

Remarks to The House of Commons' Standing Committee on International Trade

Subject: Committee Study into Canadian Women and International Trade

Wednesday, October 9, 2024, 4:30 p.m. to 6:30 p.m. Eastern Time

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The Canadian Venture Capital & Private Equity Association (CVCA) thanks the committee for your invitation and the opportunity to comment on this important study.

CVCA represents some of the largest investors in Canada with more than 350 member firms and 3,300 individuals. Our members are the investors behind the creation of thousands of jobs, the advancement of innovative technologies, and the strengthening of local economies across the country.

Private Capital supports Canada's entrepreneurship, supporting businesses from startup to global expansion.

CVCA is dedicated to fostering diversity and inclusion within the venture capital and private equity sector. We do this through various programs including those supported by the *Women Entrepreneurship Strategy (WES)* – with government funding; as well as initiatives such as: the *Canadian Women in Private Capital Awards*, which is an industry recognition that promotes visibility of women investors; and the CVCA Internship Program – now in its fourth year – which seeks to nurture the future and diverse talent pool.

Thanks to the Inclusive Women in Venture Capital Initiative (IWVCI) supported by WES, CVCA has rolled out programs designed to support and empower women in the industry. Our focus has been on three main areas: Education, a Diverse Talent Pipeline, and Research (industry data).

- I. **Education:** We seek to foster greater representation of women in private capital through education and skills training, providing participants – who are mid-career women with business acumen – with the knowledge and networks necessary to succeed in this competitive field. CVCA's Programs like Women Venture Forward™ (WVF) offer targeted education and access to mentorship with industry leaders.¹

To-date, WVF – which is delivered in partnership with The Ivey Business School – has enabled 60 women from across Canada from diverse backgrounds, locations and stage in their careers, helping them find pathways to enter the industry. Yet, we know that demand far exceeds supply – so there has been ample interest in our upcoming third cohort.

- II. **Diverse Talent Pipeline:** We know that developing a strong pipeline of diverse talent is essential to the long-term success and inclusivity of our industry.

An example of initiatives that foster this pipeline is the CVCA's Internship Program, which places 10-20 students annually from underrepresented groups – including women – across Canada into VC and PE firms in our membership.²

- III. **Research:** This year, we will roll out a DEI Benchmark Study to assess progress in diversity, equity, and inclusion within the private capital industry. This will build on the insights from a previous 2021 survey. By providing fresh data on inclusion, it will enable organizations to identify areas for growth, fostering a culture of equity and belonging. Beyond data collection, the study will also underscore the direct correlation between diverse workforces and increased productivity and profitability, offering deeper insights into market drivers for DEI.

¹ Other initiatives (e.g. Fund Manager and Diversity Internship) provide practical, hands-on experience in the full investment cycle, helping build leadership skills and foster career development in VC and PE.

² adVENTURE University Tour: introduces future graduates to the world of Venture Capital, offering unique access to experiential learning with industry experts (featuring a majority of women panelists) and a hands-on fund manager simulation. Last fiscal year, the tour engaged with over 600 students across 9 Canadian universities. This fiscal year, the tour will expand to 10 universities, further promoting private capital markets as a viable career path for emerging talent.

CVCA is now in our second year of the Inclusive Women in Venture Capital Initiative, and already we have seen early successes from year one, with two participants starting their own funds: one has almost reached their first capital raise with a focus on LGBTQ+ founders, while the second one is focused on black women entrepreneurs. Two women have also found employment in private capital firms – a highly competitive and comparatively small industry. These attest to the early ripple effects that having women in decision-making roles can achieve for the ecosystem at large.

There remain important challenges, but there is reason for optimism, as is observable in overall trends. For example:

- Today, we see women leaders at the helm of Private Equity firms in Canada.
- Venture Capital companies in our membership, are built around the investment philosophy that Women-led ventures succeed more often and have better returns than all-male founder teams.³

We know that women have traditionally raised less capital compared to men: By the end of 2020, only 2% of the global proportion of VC dollars went to women-founders compared to 9% that went to female/male co-founded companies⁴. Canada is no stranger to these challenges: in 2021, only 4% of all investment dollars in Canada were allocated to Women-founded companies. But, by the first half of 2024, that 4% has positively gone up to 12%.

While we can expect ebbs and flows, the trend is positive, one that we will continue to track and improve upon.

Thank you, and I look forward to your questions.

³ Female founders do 63% better on average than all-male founder teams.

⁴ <https://news.crunchbase.com/venture/global-vc-funding-to-female-founders/>

