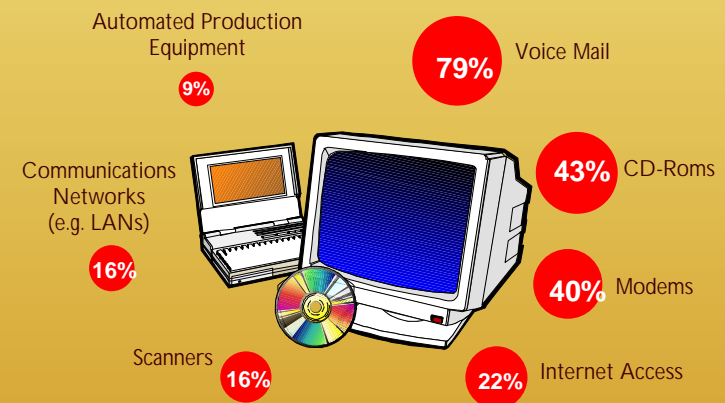
- Only 6% of Aboriginal businesses are connected to the Internet, compared to about 31% of the general business community.

Aboriginal business must adapt to a market that thrives on technology — interactive communications in particular.

How "connected" are Aboriginal businesses? *Businesses hooked up to the Internet*



How are computer-owning Aboriginal businesses using information technologies?



Source: Caldwell and Hunt, 1998.

Financing is also critical...

Over half of Aboriginal businesses perceive that they have inadequate access to capital (equity as well as debt).

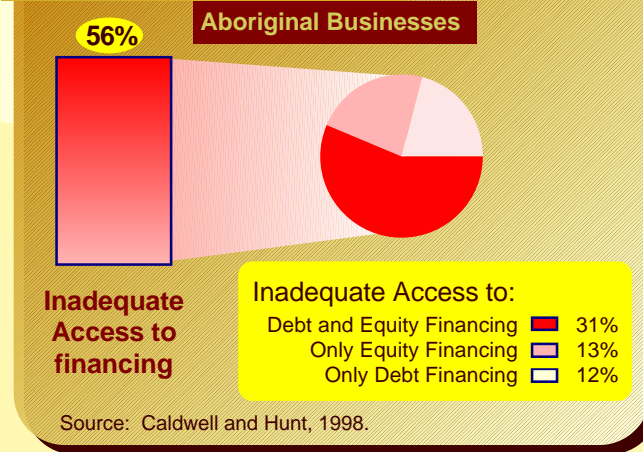
Access to equity is hampered by lower income levels, which makes it difficult for Aboriginal entrepreneurs with limited personal funds to start a business.

Government has addressed this over time through programs like Aboriginal Business Canada (Industry Canada), the Opportunities Fund (Indian and Northern Affairs Canada), special regional business investment programming, and others which have provided business support and strategic support, e.g., for trade/export activities.

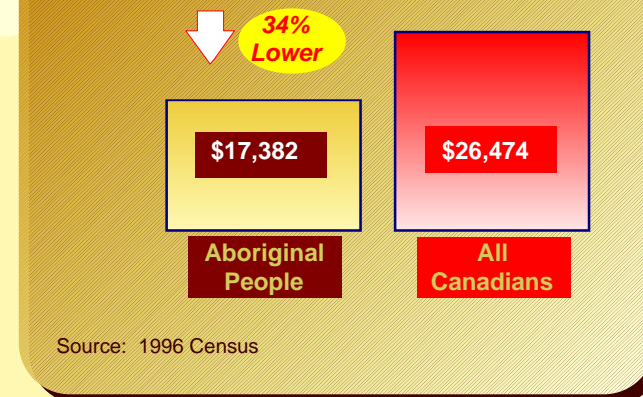
Since 1989, Aboriginal Business Canada investments have totalled \$388.7 million. These contributions have resulted in an overall total investment — from all sources — of \$1.1 billion in the Aboriginal economy.



Access to Capital



Average Employment Income, 1995



...but financial institutions are responding...

Banks and trust companies are a common source of start-up capital. Indeed, 47% of Aboriginal businesses borrow from banks.

The rural and remote locations of many Aboriginal businesses have posed challenges in establishing banking services. Banks are taking action, recognizing the business opportunities within Aboriginal communities.

Banking services are also being extended, through new electronic technologies — e.g., through electronic and transactional banking services, and via Aboriginal Banking Internet Sites.

Two key barriers affecting access to debt:

- 1) Not having financial institutions in the community.*
- 2) Lack of collateral and personal resources are factors making financing difficult; section 89 of the Indian Act prevents on-reserve assets from being used as collateral.*

Examples of improving access to banking facilities at the community level — May 1998



Established an Aboriginal Banking Unit in 1992 and has opened 16 branches in Aboriginal communities, and has recently teamed up with Canada Post to bring financial services to previously unserved remote locations across Canada's north.



Set up an Aboriginal Banking Division in 1995, and operates 6 branches in Aboriginal communities.



The Mouvement Desjardins operates 5 Aboriginally-owned Caisse Populaires servicing Aboriginal communities in Quebec.



Operates 6 full service branches and 2 ATMs in reserve communities.



With the Federation of Saskatchewan Indian Nations launched the First Nations Bank of Canada as a co-venture in December 1996. A second branch will be opening in Quebec in mid-June.



Has 3 branches on reserves. An additional branch to be added in late 1998.



Aboriginal financial institutions are also helping to bridge the financing challenges faced by Aboriginal people.



The Business Development Bank of Canada's "Growth Capital for Aboriginal Business" combines financing of up to \$10,000 for existing businesses and up to \$25,000 for start-ups with customized management support .

...as are Aboriginal Capital Corporations

Aboriginal financial institutions have emerged as a key source of start-up capital, principally debt capital. Since 1985, some 33 Aboriginal Capital Corporations (ACCs) have been established, originally capitalized by Industry Canada. Aboriginally-owned and operated, ACCs provide small business loans and, in some cases, business services and entrepreneurship support.

Aboriginal-specific Community Futures Development Corporations also provide loans and business support in thirteen communities across Canada. In addition, private sector Aboriginal financial institutions have emerged, such as Peace Hills Trust, based in Alberta, and the First Nations Bank, based in Saskatchewan.

Nineteen Aboriginal financial organizations, most of them ACCs, deliver Industry Canada's Aboriginal Youth Business Initiative — providing low-interest loans, development support, mentoring and coaching to young entrepreneurs.

Aboriginal Capital Corporations

The first Aboriginal Capital Corporations (ACCs) were formed in 1985. They are Aboriginally owned and operated organizations. Aboriginal-specific Community Future Development Corporations (CFDCs) are somewhat smaller in terms of capitalization than ACCs but they also provide loans and are usually more focussed on business services, including training initiatives. They fall under the mandate of the federal government's Industry portfolio.

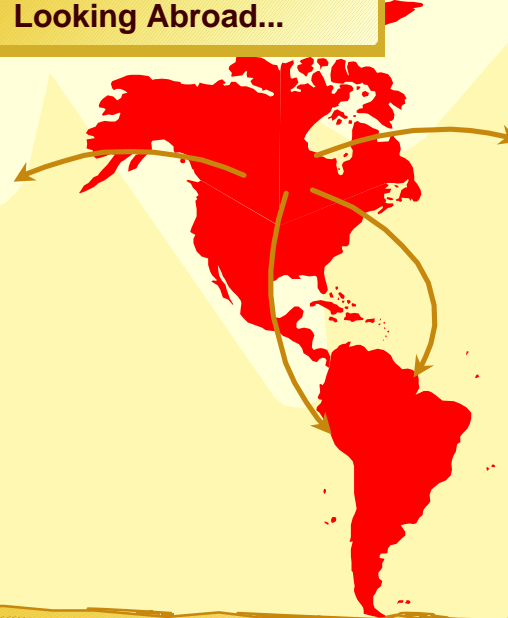
Aboriginal businesses are seeking wider markets...

Aboriginal businesses increasingly recognize the importance of markets outside their local community for future growth. Expanding into regional, national and international markets is a key strategy of successful firms.

- In a "Team Canada" approach, federal departments such as Industry Canada (through Aboriginal Business Canada), Foreign Affairs and International Trade Canada, Indian and Northern Affairs Canada, and government agencies such as CIDA, are working together on *strategies* and *specific missions*.
- Key opportunities exist in the areas of Aboriginal tourism, Aboriginal cultural products, and inter-indigenous trade (see "Aboriginal Products, Services and Technologies" *Canada's International Business Strategy*, http://strategis.ic.gc.ca/sc_mrkti/ibin/engdoc/1d1e.html).

Many Aboriginal businesses are already active exporters and have access to international indigenous markets where First Peoples in other countries are interested in their services and expertise.

Looking Abroad...



Other delegations:

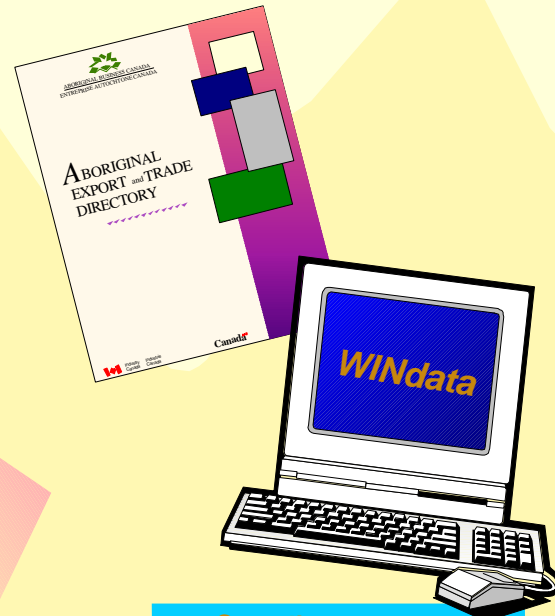
The annual Frankfurt Fall Fair boasts 4,600 exhibitors and draws 100,000 professional buyers from around the world. A national exhibit showcases Canadian Aboriginal and art, crafts and giftware. Aboriginal companies have been part of a Trade Mission to the fair since 1995, to expand sales and increase their export-readiness.



...and many Aboriginal products are making their mark, internationally!

Many Aboriginal products have international appeal, including unique, niche products (cultural products). For other products as well, exporting appears to be taking off.

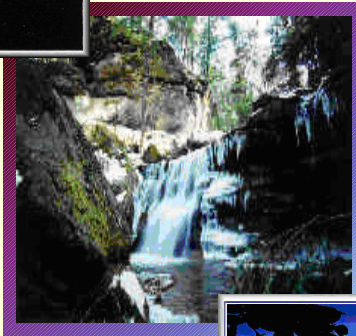
- The *Aboriginal Export and Trade Directory* provides a directory of some leading Aboriginal firms active in international trade. More than 100 Aboriginal businesses are listed.
- Aboriginal businesses are also included in the World Information Network (WIN) Database, which is used across the world to source Canadian products.
- There are 30 firms profiled on the *Canadian Aboriginal Cybermall*, which uses the Internet to market Aboriginal products around the world.
- In addition, Industry Canada's *Canadian Environmental Solutions CD-Product* lists 33 Aboriginal firms involved in finding solutions to environmental problems world-wide.



Tourism has bright potential!

Aboriginal cultural attractions, eco-tourism and wilderness tours are bringing new tourism dollars to Canada.

Aboriginal tourism firms currently have revenues of \$270 million annually, with the potential to reach \$1 billion.



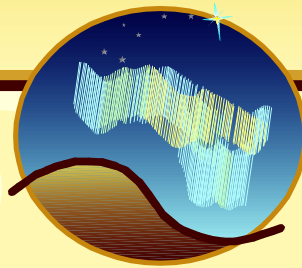
Aboriginal Tourism Team Canada!

Officially launched in March 1998, this is an industry-led organization, providing a forum where industry and government can coordinate their activities and implement a national Aboriginal tourism strategy.

This work will capitalize on a potential billion-dollar industry, and the excellent Aboriginal tourism businesses and services which already exist in Canada.



Looking Ahead



There are additional opportunities, but also challenges — including the remoteness of many communities...

Aboriginal people living in rural and remote communities experience greater difficulties because of their geographic distance from markets and many services (information centres, government offices and major organizations).

These difficulties can be mitigated through technologies which reduce the costs of doing business from afar.

- The Internet is becoming a key tool in overcoming distance barriers, allowing the fuller participation of Aboriginal people in the knowledge-based economy and society.

As Aboriginal business owners gain access to — and benefit from — new technologies, some of the challenges of distance can be overcome.



...and the advantages of greater self-reliance

Even Aboriginal people who are located in urban areas can sometimes feel isolated and can benefit from peer models and information tailored to the needs and experiences of young and aspiring Aboriginal entrepreneurs.

The Internet provides a vehicle for linking people, and a means for Aboriginal businesses to share and obtain information, increasing their self-reliance.

A major barrier to starting or expanding a business is lack of information — especially information written for and by Aboriginal people and firms.

Supporting Each Other, and Younger Entrepreneurs



<http://www.aybc.org>



The Aboriginal Youth Business Council and its web-site promote communication among young, aspiring entrepreneurs and increase opportunities for youth.

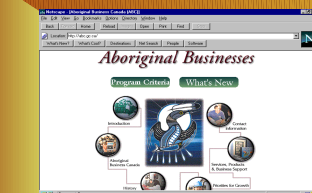
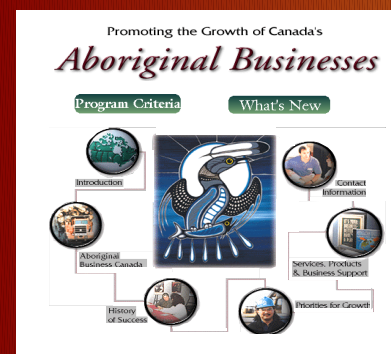
Key business information is now available...

The *Spirit of Aboriginal Enterprise* site on the Internet was designed and developed with the participation of Aboriginal firms.

- The site provides information on where to go for help and how to obtain the kind of data, facts, news and basic market intelligence needed by new businesses.

Other web-sites also provide key information, in consultation with the Aboriginal business sector.

The Internet and other advanced technologies are allowing Aboriginal firms to grow and flourish in urban, rural and remote communities.



...as Aboriginal people become increasingly "connected"

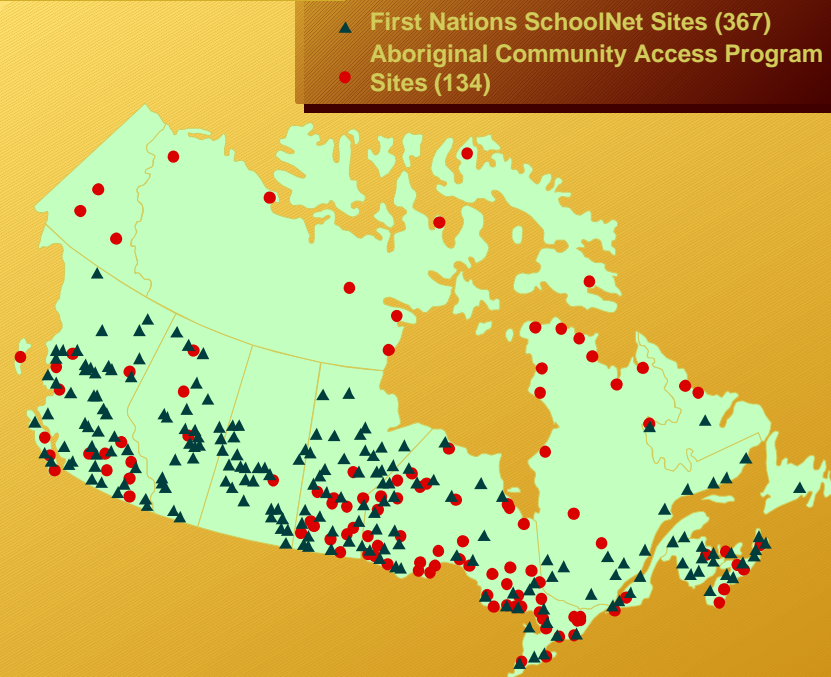
Already 367 First Nations schools across Canada are connected through First Nations SchoolNet, and efforts are being made to also connect 300 First Nations communities without schools.

The goal of the Community Access Program is to link up communities to the Information Highway. There are 134 Aboriginal communities embracing "connectedness", and the numbers continue to grow.

There are also other Canadian connectivity initiatives underway, including "Aboriginal Digital Collections" — which will hire teams of Aboriginal youth to digitize and display information, including Aboriginal business opportunities.

Connecting Canadians will directly help Aboriginal people — and the young in particular.

Connected Communities



First Nations SchoolNet is focused on connecting First Nations schools under federal jurisdiction. All other Aboriginal schools will be covered under the broader SchoolNet program which works in partnership with provincial and territorial governments. All Aboriginal communities are eligible to apply to the Community Access Program.

Source: Industry Canada, June 1998.

Entrepreneurial success requires higher education...

Education is becoming increasingly important as a determinant of business success, especially in emerging areas of the new knowledge economy.

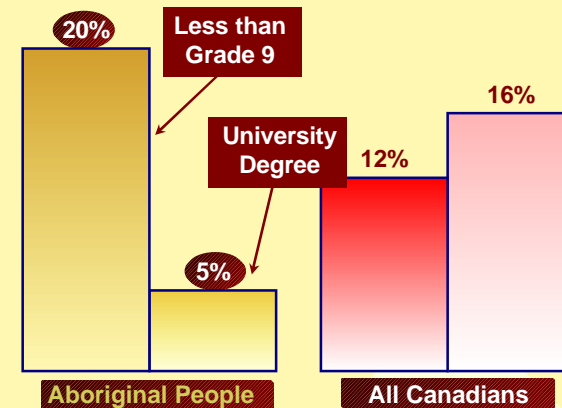
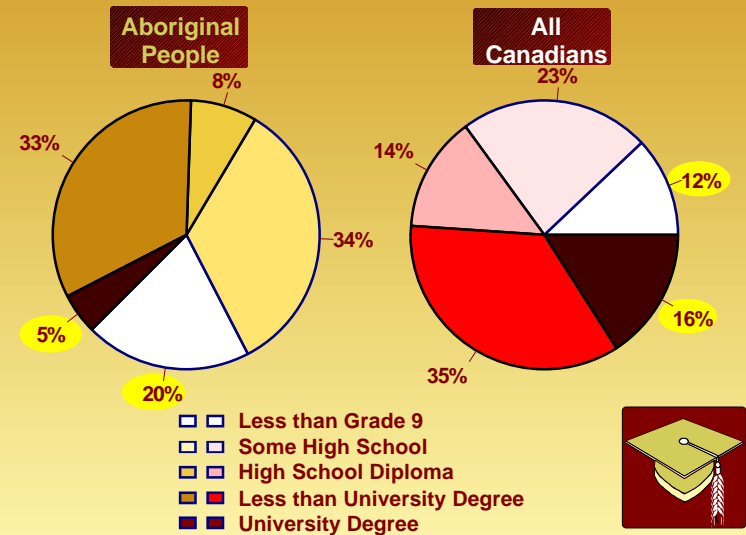
But too many Aboriginal youth do not complete high school.

- 20% of Aboriginal people have less than Grade 9 education, compared to 12% of the general population.

And a relatively small proportion hold a university degree.

Aboriginal people are only one-quarter as likely to have obtained a university degree as the general population.

Highest Level of Schooling, 1996



Source: 1996 Census

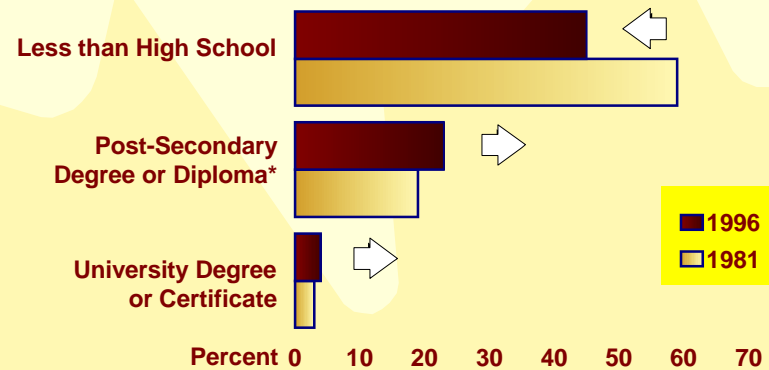
...and Aboriginal youth are making headway

Aboriginal people are making gains in educational attainment.

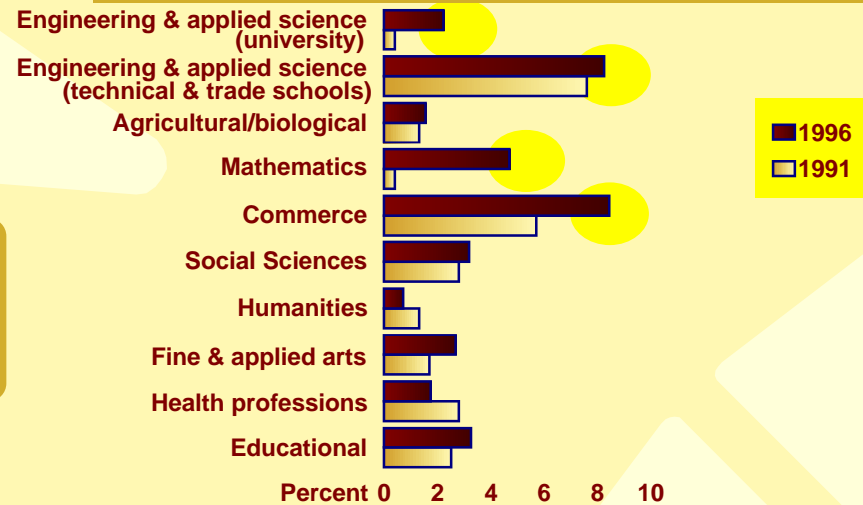
- More Aboriginal people aged 20-29 are earning post-secondary degrees or diplomas.
- The proportion studying engineering and science, mathematics and commerce has also risen.

More Aboriginal youth are taking post-secondary education in "new economy" subjects.

Aboriginal People Aged 20-29 years, 1981 and 1996



Aboriginal Fields of Study, 1991 and 1996



* Aboriginal People with Post-Secondary Qualifications.
Source: 1991 Census (customized tabulation based on Aboriginal identity) and 1996 Census

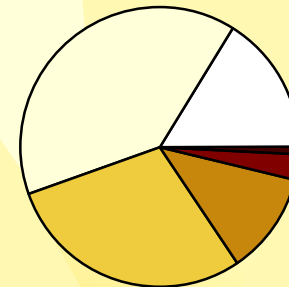
Plus, Aboriginal adults are improving their competencies

This is reflected in the relatively high proportion of Aboriginal students attending full-time post-secondary education who are 25 years of age or over.

- 44.7% of Aboriginal students attending higher education are 25 years of age or over — compared with 14.3% for the general population.

The proportion of Aboriginal students attending higher education who are 25 years of age or over is three times that for the general population.

Full-Time Post-secondary Aboriginal Students, 1996



Aboriginal People	Ages
16.2%	15-19
39.1%	20-24
29.1%	25-34
11.9%	35-44
2.9%	45-54
0.8%	55+

44.7%

Source: 1996 Census

While Aboriginal businesses help set their own future...

Aboriginal people are involved in setting their own direction — in their businesses and business organizations.

The National Aboriginal Economic Development Board plays a major part in this by providing strategic direction to government.

Other business organizations include the ones listed at the right...

The National Aboriginal Economic Development Board

The National Aboriginal Economic Development Board advises the Government on issues relating to Aboriginal business and economic development. It is comprised primarily of Aboriginal individuals and members are leaders with backgrounds in business development and finance.



Council for the Advancement of Native Development Officers

<http://www.edo.ca/>



National Aboriginal Forestry Association

<http://sae.ca/nafa/>



Native Investment & Trade Association

<http://www.native-invest-trade.com/nitabottom.html>



Canadian Aboriginal Science and Engineering Association

<http://134.190.5.233/casea/casea.html>

...they are also working with government and other businesses

The benefits of "working together" in a focused fashion under Aboriginal guidance is a cornerstone to future growth.

Such efforts help aspiring Aboriginal entrepreneurs to access appropriate support from the various levels of government and to build bridges with other Aboriginal firms and the wider business community.

A recent example is the new Aboriginal business incubator in Winnipeg — the Neeginan redevelopment project.

An example of "working together" — the new Aboriginal Business Development Centre (ABDC) and Neeginan redevelopment project

The ABDC, which is housed in Winnipeg's Aboriginal Centre, was launched in March 1998 with the pivotal help of Western Economic Diversification Canada. It aims to attract and encourage Aboriginal businesses to relocate within a four square block redevelopment. The ABDC will provide facilities to enable banks, government agencies and other economic facilitators to work closely with the urban Aboriginal community; and provide assistance in identifying and coordinating partnerships and joint ventures between Aboriginal and non-Aboriginal groups.



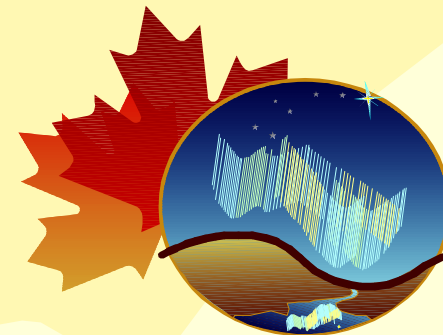
Another initiative located at the ABDC is the Aboriginal Single Window Initiative, which provides a one-stop service to organizations and individuals who need access to, and information about, government funded Aboriginal programs. It also seeks to foster improved cooperation and information sharing between the various levels of government and Aboriginal organizations.

Closing Reflections

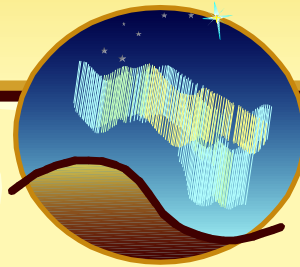
Aboriginal businesses comprise a small but surprisingly dynamic segment of the Canadian economy, one that is growing quickly in size. These firms span all kinds and types of activities — including increasingly knowledge-based activities. They also tend to be more youthful, and in many ways are leading the change for a brighter future, creating jobs and prosperity, for Aboriginal people and Canadians as a whole.

Aboriginal entrepreneurs face the same challenges and forces affecting the general business community — and some!

The keys to success for Aboriginal entrepreneurs will be largely the same as for small businesses in Canada. Successful firms will be those that innovate, search out broader markets, and generally adopt more forward-looking business practices. By "connecting Canadians", new vistas are being opened up for Aboriginal business in even the most remote communities. The future will belong to entrepreneurs and businesses who capitalize on these opportunities. Their success will contribute to Canada's overall prosperity.





Annex



Self-Employed Aboriginal People, 1996 — at a Glance
















	Canada	Yukon	NWT	BC	Alta	Sask	Man	Ont	Que	NB	NS	PEI	Nfld
													
Total*	20,195	190	1,030	4,715	3,445	1,835	2,355	3,575	2,305	195	310	40	175
<i>Annual Growth 1981-96</i>	<i>6.8%</i>	<i>8.0%</i>	<i>7.9%</i>	<i>7.3%</i>	<i>7.1%</i>	<i>6.0%</i>	<i>7.1%</i>	<i>5.5%</i>	<i>7.5%</i>	<i>18.7%</i>	<i>9.0%</i>	<i>3.2%</i>	<i>3.1%</i>
North American Indian	11,140	140	245	3,225	1,325	750	790	2,600	1,590	155	235	40	45
On-reserve	3,335	10	0	915	310	320	355	415	830	50	120	10	10
Off-reserve	7,805	135	240	2,305	1,015	435	435	2,185	760	105	115	30	40
Métis	7,850	40	140	1,420	2,000	1,075	1,520	885	575	40	65	0	90
Inuit	930	0	645	30	25	0	10	55	120	0	0	0	40
Urban	10,325	89	285	2,785	1,960	820	985	2,245	750	35	125	25	55
Rural	9,870	90	750	1,920	1,395	1,005	1,330	1,290	1,525	165	170	15	105
Male	12,925	95	640	3,06	2,21	1,24	1,535	2,165	1,49	125	205	30	110
Female	7,265	100	395	1,645	1,240	600	815	1,405	820	70	95	20	50
Youth (Age 15-24)	1,655	0	175	330	215	120	215	275	250	15	30	10	0

* Total is equal to sum of North American Indian, Métis and Inuit plus persons of multiple Aboriginal heritage (275).
 Sub-totals for urban-rural and male-female may not add up to the total because of rounding.
 Source: 1981 Census and 1996 Census

Self-Employed Aboriginal People, 1996 — at a Glance

% Distribution By Industry



	Canada	Yukon	NWT	BC	Alta	Sask	Man	Ont	Que	NB	NS	PEI	Nfld
													
Agriculture	5.9	0.0	0.0	3.6	8.8	14.0	10.1	3.9	2.0	5.1	0.0	37.5	3.3
Fishing & Trapping	10.6	10.3	16.5	10.5	1.3	4.2	14.6	2.0	34.9	7.7	7.5	37.5	36.7
Logging & Forestry	3.5	5.1	1.3	6.6	2.3	4.2	1.5	2.9	1.2	10.3	3.0	0.0	3.3
Mining	1.2	0.0	0.0	0.7	4.1	0.5	0.0	0.7	0.4	0.0	0.0	0.0	0.0
Manufacturing	3.8	0.0	1.7	5.7	2.9	1.5	1.9	4.9	5.3	0.0	3.0	0.0	3.3
Construction	14.6	12.8	7.4	16.1	18.9	13.0	13.7	17.9	7.3	10.3	16.4	0.0	6.7
Transportation & Storage	5.8	0.0	4.3	3.5	8.0	9.2	6.5	6.1	4.2	7.7	6.0	0.0	6.7
Communication & Utilities	0.9	0.0	0.9	1.0	0.8	1.0	1.3	0.4	0.8	5.1	0.0	0.0	0.0
Retail & Wholesale Trade	13.5	5.1	5.6	15.3	11.9	13.2	15.5	15.2	9.1	20.5	20.9	0.0	20.0
Finance, Insurance & Real Estate	1.5	0.0	0.9	0.8	1.6	1.7	1.1	2.0	1.8	5.1	6.0	0.0	0.0
Business Services	6.8	23.1	5.6	6.6	6.5	3.7	4.2	10.9	6.5	0.0	7.5	0.0	3.3
Educational Services	1.4	5.1	0.0	1.4	1.7	1.7	0.8	1.3	1.8	0.0	0.0	0.0	0.0
Health & Social Services	7.0	5.1	10.4	6.8	8.6	9.5	6.8	6.4	4.4	10.3	3.0	0.0	6.7
Accommodation & Food	4.5	5.1	2.6	4.5	2.5	5.0	5.7	5.2	6.1	0.0	6.0	0.0	3.3
Recreation & Personal Services*	19.1	28.2	42.9	17.0	19.9	17.5	16.3	20.3	14.3	17.9	20.9	25.0	6.7

* Includes amusement, recreation, personal and household services, as well as membership organizations and miscellaneous other services. Source: 1996 Census.

Aboriginal Population*, 1996 — at a Glance



	Aboriginal Population		North American Indian				Youth (Age 15-24)
	Total	Major Urban**	Total	On-reserve	Métis	Inuit	
Canada	799,010	239,830	554,290	227,285	210,190	41,080	424,210
Yukon	6,175	N/A	5,530	350	565	110	2,860
NWT	39,690	N/A	11,400	240	3,895	24,600	22,935
BC	139,655	37,710	113,315	41,320	26,750	815	69,595
Alb	122,840	48,020	72,645	28,615	50,745	795	67,445
Sask	111,245	29,765	75,205	37,070	36,535	190	66,860
Man	128,685	45,750	82,990	47,125	49,195	360	71,995
Ont	141,525	56,275	118,830	31,530	22,790	1,300	69,030
Que	71,415	18,830	47,800	28,230	16,075	8,300	34,200
NB	10,250	665	9,180	5,165	975	120	5,320
NS	12,380	2,115	11,340	6,760	860	210	6,445
PEI	950	N/A	825	205	120	N/A	475
Nfld	14,205	700	5,430	675	4,685	4,265	7,020

	Aboriginal People	All Canadians
Participation Rate	58.3%	65.5%
Unemployment Rate	24%	10.1%
Average Employment Income	\$17,382	\$26,474
Highest Level of Education		
University Degree	5%	16%
Less than University Degree	33%	35%
High School Diploma	8%	14%
Some High School	34%	23%
Less than Grade 9	20%	12%

* Sub-totals may not add up to the total because of rounding.

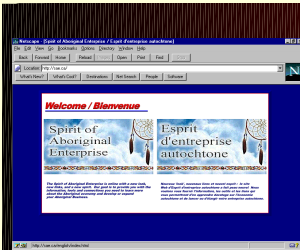
** Census Metropolitan Areas

Source: 1996 Census

For Further Information – Choice Cyber-Links



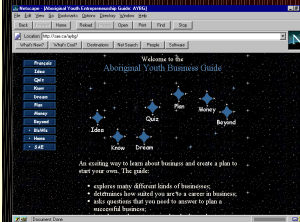
For further information on Aboriginal business in Canada, there are several excellent cyber-links to connect with:



Spirit of Aboriginal Enterprise

A "virtual focal point" for Aboriginal individuals and businesses.

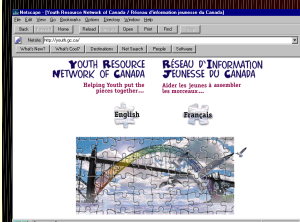
<http://sae.ca>



Aboriginal Youth Entrepreneurship Guide

An exciting way to learn about business and create a plan to start your own.

<http://sae.ca/aybg>



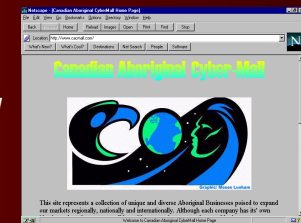
Youth Resource Network of Canada

Created to help youth bridge the gap between school and the labour market — to help in their job hunting efforts.

<http://youth.gc.ca>

Canadian Aboriginal Cyber-Mall

Aboriginal businesses poised to expand markets regionally, nationally and internationally.



<http://www.cacmall.com>

Aboriginal Youth Business Council

A youth network designed to encourage Aboriginal youth entrepreneurship.



<http://www.aybc.org/sidemenu.html>

ARCNet Aboriginal Resource Centre

Free on-line listings for Aboriginal businesses and organizations.



<http://www.taybridge.com/arcnet/archome.htm>

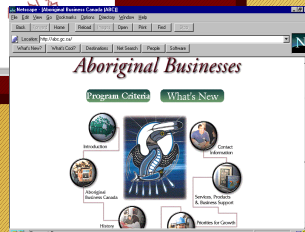
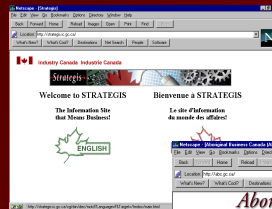
For Further Information – Choice Cyber-Links continued



Strategis

<http://strategis.ic.gc.ca>

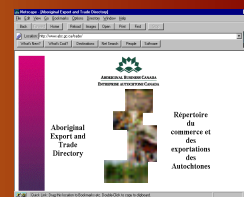
An information site that means business. The information resources of Industry Canada, the federal government's economic flagship department.



Aboriginal Business Canada

<http://abc.gc.ca>

Assists Aboriginal entrepreneurs to promote the development, competitiveness and success of Aboriginal business in Canadian and international markets.

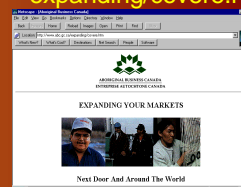


Aboriginal Export and Trade Directory

<http://abc.gc.ca/trade/>

Expanding Your Markets

<http://abc.gc.ca/expanding/cover.htm>



Procurement Strategy for Aboriginal Business

http://www.inac.gc.ca/asi_rfa/asi_home.htm



Provides information about the federal government's Procurement Strategy to help Aboriginal firms do more contracting with federal departments and agencies.

Special Notes



The 1981 Census and the 1996 Census

Considerable caution should be exercised in analyzing trends for the Aboriginal population based on Census data. In both the 1981 and 1996 Census years there was a single question to which the respondent could associate her or himself with Aboriginal Peoples. In 1981, people were asked to which ethnic or cultural group they themselves or their ancestors belonged on first coming to the continent. Those who responded Inuit, status or registered Indian, non-status Indian or Métis were considered Aboriginal. A different approach was taken in 1996. People were asked if they were an Aboriginal person, i.e. North American Indian, Métis or Inuit. Consequently, comparisons of the Aboriginal identity data for 1996 and ethnic origin data for 1981 are only approximate.

It is noteworthy that when Statistics Canada's did time comparisons in their "1996 Census: Education, Mobility and Migration" The Daily (April 14, 1998), their comparisons were also confined to the 1981 and 1996 periods. In the two Census years between 1981 and 1996 (i.e., 1986 and 1991), people were asked both for their "ethnic origin" (i.e., Where your ancestors originated) and "ethnic identity" (i.e., With which group do you associate) — and answers diverged.

Another important note is that patterns in Aboriginal self-identification have also changed over time. In recent years, a growing number of people who had not previously identified with an Aboriginal group are now doing so. For this reason, the comparison of data from 1981 and 1996 may overestimate growth in both population and the extent of Aboriginal entrepreneurship. However, in 1996, census undercoverage was considerably higher among Aboriginal people than among other segments of the population. On 77 Indian reserves and settlements, enumeration was not permitted, or was interrupted, before it could be completed. These areas had a population estimated at 44,000, who are not included in the data used to generate this report.

Special Notes continued



The 1996 Aboriginal Business Survey

In the months following the 1991 Census, Statistics Canada conducted the Aboriginal Peoples' Survey (APS) — sampling from those who reported Aboriginal origins and/or indicated registration under the Indian Act.

Then, in 1996, Industry Canada (through Aboriginal Business Canada) partnered with Statistics Canada to create a database on the characteristics of Aboriginal entrepreneurs and their businesses, by a follow-up telephone survey to over 1,000 current and previous entrepreneurs from the 1991 APS. The resulting Aboriginal Business Survey (ABS) probes the goals and strategies of privately-owned Aboriginal businesses and factors contributing to their growth — such as skills, markets, technology, financing and use of government support. In June, 1998, Industry Canada's Research Series will be publishing a Working Paper, entitled "Aboriginal Businesses: Characteristics and Strategies for Growth," which is based on the findings of the ABS.

Acknowledgements

Industry Canada would like to extend its appreciation to Statistics Canada, particularly the Housing, Family and Social Statistics Division and the Census Operations Division for provision of Census data.

Any questions or comments?

We welcome your questions, comments and suggestions?
You can reach us by ...

sending us a letter: Denis Gauthier
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235 Queen Street
Ottawa, Ontario
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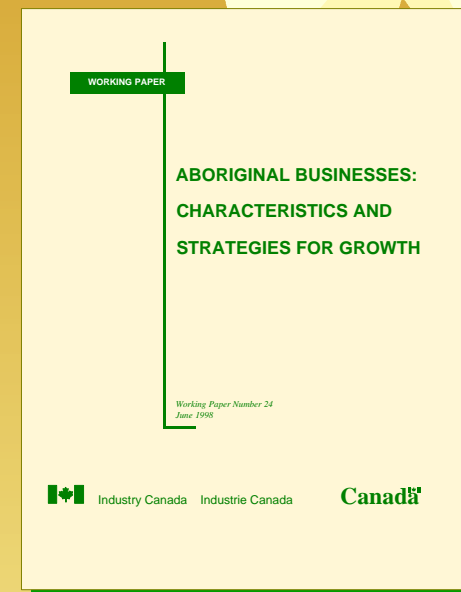
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The Micro-Economic Monitor is prepared on a quarterly basis by the Micro-Economic Analysis Directorate of Industry Canada. The Monitor provides a quick and easy-to-read update on Canada's economic performance. It also provides topical in-depth reports on current economic issues from a micro-economic perspective.

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For additional information on Aboriginal businesses you may wish to consult "Aboriginal Businesses: Characteristics and Strategies for Growth", a working paper in Industry Canada's Research Publications Program. To find out more, please contact Someshwar Rao at (613) 941-8187 or call Aboriginal Business Canada at (613) 954-5814. Or visit the Industry Canada business Internet site at <http://strategies.ic.gc.ca>.