



State of Black Economics Report 2025

Insights on Education,
Employment and
Entrepreneurship



Partners



The Diversity Institute conducts and coordinates multi-disciplinary, multi-stakeholder research to address the needs of diverse Canadians, the changing nature of skills and competencies, and the policies, processes and tools that advance economic inclusion and success. Our action-oriented, evidence-based approach is advancing knowledge of the complex barriers faced by under-represented groups, leading practices to effect change, and producing concrete results. The Diversity Institute is a research lead for the Future Skills Centre.



The Future Skills Centre (FSC) is a forward-thinking centre for research and collaboration dedicated to driving innovation in skills development so that everyone in Canada can be prepared for the future of work. We partner with policymakers, researchers, practitioners, employers and labour, and post-secondary institutions to solve pressing labour market challenges and ensure that everyone can benefit from relevant lifelong learning opportunities. We are founded by a consortium whose members are Toronto Metropolitan University, Blueprint, and The Conference Board of Canada, and are funded by the Government of Canada's Future Skills Program.

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A photograph of a man with short dark hair and glasses, wearing a dark button-down shirt. He is sitting at a desk, holding a smartphone to his ear with his left hand and looking at a tablet computer with his right hand. The background is slightly blurred, showing a lamp and some office equipment. The image has a soft, warm color overlay.

Executive Summary

Background

Canada has a deep commitment to human rights and equity embedded in our Constitution, Charter of Rights and Freedoms, legislative frameworks and judicial decisions. Despite backlash, most organizations remain committed to equity, diversity and inclusion (EDI) not just because of their obligations under law, but because of its links to organizational performance in an increasingly diverse environment. Access to talent and markets, as well as strong innovation, employee engagement and productivity, are all tied to creating diverse, equitable and inclusive work environments.

Canada's Black population has grown significantly over the last two decades and now accounts for 4.3% of the Canadian population. This diverse community includes those with deep historical roots, particularly in Atlantic Canada, alongside recent migrants from the Caribbean, Africa and beyond. Notably, 60% of Black Canadians were born outside the country. This diversity brings a rich array of cultures, religions, languages and experiences that contribute to the vibrancy of Black communities countrywide.

However, Canada's history of slavery, segregation and deeply embedded anti-Black racism continues to shape its institutions, including media, housing, health care, the justice system and access to services. This report will focus on the aspects most directly related to economic disparity – education, employment, leadership and entrepreneurship – while recognizing the complex relationships across dimension.

There is considerable research that traces the contributions of the Black population to generating wealth for others. This research also outlines the ways in which the history of slavery, segregation and anti-Black racism in education, employment and entrepreneurship have prevented Black Canadians from creating and accumulating wealth for themselves. The data clearly show higher levels of poverty for Black Canadians, as well as lower levels of property ownership and less intergenerational wealth than other segments of the population. While median income of Black Canadians has increased in recent years, a significant gap remains.

Systemic racism against Black Canadians is deeply embedded in societal structures, institutions and individual attitudes. This limits economic inclusion and social mobility. The United Nations defines systemic racism against Africans and people of African descent as “the operation of complex, interrelated systems of laws, policies, practices and attitudes in governmental institutions, the private sector and societal structures that, combined, result in direct or indirect, intentional or unintentional, *de jure* or *de facto* discrimination, distinction, exclusion, restriction, or preference based on race, colour, descent, or national or ethnic origin.” Addressing these issues requires comprehensive and integrated solutions based on disaggregated data and an intersectional approach, recognizing how racism impacts individuals differently based on gender identity, ethnicity, religion, age, sexual orientation and other dimensions of identity.

This report, the State of Black Economics Report, synthesizes the latest data and research on key areas of economic advancement for Black Canadians, including education, employment and entrepreneurship. It focuses on actionable strategies to foster inclusion within the skills and employment ecosystem.



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Education

While progress is undeniable and education gaps are narrowing, the Canadian education system, shaped by systemic discrimination, continues to marginalize Black students. Black people are underrepresented as teachers, guidance counsellors and principals, as well as among the faculty members and administrators in post-secondary institutions who help to shape curriculum, pedagogy and services. For more than a century, Eurocentric curriculum omitted the history of enslavement and segregation and erased the contributions of Black people.

Practices such as streaming Black youth into vocational programs and away from university, the lack of role models and absences of wraparound supports to address gaps have limited opportunities for advancement and pathways to post-secondary education.



Research also shows that Black youth, particularly boys, face disproportionately high disciplinary actions and low expectations from teachers, which discourages academic persistence. While promising practices have focused on addressing these barriers, there is still fragmentation and disaggregated data is limited, inhibiting our ability to track progress.

These challenges extend to post-secondary education, where Black professors are underrepresented among tenured faculty and administrators as well as career support services. This reduces access to academic role models and culturally appropriate approaches. While university graduation rates for Black Canadians now align with national levels, this increase is largely driven by immigration. Canadian-born Black students still enroll at lower rates. Moreover, Black students remain underrepresented in high-paying fields like engineering and medicine, which limits economic mobility and diversity in influential industries. There is ample evidence that access to financial and social capital play a significant role in shaping student opportunities.

Addressing these disparities requires proactive measures. Education drives social and economic advancement, making early investment in equitable K-12 education essential. Implementing culturally responsive teaching, increasing Black representation in curricula and enforcing fair disciplinary policies can create a more inclusive learning environment.

Employment

Systemic barriers in Canada's labour market continue to limit Black Canadians' economic opportunities, leading to higher unemployment, lower wages and underrepresentation in high paying roles. Despite bridging the education gap, Black Canadians are twice as likely to be employed in roles requiring only a high school education or less. This disparity highlights the persistent impact of anti-Black racism in the labour market.

Discrimination against Black Canadians extends across all aspects of employment, including hiring, promotion practices and workplace interactions. A recent Environics survey found that Black Canadians are more likely than other racialized groups to experience workplace discrimination, and Black women also experience gender-based discrimination. Addressing this problem requires a laser focus on labour market trends and ensuring Black job seekers have access to the skills needed, including digital skills, as well as the required wraparound supports.

For example, there is considerable evidence that work-integrated learning is one of the most effective ways of creating pathways to employment, but Black job seekers often have fewer opportunities because of structural issues. It also requires addressing the demand side of the equation. Employers need to build inclusive practices in job design, recruitment, selection, development and advancement, while addressing pathways to leadership.

A diversity and inclusion lens must also be embedded into governance and strategy, culture and partnerships, as well as the entire organizational value chain: procurement, product and service design, sales and marketing and support. Many organizations are open to new approaches, but need support to develop and implement effective strategies.

Leadership

Representation in leadership is significant, as it influences economic opportunities and workplace experiences, and is also an indicator of societal inclusion and belonging. Black leaders have made impressive gains across sectors and have broken through barriers, serving as elected officials and cabinet ministers and as senior administrators, particularly at the federal level.



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They have also served as judges, university presidents, leaders of non-profits and private sector corporations, as well as leaders of agencies, board and commissions. In some communities, Black leadership on boards is approaching the level of Black representation in the overall community. However, Black Canadians remain underrepresented in leadership roles, including executive and board positions overall. Legislation and regulatory requirements, mentoring, coaching and sponsorship, as well as voluntary codes such as the Black North Initiative, have all played important roles, but more is needed. Highlighting and celebrating examples of success are also important because, as we know: “If you can’t see it, you can’t be it.”

Entrepreneurship

Small and medium-sized businesses are the backbone of the Canadian economy and entrepreneurship is a critical driver to prosperity, innovation and sustainability. Although Black people account for 4.3% of the population, they are majority owners of less than 1% of small and medium-sized enterprises (SMEs). Black women are majority owners of 38.8% of these SMEs, twice the proportion of the 17.8% of all businesses that are majority-owned by women. Most Black entrepreneurs are self-employed, although Black people are also a smaller proportion of self-employed. Black-owned businesses are smaller, less likely to have employees and tend to be concentrated in service sectors.

Some Black Canadians turn to entrepreneurship due to barriers in traditional employment, while others pursue it for the opportunities it offers. Research shows that Black-owned businesses, regardless of motivation, face systemic challenges, including difficulty accessing funding, establishing credibility, building a customer base and lack of relevant support services. Black women entrepreneurs face greater obstacles to securing funding than others. The COVID-19 pandemic exacerbated these barriers, with Black business owners more likely to report difficulties securing government support or avoiding additional debt. These disparities reflect structural inequalities in Canada’s entrepreneurial ecosystem, emphasizing the need for targeted support to ensure Black entrepreneurs have equitable opportunities.

Understanding the barriers and enablers for Black entrepreneurs requires bringing a gender and diversity analysis to the entrepreneurial ecosystem: the interconnected set of players and processes at the societal, organizational and individual levels. Research has found that these ecosystems systematically exclude women, immigrants and other diverse entrepreneurs, including Black entrepreneurs.

Enabling conditions play a critical role at the societal level. These include socio-economic conditions, infrastructure, policies and programs, cultural values and stereotypes. Organizational policies and practices among key organizations, such as financial and



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educational institutions, investors, business intermediaries, incubators and accelerators, as well as among large customers, also play a role. At the individual level, human, financial and social capital play an important role.

We need to consider the knowledge, skills and motivations of Black entrepreneurs. At the same time, attention must be focused on individuals who are gatekeepers and decision-makers whose bias, experiences and lack of understanding can present barriers. In recent years, major players have developed programs targeting Black entrepreneurs with financing, mentoring, skills and capacity building. However, work must continue to understand the dynamics of the ecosystem, what works for whom and ways to challenge embedded anti-Black racism.

Recommendations and conclusions

Whether we are looking at education, employment, leadership or entrepreneurship, it is clear there are no simple solutions to complex problems.

Better disaggregated data is essential to fully understand disparities in education, employment, leadership and entrepreneurship and would enable policymakers to set targets and track progress. At the societal level, broader structural forces — including systemic racism, stereotypes, media representation, government policies and infrastructure — shape access to opportunities for Black Canadians. The media plays an influential role in shaping public perception and reinforcing or challenging societal norms. Like other sectors with outsized influence, such as law, government and the justice system, the media must improve Black representation in leadership roles, as well as in mentorship and role model positions.

Legislation, voluntary codes and policies also play an important role. Canada's Employment Equity Act has a positive impact by requiring federally regulated corporations to report on representation and strategies to advance designated groups, including women, Indigenous Peoples, racialized people and persons with disabilities. Recent recommendations suggest that Black Canadians should be recognized as a separate designated group due to their unique historical and systemic challenges.

Voluntary codes like the 50 — 30 Challenge, which aims at advancing gender parity and increased diversity on boards and in senior roles across sectors, and the BlackNorth Initiative, which specifically targets increasing representation of Black people in corporate leadership, hold promise in promoting coordinated action.

Additionally, government social policies in health, child care and immigration are essential for addressing long-standing economic and social inequities and programs targeting the Black community to level the playing field are critical. Applying an anti-racism lens to policy design and evaluation ensures that efforts to advance equity are integrated across all levels of government and that we understand what works for whom.

At the organizational level, businesses, government agencies, educational institutions and service providers shape economic and social outcomes through their policies and practices. Bringing a gender and diversity lens across all aspects of an organization, including governance and strategy, human resources, workplace culture, metrics, the value chain and community engagement, can ensure that commitments to EDI and anti-Black racism are embedded in institutional frameworks. Many employers are beginning to acknowledge systemic barriers and implement strategies to foster inclusion and advance Black professionals into leadership roles. However, financial and post-secondary institutions, business support organizations and other institutions can do more to support Black-owned businesses. This is crucial for building generational wealth.

At the individual level, it's essential to equip Black Canadians with resources and support at every stage of the talent pipeline, from education to employment and leadership. However, the focus should not be on fixing Black communities, but on transforming societal attitudes and eliminating systemic biases. Canadians must deepen their understanding of the legacy of slavery, segregation and anti-Black racism to understand bias and how it is manifest, confront personal biases and learn how to be effective allies.

Overall, the State of Black Economics Report offers good news – evidence of significant progress in key areas known to drive economic development. However, there is more to be done. In the U.S., we have seen a backlash and attacks on EDI that threaten to undermine commitments to combatting anti-Black racism across education, employment, leadership and entrepreneurship. Nevertheless, the evidence remains strong. Advancing Black prosperity is not simply a matter of human rights or social justice, but fundamental to Canada's prosperity and sustainability.