Literature Review

The Role of Non-Profit Culture and Gender Bias in Accessing Financing

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SCALE

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Glossary of Key Terms

Barrier: an obstacle that prevents movement or access.

Entrepreneurial: being innovative, creative, resourceful, and adaptable.

Financing: capital from banks and other lenders that must be repaid.

Funder: organizations and/or people who provide money that does not need to be repaid.

Funding: money from philanthropic sources that does not need to be repaid.

Lender: organizations and/or people who provide financing through loans and other debt instruments.

Overhead costs: costs that are not directly related to the organization's programming but are necessary for the operation of the organization. Examples of overhead costs include rent, utilities, insurance, legal fees, office supplies, advertising, payroll, and accounting fees.

Risk aversion: the tendency to avoid risk.

Risk tolerance: the level of risk an entity is willing to assume to achieve a potential desired result.

Social finance: an approach to managing lending and/or investments that generates financial returns while including measurable positive social and environmental impact.

Success factor: any trait, attitude, skill, knowledge, motive, value, or any other characteristic that helps lead to success.

Traditional lender: banks, credit unions, and other financial institutions that provide loans to small and medium-sized businesses.

Woman: a person who, regardless of their sex assigned at birth, identifies as a woman.

Introduction

In the first half of this literature review, Scale Collaborative explores the cultural barriers and perceptions that stand in the way of non-profit organizations considering and accessing financing. In the second half, we dive deeper into women's experience in the workplace (both in the private and non-profit sectors) and how societal and structural barriers have impacted women non-profit leaders' desire and ability to access financing.

In this research, the following terms are used:

- ‘Financing’ refers to capital from banks and other lenders that must be repaid.
- ‘Funding’ refers to money from philanthropic sources that does not need to be repaid.
- ‘Funder’ refers to organizations and/or people who provide money that does not need to be repaid.
- ‘Lender’ refers to organizations and/or people who provide financing through loans and other debt instruments.
- ‘Investor’ refers to organizations and/or people who provide capital through shares and other equity instruments.
- ‘Overhead costs’ refer to costs that are those that are not directly related to the organization’s programming but are necessary for the operation of the organization. Often referred to as ‘administrative expenses’ Examples of overhead costs include rent, utilities, insurance, legal fees, office supplies, advertising, payroll, and accounting fees.

Methods

This literature review was composed by conducting an in-depth search and analysis of academic research papers, white papers published by government and businesses, and grey literature. During our research, we found a significant gap in the research on the specific topic of this literature review: non-profit women leaders' experience with financing. All of the above sources were necessary to fully comprehend the subject, themes and gaps in the literature.

Non-profit access to financing

The literature identifies several barriers to non-profit organizations considering and accessing financing, including:

- Reliance on traditional funding
- Funder risk aversion
- Accountability structures
- Organizational infrastructure
- Board risk aversion
- Entrepreneurial culture
- Investment readiness
- Organizational capacity

Reliance on traditional funding

Historically, non-profits have tended to gravitate toward traditional and safe revenue models. There is a significant ‘grants’ mindset in the non-profit sector (Hebb, 2012; Salway, 2017). Non-profits are comfortable and experienced with grant funding, and the literature often advises non-profits to focus on traditional funding models (Foster et al., 2009; Fine et al., 2007). However, this mindset limits

programming and operations and can build a culture of scarcity that creates a hamster wheel of scrambling for resources in the sector (Tacon et al., 2017).

Many organizations feel pressure to change their work to fit funders' expectations and requirements, in part because large contracts or grant funding—large enough to sustain most of an organization's operations—are rare and usually only available to a small group of non-profits with specific missions (e.g., charities that focus on certain medical issues) (Fine et al., 2007; Tacon et al., 2017).

Funder risk aversion

In addition to risk aversion within traditional non-profit funders, there is risk aversion among lenders. Lenders and investors, including venture capitalists and angel investors, are hesitant to provide money to non-profits (Boss, 2013; Joiner, 2015).

In the private sector, lenders and investors are comfortable taking risks based on trust in an entrepreneurial leader and the uniqueness of their business idea. In contrast, non-profit sector investment requires a mountain of evidence proving that the investment will lead to a successful venture and that the organization's leader has a track record of reliability and trustworthiness (Boss, 2013; Joiner, 2015; Olenick, 1988).

Non-profit funders prefer to provide small, incremental amounts of money for well-established ideas, making safe, low-risk decisions with their money (Olenick, 1988). Kristen Joiner (2015) stated, "investment capital in the private sector is actively seeking entrepreneurs with great new ideas to launch; donors in the non-profit sector are looking for leaders to manage someone else's proven idea."

Traditional non-profit funders, such as philanthropic foundations, are hesitant to seek returns on their investments (Payton & Moody, 2008), which means philanthropic organizations have been slower to get on board with impact investing (Emerson, 2018). A lack of financing options from traditional non-profit funders impacts the non-profit sector's desire and ability to access these new types of financing.

Additional cultural factors also impact non-profits' readiness to take on debt financing. "In many cases, non-profits do not make for natural or ready investment candidates. Put simply, most are not structurally or culturally set up to receive return-seeking investment, nor do they have the resources or networks to pursue it" (Bell & Goel, 2017).
Grant funding is often designed to cater to the needs of the funder rather than the needs of the organization seeking funding (Mendell et al., 2018). Researchers argue that if financial instruments were designed with the needs of non-profits at the forefront, there would be more uptake (Imagine Canada, 2020).

Accountability structure

The traditional accountability structure used in the non-profit sector represents another barrier to accessing financing. Non-profit organizations must balance upward accountability to funders, donors, and oversite agencies with downward and lateral accountability to their community, program participants, and staff (Christensen & Ebrahim, 2006; Tacon et al., 2017).

Often grant conditions and criteria dictate the programming, which can inhibit the innovation that comes from creating programming prior to seeking well-suited funding (Tacon et al., 2017).

Organizational infrastructure

In addition to the systemic challenges outlined above, there has been a downward trend in reported overhead spending in the non-profit sector. This trend has decreased spending for overhead expenses and reduced non-executive level staff wages (Lecy & Searing, 2014; Miller, 2017; Putnam-Walkerly, 2021).

"Organizations that build robust infrastructure—which includes sturdy information technology systems, financial systems, skills training, fundraising processes, and other essential overhead—are more likely to succeed than those that do not" (Gregory & Howard, 2009).

Conversely, organizations that cut wages and limit staff training negatively impact their senior leadership pipeline. Research suggests the need for change on the funder side to ameliorate this situation. The power dynamics and expectations from funders are unrealistic and put undue pressure on non-profit organizations (Lecy & Searing, 2014; Gregory & Howard, 2009).

Scarcity mindset

Philanthropic funders are providing less money for overhead costs and expecting non-profits to do more with less, and the combination of funder risk aversion and the lack of resources outlined above has led to a scarcity mindset within the non-profit sector (Gregory & Howard, 2009; Lipman et al., 2000; Miller, 2017; Putnam-Walkerly, 2021).

When an organization does not have 'enough,' whether that is enough staff, volunteers, space, equipment, time, money, etc., they have no choice but to focus on how they can get by in the present moment, with no regard for future planning (Martin, 2021; Gregory & Howard, 2009; Putnam-Walkerly, 2021). "When you focus attention on what you don't have, it leads you to make decisions that provide short-term gain but will hinder long-term well-being and, in the long term, will only make matters worse" (Martin, 2021).

The scarcity mindset also leads to competition between non-profit organizations. "If you believe that resources are scarce, and you are applying for grant funding, you are less likely to collaborate or share ideas with other groups because you worry that they will steal your ideas and they will get the grant instead of your organization" (Martin, 2021).

Turning away from this mindset towards a mindset of abundance helps organizations collaborate and plan for the future in a way that more effectively serves the community. However, this shift requires more flexible sources of revenue (Edgington, 2015).

Board risk aversion

Risk aversion within a non-profit's board and senior leadership team is a significant barrier to seeking and obtaining financing (Hebb, 2012; Otten, 2012; Salway, 2017; Young, 2009). Despite non-profit boards being primarily composed of private-sector individuals who frequently take calculated risks in their day jobs, this mindset does not carry over to their work on non-profit boards (Otten, 2012).

The 2020 Imagine Canada report found that 21% of charities claimed their board would not consider or approve a social finance loan. This is consistent with subject matter expert literature on the topic that cites board risk aversion as a primary obstacle to securing financing (including traditional bank loans, social financing, etc.) for non-profit organizations (Hebb, 2012; Salway, 2017; Young, 2009).

"The risks that come with taking on debt can discourage boards, which must be fiscally responsible and attentive to the organization's

mission. In many cases, the concerns of boards are legitimate. Yet, this default tendency can result in missed opportunities for enhancing financial sustainability and organizational impact" (Imagine Canada, 2020, p.15).

Entrepreneurial culture

Another significant barrier to accessing financing is a lack of entrepreneurial culture within the non-profit sector, a lack of financial knowledge and skills, and a lack of experience generating earned income, which are critical components of investment readiness (Hebb, 2012; Imagine Canada, 2020; Ryan, 2001).

Non-profits must show that they can repay the debt when securing a loan. Of the organizations surveyed by Imagine Canada (2020),

- 25% reported not being involved in any income-generating activities;
- 23% claimed they were uncertain about their ability to repay a loan;
- and 17% stated that they had no viable investment ideas that would generate income.

Organizations that generate earned income can draw on current assets and leverage them for new endeavours (Hebb, 2012; Ryan, 2001). In addition, they can produce financial statements and projections, which are vital when seeking financing. Those that rely on government funding are significantly less likely to report these attributes as strengths (Imagine Canada, 2020).

Investment readiness

Several researchers (Cabinet Office, 2011; Canadian Alternative Investment Foundation, 2022; Gregory et al., 2012) identify a lack of investment readiness as a barrier on the non-profit side of uptake for financing. When Imagine Canada surveyed non-profits regarding their readiness for social finance, 66% had either never heard of the term 'social finance' or had heard of the term but were unsure of what it meant (Imagine Canada, 2020).

Knowing social finance exists is a necessary precursor to seeking and obtaining financing. Even when non-profits know about social finance, less than half have any experience with debt financing, which is a significant indicator of the likelihood of taking on social finance in the future (Canadian Alternative Investment Foundation, 2022; Hebb, 2012; Imagine Canada, 2020).

While the availability of financing options is growing (Responsible Investment Association, 2019), over half of the charities surveyed by Imagine Canada in 2020 reported that "their organization would be unlikely to take a loan if it were made available" (p.2).

Organizational capacity

An important indicator of investment readiness, beyond the knowledge of the concept of social finance, is the capacity to take on financing. There is not much research on non-profit organizational capacity to take on financing, but Imagine Canada conducted a study in 2020 that highlighted the capacity requirements for non-profits hoping to take on financing.

According to Imagine Canada (2020), the capacity to take on financing includes the ability to:

- Raise unrestricted funds
- Draw on a diverse range of revenue sources
- Collect evaluation data

- Assess the full social/environmental impact of work
- Consistently and predictably generate an operating surplus
- Draw on existing assets when needed

While many non-profits doubt their ability to execute these critical organizational capabilities, there is also "a discrepancy in terms of how charities would view their investment readiness and how other actors in the social finance market view charities' investment readiness" (Imagine Canada, 2020, p.18). Non-profits overestimate their organization's investment readiness and capacity compared to subject matter experts.
The strongest indicator of organizational capacity to take on debt financing is the non-profit's annual revenue size. Organizations with larger annual revenues report a more robust capacity to take on social finance than those with smaller annual revenues (Imagine Canada, 2020; Westling & Tsunoda, 2022).

Other than the 2020 Imagine Canada study, there is very little literature on the capacity of non-profits to access financing. Most papers focus on the basic capabilities required to financially manage organizations effectively, including budgeting, grants, and reporting (Bowman, 2011; Chikoto & Neely, 2014; Claussen, 2012), rather than building non-profit capacity to access growth financing.

Effective approaches to non-profit financing

Impact investing is a new method of financing used by social purpose organizations (both for-profit and non-profit) to raise capital. Impact investing is defined as "investments made with the intention of generating positive, measurable social and environmental impact alongside a financial return" (Global Impact Investing Network [GIIN], 2019, p. ii).

Seeking financing from sources such as bank loans or impact investment funds represents a paradigm shift from traditional philanthropic funding models (Bell, 2013), which is why non-profits need to find values alignment when seeking financing (Westling & Tsunoda, 2022).

Non-profits that access financing tend to have certain traits in common. Financing is typically considered by non-profits that:

- Have larger annual revenues ($5M +)
- Already have some kind of debt and feel confident in their ability to repay their debt.
- Have a revenue mix that is made up of a substantial portion of earned income

(Imagine Canada, 2020; Westling & Tsunoda, 2022)

These organizations are typically more creative in how they operate than many non-profits. To access debt financing, organizations need to be able to demonstrate their ability to repay the loan, so, logically, entrepreneurial non-profits with reliable revenue streams are more likely to seek financing for their endeavours (Imagine Canada, 2020; Westling & Tsunoda, 2022; Varga & Hayday, 2016). Accessing financing also allows these organizations to grow more quickly than their peers (Westling & Tsunoda, 2022; Varga & Hayday, 2016).

When non-profit organizations seek financing, it is often from lenders specifically directed towards non-profits (e.g., the Non-profit Finance Fund) because these lenders understand the unique circumstances of non-profit organizations better than traditional banks (Westling & Tsunoda, 2022).

Women's experience

This section examines women's experiences in the private, public, and non-profit sectors to show how women's experience in the work force permeates through the walls to accessing financing. There is limited literature on the specific experiences of women non-profit leaders seeking financing. Therefore, Scale Collaborative will spend more time on women's general experience in the workplace, then the experience of women entrepreneurs seeking financing, and finally, touch on the experience of women-led non-profit organizations accessing financing.

Women in the workplace

Women face an abundance of barriers in the workplace. They hold a small fraction of leadership positions, despite making up half of the workforce (Catalyst, 2019; Jones & Jones, 2017; Kaiser & Wallace, 2016). Women are underrepresented in upper-level management positions and earn lower salaries than men at all levels of organizations (Pynes, 2000; Joshi et al., 2015). They face barriers in the workplace due to gender bias, which stops them from being given leadership opportunities (Diehl et al., 2020; Ely et al., 2011; Jones et al., 2016). Women tend to be well-represented in management positions but less in senior leadership roles (Cross et al., 2017; McKinsey & Company, 2020).

Women face higher levels of scrutiny at all levels in the workplace than men (Hoyt & Burnette, 2013; Joshi et al., 2015) and are given lower performance ratings (Roebuck et al., 2019). This is especially true when women achieve upper-level management positions and are vastly outnumbered by men. In these situations, women are tokenized and subject to increased criticism compared to the dominant (male) group (Kanter, 1978; Oakley, 2000).

Finally, women have less access to role models (Cross et al., 2017) and are more likely to be put in precarious leadership positions than their male colleagues (Glass & Cook, 2016; Ryan & Haslam, 2005; Stephenson et al., 2022).

Gender bias and societal barriers

Many researchers have studied the phenomenon of gender bias. These studies suggest that men are more likely to select male leaders, and women are more likely to select female leaders when given a choice (Jackson et al., 2007). This shows a general gender bias rather than a bias against women.

Unfortunately, other studies show that, in the workplace, women do not receive credit for behaviour that is recognized as "feminine" (Heilman & Chen, 2005; Loughlin et al., 2009; 2012) and are punished for behaviours that are seen as "masculine" (Heilman & Okimoto, 2007; Heilman et al., 2004; Chao, 2011; Jamieson, 1995; Oakley, 2000). Femininity is associated with incompetence (Broveman et al., 1972; Heilman et al.,1989). Women also are perceived as poor problem solvers in masculine work settings (Catalyst, 2005).

When Lee (2019) examined how board-level representation impacts hiring a leader, they found that boards with 33% to 50% women as members were more likely to have a woman as CEO than those with fewer women at the governance level. The traditional thinking of men as those with status and power leads to bias against women leaders (Grisoni & Beeby, 2007; Ridgeway & Bourg, 2004; Rudman & Kilianski, 2000; Eagly & Karau, 2002; Lips, 2000; Rhode, 2003; Stivers, 2002; Valian, 1999).

The ‘old boys club’ is another gender-based barrier to the advancement of women in the workplace. Oakly (2000) defined the ‘old boys club’ as “an informal male social system that stretches within and across organizations and excludes less powerful males and all women from membership. In old boy networks, the members of the network transfer the competition and power advantages realized in the formal structure onto friendship patterns and alliances within the informal system” (p. 328).
This structure means that women must prove themselves more frequently and to a higher degree than their male colleagues, which impacts women leader advancement and development (Gordon, 1992; Oakley, 2000). Women who advocate for a shift in the status quo are perceived as a threat to male colleagues (Oakley, 2000).

Women and private sector finance

It is not surprising that after generations of differential treatment, women-run businesses are less likely to seek and obtain financing than men. Orser et al. (2006) found that, when controlling for other systemic variables (size and sector), women business owners were less likely to seek equity financing than men business owners. This is consistent with theories of increased risk aversion among women business owners. However, they were equally likely to seek other types of financing (e.g., debt financing) (Orser et al., 2006).

There is some disagreement in the literature regarding whether women face discrimination in obtaining debt financing. Some researchers claim they are equally likely to be approved as men (Orser et al., 2006). Others claim that women entrepreneurs are less likely to be approved for loans, and when they are approved, they are more likely to pay higher interest rates, receive smaller loans, and shorter tenors (Arraiz et al., 2022).

Another study discovered that men and women-owned small and medium-sized enterprises (SMEs) were equally likely to seek external financing, representing a shift from previous findings. However, most women-owned businesses were less likely to be approved for short-term debt financing than most men-owned businesses (Jung, 2010).

In a 2017 study, Kanze et al. analyzed the transcripts of conversations between venture capitalists and entrepreneurs. The researchers found that VCs (both men and women) asked entrepreneurs different types of questions. When speaking to men entrepreneurs, they asked about the potential for growth (67% of questions). When speaking to women entrepreneurs, they asked about the potential for losses (66% of questions). These differences had a substantial impact on the investments received. Entrepreneurs who were asked primarily growth-oriented questions raised seven times more capital for their start-up than those who fielded loss-oriented questions.

Women behave differently than men regarding financing. They often lack the confidence to use internal financing (i.e., profit as a source of capital for new investments). They also face discrimination and barriers to accessing external financing, which makes them less likely to seek debt financing (Wang et al., 2021). However, women-run businesses are more likely to ask for financing if they have support and having a supporter has more of an impact on women seeking financing than men (Kwapisz & Hechavarría, 2018).

Women entrepreneurs benefit from being on mixed-sex leadership teams because it helps them access financing (Godwin et al., 2006; Cicchiello et al., 2020).

A study conducted in Australia examined the risk aversion of for-profit boards with seats filled by women and found that having women on the board was positively associated with the

organization's use of debt financing, contradicting the 2021 findings of Wang et al. (Ahmed & Atif, 2020).

Rockel (2021) noted that women are risk-astute rather than risk-averse, meaning they take more time to understand risk and are, therefore, more aware of the risks they face as organizational leaders. Rockel (2021) quoted Jill Earthy, CEO of Women's Enterprise Centre, who said women are "more thoughtful, doing more research" before applying for financing compared to their male peers.

Interestingly, start-up teams seeking money from informal fundraising sources such as equity crowdfunding benefit from having women on the team. In these more informal situations, where investors have less information on the organization and its financials than they usually would, funders perceive women as more trustworthy (Ahlers et al., 2015; Johnson et al., 2018), more diverse, and more equipped to take on funding and carry out the project goals (Ullah & Zhou, 2020; Cicchiello et al., 2020).

Reasons for not seeking financing

In 2022, WeBC conducted a study examining why women entrepreneurs do not seek financing at the same rate as their male peers. The most common reasons included:

- Not knowing what financing options were available to them
- Not having solid relationships with traditional lenders
- Assuming they would be turned down
- Not feeling their needs would be met by traditional lenders

Women entrepreneurs are often self-funded (Black et al., 2022; WeBC, 2022). "Only 10% of women indicate they will approach a bank for a loan, which means there is a large number of women entrepreneurs who do not have a long-term source of capital to support their growth" (WeBC, 2022, p. 11).

(Black et al., 2022) found that women entrepreneurs may be more likely to self-fund not only because they lack access to larger pools of capital in the early start-up stage but also because women prioritize sustainable growth over rapid growth and sale, which men prioritize.

When they approach banks and others for financing, women business leaders look for both financing and business support, and they are often dissatisfied with the support services provided (Rockel, 2021; WeBC, 2022).

Women as leaders

Despite the biases and barriers outlined above, women are equally equipped and qualified to lead as men. The literature confirms that women leaders are better at engaging with their teams than men.

Specifically, they are superior at engaging hard-to-engage team members (Jacob & Chandrasekhar, 2021). In fact, Menzies et al. (2006) found that women's nascent entrepreneur start-up teams were six times more likely to create a successful operating business than male teams.

In their research, Dorfleitner and Oswald (2016) discovered that women-owned businesses are more reliable at paying back microfinance loans. Singh (2018) maintains that women-founded or co-founded start-ups earned higher revenues and higher returns for investors than their men counterparts.

Closing the gender finance gap

To close the gender financing gap, experts recommend that lenders take an ecosystem approach by collaborating with business service providers and create holistic financing solutions that:

- Better suit the needs of women entrepreneurs
- Use positive screens for gender-representative teams
- Build accelerators focused on women
- Ensure diversity on the investor team and awareness of personal biases
- Make inclusion a strategic priority for investments

(Black et al., 2022; Kaplan & VanderBrug, 2014; Singh, 2018; WeBC, 2022)

Over-representation of women in the non-profit sector

Women are overrepresented in the non-profit sector (Almog-Bar & Livnat, 2019; Joiner, 2015; Lanfranchi & Narcy, 2013; Lee, 2014; Reskin, 1993). Nearly three quarters of non- profit CEO and Executive Director positions are held by women, but only 48% of executive Board members are women and 42% of Board chairs are women (BoardSource, 2017). In the private sector, only 15% of fortune 500 companies have women CEOs (Fortune, 2022).

Some researchers claim this differential can be explained by the fact that the sector is more flexible and accommodating for families (Lanfranchi & Narcy, 2013). Others note that the non-profit industry is considered a more "feminine sector" because of its association with helping, noting that women who have a stronger preference for helping are more likely to work for non-profit organizations (Lee, 2014).

Despite representing twice as many leadership positions non-profit sector, less than half of the non-profit organizations with budgets of over $10 million are led by women, and women are paid less than men at the executive level in non-profit organizations (Bell et al., 2006).

Women-led non-profits and innovation

There is not much literature addressing the unique experience of non-profit women leaders with financing. However, Joiner, who co-founded an American non-profit organization focusing on youth sex education in 1999, wrote an article for the Stanford Social Innovation Review in 2015 that described her perspective on the issue.

This article articulates that, while it could be a coincidence that the men-dominated private sector has no issue obtaining financing for new ground-breaking ideas, the women-dominated non-profit sector continues to struggle to receive financing for any innovative programming. Instead, the women-dominated non-profit sector is rewarded financially for its ability to execute someone else's already-proven idea effectively.

The author states, “the power dynamics at play between the non-profit and private sectors reflect the gender dynamics of our larger society” (Joiner, 2015). She goes on to explain that, much like the way women are expected to act as the nurturing caretaker while their husbands provide financially for the family with their corporate jobs, the non-profit sector is expected “to fix many of society’s most urgent problems—poverty, public health, the environment” (Joiner, 2015) with little money and inadequate recognition for the work, while the private sector receives large amounts of financing and praise.

The author further underscores her point by highlighting the power dynamics created when male corporate representatives sit on non-profit boards, deciding which leaders to hire and fire and what projects are worth funding.

The author claims that the funding available to non-profits stifles innovation and favours those who stick to the status quo. The author concludes to develop innovative solutions for the societal issues taken on by non-profits, the gender gap in the sector needs to be addressed.

Funders and lenders must be willing to take risks on the creative ideas of women non-profit leaders the same way they do on men entrepreneurs in the private sector (Joiner, 2015).

Conclusion

Non-profit organizations experience many real and/or perceived barriers to seeking and securing financing. There is a deep-rooted culture of grant and donor funding in the sector, a lack of understanding regarding more entrepreneurial financing sources, a scarcity mindset, risk aversion on behalf of boards, funders and lenders, and capacity struggles in the non-profit sector.

To address the lack of uptake of financing opportunities in the non-profit sector, the literature recommends, firstly, building awareness of the existence of social finance, how to access and use it, and readiness. Then, non-profits need advice on how to develop earned income streams as well as help recruiting staff with the appropriate skills and experience to succeed in the earned-income space.

They may also need to set resources aside to educate current staff and volunteers on financing (Imagine Canada, 2020). Additionally, creating diverse financial instruments "may be more effective for meeting the multiplicity of financing needs that exist in the sector" (Imagine Canada, 2020, p. 38). Non-profits have unique needs and often require flexible, patient capital.

The barriers to seeking and securing financing are compounded for women non-profit leaders. While there is not much literature on the specific experience of women non-profit leaders with regard to financing, there is an abundance of literature examining the experiences of women in the workplace and women seeking financing in the private sector.

The literature makes it evident that gender-based biases and structural factors impact women's desire to seek out financing and their ability to secure financing.
To address this inequity, the literature recommends creating holistic financing solutions for women-run businesses and non-profits (i.e., including business support and financing), making inclusion a strategic priority for financers, and conducting positive screening for gender-representative teams.

Based on these findings and the small amount of grey literature addressing the unique experience of women non-profit leaders with financing, more work needs to be done to better understand the combination of non-profit culture and gender bias as it impacts access to financing, both internally and externally.

Gaps in the literature

The literature describes the experiences of non-profits and women in the corporate and start-up worlds and explains the overrepresentation of women in the non-profit sector. However, there is a notable gap in the literature regarding how the unique experience of women non-profit leaders impacts their access to

finance. Only one article specifically addressed the gap in financing in the women-dominated non-profit sector. While the article provides interesting insights, the article was written based on the experience and perspective of one woman leader and cannot be deemed representative of the entire sector. Additionally, the article was not an academic research paper. More research is needed to better understand the unique experience of non-profit women leaders accessing finance.

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