

# Nearly half as many people are launching businesses compared to 20 years ago, finds Canadian study

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Canada has 100,000 fewer entrepreneurs than it did 20 years ago. Credit: Amélie Philibert, Université De Montréal

Despite a population of 40 million, Canada has 100,000 fewer

entrepreneurs than it did 20 years ago, according to a [BDC study](#) conducted in collaboration with the Université de Montréal Innovation Center and Millénium Québecor and released as part of BDC Small Business Week.

This general trend is alarming. By 2022, only 1.3 persons out of 1,000 had started a business, compared to 3 out of every 1,000 in the year 2000. "This is worrying because entrepreneurship is crucial to the economy, fueling innovation and [economic growth](#)," points out Pierre Cléroux, Vice-President, Research and Chief Economist at BDC.

The report identifies several factors contributing to this decline, including low unemployment, high wages, an [aging population](#) and a more complex business environment.

## **Crucial skills**

The report also highlights a sad fact: one-third of new businesses close their doors within five years. "This situation shows the gap between the intention to start a business and entrepreneurial success," says Pierre Cléroux. "To close this gap, it is important for entrepreneurs to acquire essential skills to launch and grow their businesses, especially in an increasingly complex business environment."

The [report](#) identifies four distinct groups of skills needed to succeed in business: the most crucial being grit and relationship skills, which prove essential at all stages of a company's growth.

- Grit and relationship skills
- Marketing and finance
- Leadership and people skills
- Operational administration skills

For Daniel Jutras, Rector of the Université de Montréal, this shows how important it is to better prepare those who want to start a business. "With the work that has been done by BDC and Université de Montréal, we now have solid and valuable information with which we can develop [training programs](#) that address the concrete challenges faced by entrepreneurs, and that meet the needs expressed by our students. And that's what all academics do: use [reliable data](#) to generate knowledge and pass it on," he adds.

It is worth noting that BDC's research carried out in collaboration with Université de Montréal has shown that business success is not linked to innate abilities, but that these skills can be actively developed and nurtured.

The study is based on the analysis of three online surveys, econometric analysis and the updated BDC Index of New Entrepreneurial Activity. Two surveys were conducted online by Angus Reid from March 2 to March 14, 2023: one among 1,259 Canadian SME owners who started a business more than two years ago, and the other among 1,001 Canadians aged 18 and over interested in starting a business in the next two years, or who already started a [business](#) less than two years ago. The same questionnaire was used by the Université de Montréal to survey its student [population](#) from June 12 to 21, 2023, resulting in 230 respondents.

**More information:** Entrepreneurship in motion: Skills to succeed in a changing world. [www.bdc.ca/en/about/analysis-r ... repreneurship-skills](http://www.bdc.ca/en/about/analysis-r...repreneurship-skills)

Provided by University of Montreal

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