The Road to Self-Employment

by Patricia Robertson

We are witnesses to the largest social trend in Canadian history: record numbers of women have gained entry to the paid labour force. Although we have been admitted to the labour market, we still do not enjoy equal pay or opportunity for advancement. In response to this inequity, some women have opted for self-employment as a solution to the glass ceiling. Yet this option is not without its drawbacks, as the Canadian Advisory Council on the Status of Women notes in their 1991 study, *The Glass Box: Women Business Owners in Canada*. Given the choice between a glass box or a glass ceiling, how much can the average working woman expect from the labour market? I will explore this question at length as I examine women’s access to self-employment in Manitoba through my own experience as a fledgling freelance writer.

A number of women in Manitoba are opting for self-employment. When my job ended last May I decided to join the ranks. My decision was made easier by quizzing every self-employed woman I know. When asked why they chose this route, many women responded that they wanted freedom and autonomy. The reasons given in *The Glass Box* support my findings: “The opportunity for job enrichment, characterized by self-expression, flexibility, and control, is becoming highly prized, especially by women with families” (8). Who wouldn’t want freedom of expression and control over their work environment? Many of us are tired of working in hierarchical settings for bosses who fail to respect our abilities and ideas. When faced with systemic sexism many talented women are recognizing that they have other employment options—hence, the increase in female entrepreneurship.

The majority of women I interviewed were happy in their role as “boss.” The concerns that were raised were mainly about child care, economic security, and adequate time off. The average self-employed person works more than 50 hours a week while paid workers work 35. When you combine 50 hours a week doing business with unpaid housework and child care, the self-employed woman may enjoy more flexibility but she certainly doesn’t work any less than her nine to five counterpart.

In preparation for my new venture I made a number of phone calls to local organizations. The first was to the Winnipeg Chamber of Commerce. I was told that they are not currently tracking the number of women-owned businesses in the city. I was referred to Winnipeg 2000 (a local group whose sole function is to attract new business to Manitoba) and was told that it was not their mandate. They said I should call Statistics Canada.

A series of phone calls led to Carmen Neufeld, President of the Women Business Owners. There are currently 225 women members who enjoy support and networking, problem solving, and mentorship. She had no current data on the latest business trend: the female entrepreneur. Neufeld said that she had read recently that women have an 80 per cent success rate when a new business is undertaken. Neufeld’s company provides event marketing and management and she has been self-employed for eight years. Her career started behind the steam table at a local hospital cafeteria. Like many of the women I interviewed, Neufeld offered advice and support and suggested I join Women Business Owners to combat isolation and to benefit from their mentorship program.

In search of more data, I made the trip down to Statistics Canada to review their 1988 study, *Entreprising Canadians: The Self-Employed in Canada*. The results are significant: “Since 1975, the number of self-employed women has been rising three times as fast (117 [per cent]) as the number of self-employed men (39.1 [per cent])” (9). According to the 1993 study, *Women in the Workplace: Second Edition*, women have also accounted for almost 75 per cent of all growth in employment since the mid-1970s (7). Yet our earnings still trail our male counterparts in the paid work force:

• The earnings of women employed on a full-time, full-year basis in 1991 were just 70 [per cent] of those comparable men. In fact, there has been little improvement in this earnings ratio since 1980, when women earned 64 [per cent] as much as men.
• Employed women earn less than employed men, irrespective of their educational attainment. The gap closes the higher the level of formal education.
• Employed women are less likely than men to be covered by some form of pension plan. (5)

In view of the statistical evidence, I now know why more and more women are seeking self-em-
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Employment: what have we got to lose? As the CACSW report notes, "...women are still over-represented in secondary labour markets, encountering much more gender-related prejudice and suffering relatively more employment and wage discrimination" (4). Women must venture into the world of business as independent owners because our options are still limited by the traditional workplace. Can we legislate fairness in the workplace? Will that protect us from the slings and arrows of sexist bosses? What exactly is the federal government doing to help matters?

In response to the growing trend towards self-employment, the federal government implemented the Self-Employment Assistance Program (SEA) for people collecting unemployment insurance benefits who would like to start a company. When I inquired about the August 28th session I was told that the funding fell through and to please try again in November. Due to record unemployment rates the current government is faced with the unenviable task of getting Canadians back to work. Women, the last hired and the first fired, are being targeted for additional support. Surely the federal government should continue funding its highly successful SEA program to support and encourage female entrepreneurs. The CACSW report suggests that the following would promote and support self-employment among women: creating educational opportunities; funding an information hotline; changing lending criteria; increasing networking opportunities; providing subsidized courses, mentorship programs, and an information clearinghouse.

Winnipeg's current answer to the employment problem for women is the Women's Employment Centre. Did you know that women are now considered a "target group" by the federal government? As a result, I qualify for counselling, retraining, and support in my efforts to gain meaningful employment. Unfortunately, they don't offer any courses or programs for entrepreneurs. When I met with the employment counsellor we ended up talking about emotional abuse and sexual harassment in the workplace. We traded personal histories and she kindly advised me to read *Feel the Fear and Do It Anyway.* Not exactly what I had in mind, but I guess it addresses the concerns of many women in a recessionary economy.

Confronted with a lack of government support for my venture, it occurs to me that a solution is self-evident. Why not coordinate the much needed entrepreneurial programs through the existing Women's Employment Centre? I am sure local business women would volunteer their services in order to create a clearinghouse for female entrepreneurship in Winnipeg. Without a formal organization to lend support, women must forge a path alone.

Self-employment must be offered as an option to young women in schools or career centres. In 1980, when I was in grade twelve, I was told I could be a teacher based on my love of learning. Self-employment was only an option for young men in my class, after they pursued an MBA or a law degree. Without role models or direction, young women risk falling into the pink collar ghetto.

Self-employment is not a panacea, nor is it suitable for everyone. The qualities of a successful entrepreneur are not sacred, but many women who display them in a traditional business setting are considered "pushy" and "too aggressive." If this sounds like you, read on:

Although both men and women business owners have high needs for achievement and independence, women may show higher levels of perseverance in their commitment to new ventures. Women also have lower expectations of income and so may pursue market opportunities that may also be too risky, innovative, or marginal for men. (Belcourt et al. 8)

For a man to leave the security of a good job with opportunities for advancement would seem foolhardy, but this is not so for women.

On the subject of money, one must ask whether it is worth the risk to take the leap. Bonnie Palanuk is a local interior designer with her own company, Gallery Associates. Palanuk offered this advice: "Don't worry about the money. It will drive you crazy if you do. Just do it." Palanuk has been self-employed for a number of years and has an excellent business acumen. Not surprisingly, she makes an excellent living as a designer.

Women like Palanuk are proof that it can be done. However, she did not do it alone. Mentorship is essential to any woman starting a business venture. Without a peer to offer advice, share information, and offer encouragement it can be a very lonely and difficult undertaking. Put a network in place before you start your business. Also, find out how much profit you can realistically expect to make in the first year. Can you live on $12,000.00 a year for three years until you have built a base? Are you willing to sacrifice some financial comfort for long-term gains?

To find out about financing, I contacted the Federal Business Development Bank. For a fee of $3400 I can learn to run my own business...with their help. However, I cannot apply for a business loan unless I fork over the cash for their courses first. I have hit the first obstacle to self-employment: lack of financial resources. "A number of obstacles contribute to the glass box," according to the CACSW
report, "women business owners face discrimination from suppliers, financial institutions, customers, and employees." (i).

How much money is required to become an entrepreneur? It depends on what you want to do. I sell my services so my overhead is low. Self-employment generally consists of generating new business. Step one is to draw up a business plan; step two, ask your local banker about financing; step three, find out if you qualify for matching funds from the government. Once you have your business in place, you must build up a client list. This process involves cold-calling, charging for services you may have previously provided for free, maintaining services provided, asking for references if clients like your work, and networking to obtain new business.

I chose self-employment because I wanted to be free to develop my ideas and pursue my own goals. I had grown tired of forty-something men taking credit for my ideas. As the CACSW report confirms,

Adversity creates entrepreneurs. The downsizing of corporations, takeovers and closures of established firms, discrimination, technological change, and obsolescence drive individuals to take control of their own destinies. (3)

Whatever category you may fit into, your destiny is yours to control. Too few women receive this message, as society encourages us to be dependent on males for financial support. We are also bombarded daily with hidden social messages: "Don't take risks, you'll get hurt. Be a good girl and take the minutes, won't you? You can make the coffee and we'll pour it ourselves." The social backlash I experienced when I announced and a tour. The more people that you know, the more likely it is that you'll get referrals and paid work. The biggest obstacles women face are isolation and lack of self-confidence. It is easy to sell someone else's product or idea. It takes courage to put faith in your own endeavours, especially when you have been socialized to help others and to give their goals and objectives priority over your own.

It has been almost three months see if I'd be welcome. I get Brent Smith on the phone and he offers lots of encouragement. Smith is the Marketing Director at Planet Recycling. Smith is a feminist who claims that the only way to ensure that your ethics and principles are protected in business is to be the owner/operator. Then, and only then, you can control the agenda and see that employees are well-treated and compensated. I agree with this philosophy, and now I choose to work on projects with those I trust, with no exceptions.

The next step is making connections with local women's groups. Having been in Winnipeg only two years I am still getting to know the women's community. I meet Babs Friesen and Helena Cole at the YWCA Women's Resource Centre and agree to give them some of my time to help with their collection. I then phone the Manitoba Women's Advisory Council and am invited for coffee.
since I decided to be self-employed. I know I have made the right decision because I am able to sleep at night, make my own schedule, and can live on a lot less money. I am progressing every day at my own rate. I have met a number of fascinating people whose stories I want to tell. I have made sacrifices, too. I no longer drive a car, I eat lunch at home, and my bank account is anemic. After working at a food bank for two years, I also know that I am better off than most. My advice to someone starting on the rocky road to independence is simple: take heart and have faith in yourself. The courage to pursue your own goals is the mark of the entrepreneur. You undoubtedly have many talents. In fact, you have probably been trading on them for years in order to earn a living. Now it is time to use them for your own gain. It is not selfish to pursue your own dreams: it is an act of survival in a business world that often only tolerates our presence.

Patricia Robertson graduated from York University’s Women’s Studies Program in 1990. She currently resides in Winnipeg and works as a feminist freelance writer. After spending two years in graduate school, and two more years as a “spin doctor” for a local charity, she has finally decided to write full-time.

References


