



GEM

Global Entrepreneurship Monitor

GEM 2023 Backgrounder: An Analysis of Youth Entrepreneurship in the Prairie Provinces - Three Key Indicators

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INTRODUCTION

In 2023, three key indicators, one selected from each chapter of the main report, provide important insights into youth entrepreneurship.

Total Early-Stage Entrepreneurial Activity (TEA): This shows how many young people are starting new businesses and helps us see their growing interest in entrepreneurship compared to older adults.

Gender Differences in TEA: Looking at TEA by gender reveals differences between young men and women, highlighting important issues and opportunities for each group.

Job Aspirations: This measures how ambitious young entrepreneurs are, particularly their plans to grow their businesses to larger sizes.

These noteworthy metrics shed light on current trends and future directions in youth entrepreneurship. Understanding these factors is crucial for supporting young entrepreneurs now and in the future, helping to shape a thriving and inclusive business environment.

TEA

Early-stage entrepreneurial activity among youth (18-34) in the Prairie provinces—Alberta, Saskatchewan, and Manitoba—demonstrates a notable upward trend. This rise indicates a growing enthusiasm for entrepreneurship among young adults in these regions. The trend is particularly significant compared to the older demographic (35-64), which has not experienced a similar increase in entrepreneurial activity.

	2019		2021		2023	
	18-34 yrs	35-64 yrs	18-34 yrs	35-64 yrs	18-34 yrs	35-64 yrs
Alberta	25.1	11.3	31.0	14.2	35.0	20.6
Saskatchewan	16.5	12.3	19.2	12.9	36.4	21.1
Manitoba	21.9	12.0	21.5	11.7	32.3	17.2
Canada	28.2	12.8	29.4	14.2	32.3	14.1

Why such high TEA? Some possible explanations

Higher entrepreneurial activity rates among youth in early-stage and other phases of business development may stem from several interconnected factors.

Firstly, the significant rise in entrepreneurship-focused education likely plays a crucial role. A 2021 review by the Telfer School of Management highlights that the average number of entrepreneurship courses at major Canadian post-secondary institutions grew from 5.7 in 2014 to 22 per institution.¹ This increase in educational offerings may equip young people with the skills and knowledge needed to start their own businesses, potentially contributing to higher early-stage entrepreneurial activity.

Key Insight: Youth entrepreneurship has significantly increased in Alberta, Saskatchewan, and Manitoba, often surpassing older adults' rates by up to double.

¹ Daze, S., & Herrick, D. (2021, November). *Entrepreneurship education in Canada: Annual review - 2021*. Telfer School of Management, University of Ottawa. https://telfer.uottawa.ca/assets/documents/Entrepreneurship_Education_in_Canada_2021_Review.pdf

In addition, comprehensive support programs, such as those provided by Futurpreneur, which offers up to \$60,000 in financing and two years of mandatory mentorship, can significantly impact youth entrepreneurship. The recent inclusion of Futurpreneur in the 2024 federal budget underscores the government's commitment to supporting young entrepreneurs.² Such financial resources and mentorship opportunities may lower barriers to entry and encourage more young individuals to pursue entrepreneurial ventures.

The Business Development Bank of Canada (BDC) also supports young entrepreneurs by offering affordable loans, practical business advice, and various resources, helping them start and grow their businesses more effectively.³ Furthermore, an increasing number of targeted initiatives that support diverse groups—including Indigenous, Black, and 2SLGBTQIA+ entrepreneurs—may address specific challenges and foster broader engagement in entrepreneurship.

According to the 2023 RBC Small Business Poll, there is a growing trend among Canadians, particularly within the Gen Z and Millennial demographics, who view entrepreneurship as a logical career progression. With 94% of respondents citing “being their own boss”⁴ as their main incentive, this shift in career aspirations may drive higher levels of TEA among youth.

Overall, the combination of enhanced educational opportunities, targeted support programs, accessible financial resources, and evolving career aspirations may collectively contribute to the increased rates of early-stage entrepreneurial activity observed among young people.

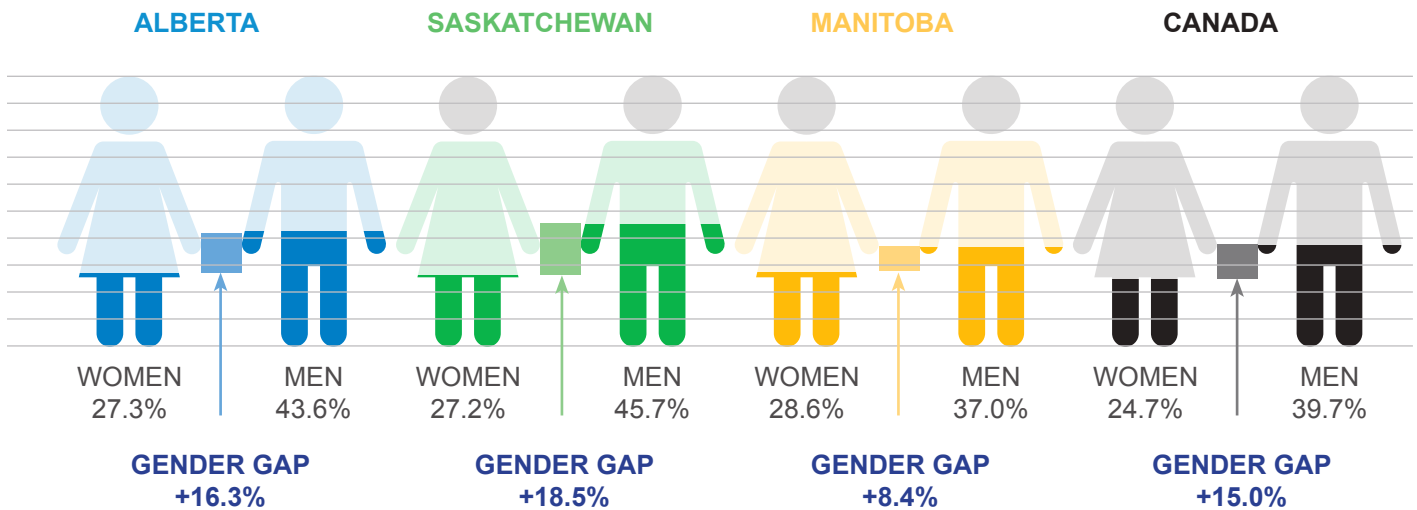
² See the following: https://futurpreneur.ca/en/press_release/futurpreneur-receives-60-million-commitment-from-government-of-canada/

³ See: <https://www.bdc.ca/en/financing>

⁴ See: <https://www.rbc.com/newsroom/news/article.html?article=125832>

Gender Differences in TEA

The Total Early-Stage Entrepreneurial Activity (TEA) metric provides valuable insights into the entrepreneurial landscape, particularly when examined through a gendered lens. In 2023, data highlights a notable disparity between young men and women.



How can we move forward?

1. Addressing Gender-Specific Barriers



Women often face distinct challenges that create barriers for their entrepreneurial participation. These challenges include limited access to resources such as funding, mentorship, and networks. Women entrepreneurs may also experience a higher fear of failure compared to men, which can deter them from starting and sustaining their businesses.

Consequently, it is crucial to design targeted support programs that address these barriers. This includes providing increased access to funding and mentorship tailored specifically for women and creating support systems that build confidence and reduce the fear of failure.

Key Insight: In 2023, young men in Alberta and Saskatchewan demonstrate significantly higher TEA rates than young women, with the gender gap widening over the years. Addressing this disparity is crucial for fostering a more balanced and inclusive entrepreneurial environment.

2. Policy and Program Development

Developing policies and programs that cater to the specific needs of women entrepreneurs is essential.



Tailored support initiatives, such as funding opportunities, training programs, and networking events, should be designed with women's unique challenges in mind. Additionally, educational institutions should offer entrepreneurial training that addresses gender biases and equips women with the necessary skills and knowledge for success.



3. Fostering a Supportive Environment:

A cultural shift that supports and celebrates women entrepreneurship is vital.

Addressing stereotypes and promoting a more inclusive narrative around entrepreneurship can

help create a more supportive environment for women.

By focusing on these areas, policymakers, educational institutions, and support organizations can work together to create a more inclusive and dynamic entrepreneurial ecosystem. This not only enhances women's participation but also drives broader economic growth and innovation.

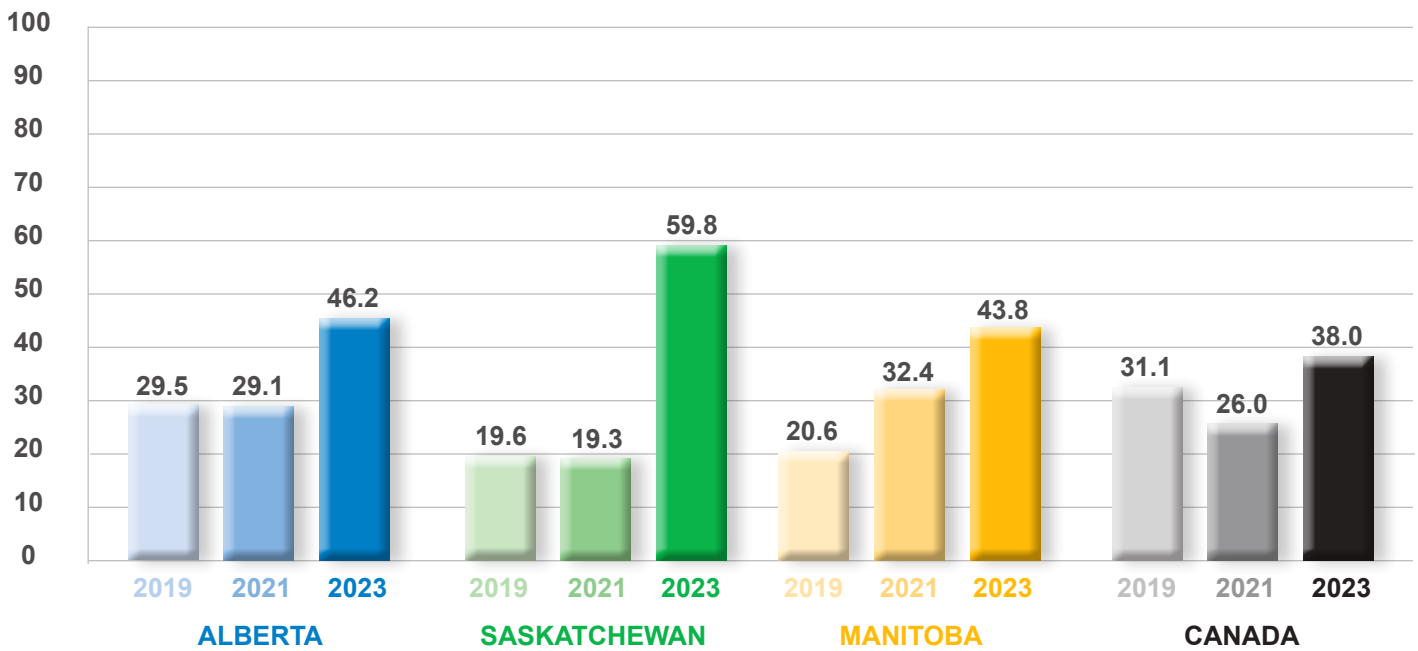
Job Aspirations Optimism

In 2023, job distribution aspiration data for youth entrepreneurs in Alberta, Saskatchewan, and Manitoba shows a strong shift towards larger businesses, particularly in Saskatchewan.

Since 2019, young entrepreneurs' aspirations have increasingly focused on growth, with more planning to expand to 20 or more employees. This trend highlights their growing confidence in building impactful businesses, reflecting a movement from simply starting ventures to scaling up and creating substantial enterprises despite economic uncertainties.

Overall, the data underscores a rising ambition for larger-scale growth and job creation among youth entrepreneurs, especially in the Prairie provinces.

EXPECTED PERCENTAGE INCREASE IN BUSINESSES WITH 20+ JOBS



Key Insight: In 2023, many entrepreneurs in Alberta, Saskatchewan, and Manitoba expressed strong ambitions to scale their businesses to 20+ employees, with Saskatchewan leading the trend. This highlights a regional focus on expansion and job creation.

What might be causing this?



Changing Economy: The evolving economic landscape, marked by recovery and growth after the pandemic, is driving youth entrepreneurs to scale up their businesses. As regional economies strengthen, there are more opportunities and incentives for young entrepreneurs to expand. This shift aligns with broader economic goals and provides a supportive environment for businesses to grow beyond the initial start-up phase.

Cultural Shifts: There may be a growing cultural emphasis on entrepreneurship as a viable career path, especially among the youth. Increased societal recognition of entrepreneurial success and the influence of role models and success stories contribute to a heightened ambition among young entrepreneurs. This cultural shift encourages youth to aim for larger-scale businesses and to view entrepreneurship as a means to achieve significant impact and success.



Access to Technology: Advances in digital technology and the availability of online tools have lowered the barriers to starting and scaling businesses. Youth entrepreneurs can leverage digital platforms for marketing, sales, and operations, enabling them to manage and grow larger businesses more effectively. This technological access facilitates the transition from small start-ups to more substantial enterprises.

Support Networks and Programs: Organizations, government initiatives, and educational institutions are increasingly providing resources and guidance that help youth scale their businesses. This support is crucial in fostering the growth of larger, more ambitious ventures among young entrepreneurs.



Such factors collectively contribute to the increased aspiration for larger-scale businesses among youth in the Prairie provinces, reflecting a dynamic and evolving entrepreneurial environment.

CONCLUSION

The GEM 2023 data on youth entrepreneurship in Alberta, Saskatchewan, and Manitoba highlights some clear trends. Young people in these provinces are increasingly involved in starting new businesses, often at higher rates than older adults. However, there is a noticeable gender gap, with young men showing higher entrepreneurial activity than young women.

Moreover, there is a growing pattern among young entrepreneurs to aim for larger businesses, particularly in Saskatchewan. This shift may reflect broader economic recovery and the possibility of increased access to resources and technology.

These findings are crucial for developing effective support programs and policies. Addressing the gender gap and supporting business growth can help build a stronger entrepreneurial environment for the future.