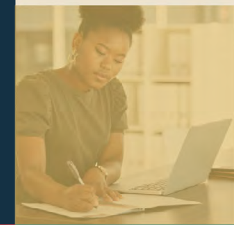
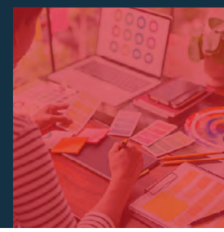
Closing the Capital Gap: Advancing Survivor Entrepreneurship in Canada

For Financial Institutions and Lenders

CANADIAN CENTER FOR WOMEN'S EMPOWERMENT | CENTRE CANADIEN POUR L'AUTONOMISATION DES FEMMES





For people experiencing or recovering from economic abuse and gender-based violence, entrepreneurship offers a pathway to stability, self-sufficiency, and leadership. The flexibility and independence it provides can be transformative after a relationship built on control. Survivors bring the talent, discipline, resilience and drive needed to build successful businesses.

But lending systems weren't designed with survivors' realities in mind.

Lenders rely on indicators like credit history, income stability, business formalization, and documentation. These measures often reflect the impacts of abuse, coerced debt, interrupted employment, or displacement rather than a person who has experienced economic abuse's actual capacity to repay or succeed. These barriers compound further for survivors navigating intersecting discrimination tied to gender, race, immigration status, disability, and other identities.

What we found

- None of the 24 survivor entrepreneurs in CCFWE's sharing circles had attempted to access formal financing. This was not for lack of ambition, but due to low trust in financial institutions and a widespread perception that capital isn't accessible to "people like me."
- Like women in general, people experiencing or recovering from economic abuse are much more likely to rely on personal savings or informal networks compared to male entrepreneurs, which can create new forms of financial dependence.
- Canada's microloan ecosystem is gradually shifting toward more inclusive, relationship-based models with growing recognition to reduce reliance on credit scores and the need to strengthen wraparound support like mentorship, coaching, and financial literacy for diverse populations.
- Despite this progress, few programs account for the realities of economic abuse, trauma, or coerced debt, and eligibility frameworks still largely prioritize formal business readiness and stable credit or immigration profiles leaving a critical gap between existing support and survivor needs.

Closing this gap starts with trauma- and violence-informed lending practices built around the realities of those with experiences of economic harm.

Financial institutions and lenders can increase access to safe capital for those experiencing or recovering from economic abuse by

- Offering small loans for survivor entrepreneurs that look beyond traditional credit scores, using alternative risk indicators, flexible repayment, and starter loan options.
- Building safeguards against bias in applications and approvals. Diversify lending teams to better reflect the communities served and understand varied business models and entrepreneurship pathways.
- For AI-assisted credit decisions, including people with experiences of economic abuse and vulnerable-consumer perspectives in governance and conducting regular bias audits. Pair automation with human review, recognizing that damaged credit or income gaps may reflect economic abuse, not creditworthiness.
- Partnering with community and women's organizations to pair lending with mentorship, financial literacy, and business coaching.
- Building frontline capacity on financial abuse, gender-based violence, and trauma- and violence-informed service to reduce stigma. As the Code of Conduct on the Prevention of Economic Abuse rolls out, embed these practices into lending, prioritizing access to credit and microloans for entrepreneurship with those experiencing or recovering from economic abuse.

Survivors are ready to launch and grow their businesses.

Read the **full report** on how Canada's financial institutions and lenders have an opportunity to meet them there.