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VERSAFI RESEARCH REPORT · SEPTEMBER 2026

# DISMANTLING THE **PERFORMANCE TAX**

## Strategies to Advance BIPOC Women in Canadian Finance

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# FOREWORD

TANYA VAN BIESEN, CEO, VERSAFI

The Canadian finance sector sits at an inflection point, with growing economic uncertainty, geopolitical shifts, and rapid technological transformation intensifying competition for skilled talent. In this environment, workforce strategy has become inseparable from business strategy, and the institutions that thrive will be those that invest in talent across every dimension of their organization.

Of particular importance is addressing the aspirations and needs of women from the BIPOC (Black, Indigenous and People of Colour) community, a group often overlooked and underrepresented at advanced levels across the sector.

Measuring the experiences and progress of BIPOC women in Canadian finance has never been easy; while Canada's Employment Equity Act has long required federally regulated employers such as banks to report on race and gender, the data has captured broad groups, not the experiences of the individuals within them. For finance organizations outside of the federally regulated system, collection of gender- and race-disaggregated data is not even mandatory.

We do know that as institutions have begun to publish more granular data, a consistent pattern has emerged: BIPOC women remain concentrated in much lower-paying roles than both their white women peers and men, and face far steeper barriers to advancement.

What makes this particularly striking is that BIPOC women are actually among the most ambitious professionals in the sector. As reported in VersaFi's *Powering Progress Scorecard 2026*, 71% aspire to reach the C-suite, the highest of any group measured. The barriers they face are not a reflection of drive or ambition; they are a reflection of systems and structures that have yet to catch up.

In this latest report, we explore the experiences of BIPOC women in finance, in particular the compounding, invisible surcharge they pay simply to be seen as equally capable and ready for leadership as their colleagues. The findings contained within are sobering and instructive, and send a clear signal there is still more work to do.

We invite you to read this report with an open mind and a willingness to act. The evidence is clear, the recommendations are practical, and the opportunity to lead on this issue has never been greater. Those institutions and leaders who engage seriously with this work will be better positioned to retain and advance BIPOC women, and to build the stronger, more resilient organizations that this moment demands.

# ABOUT THE RESEARCH



VersaFi's ***Dismantling the Performance Tax: Strategies to Advance BIPOC Women in Finance*** features insights collected from BIPOC women in the Canadian finance sector through a national online survey (n=101) in partnership with Qualtrics, and in-depth qualitative interviews (n=21) in partnership with Environics Research, completed in 2025.

Insights capture perspectives across career stages, roles, sectors and regions in the Canadian finance sector, with 61 participants representing those earlier in career (middle management or earlier), and 61 participants representing those in senior leadership (positions above middle management).

This project has been supported by Women and Gender Equality Canada.

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## ACKNOWLEDGEMENTS

Our heartfelt thanks to all of the participants who shared their experiences to bring these insights to life and facilitate progress towards advancing BIPOC women in the Canadian finance sector.

Thank you to our supporting partners on this project, IGM Financial and Raymond James Ltd., as well as to our Steering Committees, who provided valuable insights and consultation from a workplace perspective throughout the project.

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# EXECUTIVE SUMMARY



BIPOC women in Canadian finance are among the most ambitious professionals in the sector, with more than **7 in 10 (71%)** aspiring to reach the C-suite. Yet ambition has not translated into advancement; most remain concentrated in lower-paying roles and face disproportionately steep barriers to leadership. This report examines the experiences of these women, and offers five recommendations for institutions and leaders to support, advance and retain them.

Our core finding reveals a troubling equity gap in finance: BIPOC women face a compounding, invisible surcharge simply to be seen as equally capable, credible, and ready for leadership as their peers. VersaFi's research has named this the **Performance Tax**, and it operates across four interconnected dimensions of BIPOC women's professional lives. Critically, the data shows that the Performance Tax compounds as seniority increases, with barriers becoming more pronounced, rather than less, the closer they get to the top.

## THE FOUR DIMENSIONS OF THE PERFORMANCE TAX

**01**

### The Burden of Proof

An expectation that BIPOC women must continuously demonstrate competence peers are assumed to possess.

*Our data showcases this bias in leadership evaluations, performance reviews and perceived competency.*

**02**

### The Recognition Gap

A consistent pattern of unacknowledged contribution with direct career consequences.

*Many respondents report feeling unsupported and uncredited in their work.*

**03**

### The Access Deficit

Routine exclusion from the informal networks and relationships that determine who advances.

*BIPOC women have less access to sponsorship, strategic projects, and networking opportunities, from the data.*

**04**

### The Visibility Shortfall

An absence of BIPOC women in senior leadership, conveys the message: you can start here, but you will not finish here.

*Respondents early in career cite limited representation in leadership a key barrier to advancement.*

> *In a system shaped by the Performance Tax, BIPOC women must spend significantly more energy, time, and emotional labour than their peers to achieve the same, or lesser, outcomes. Canadian financial institutions have the power to dismantle it.*

# DISMANTLING THE PERFORMANCE TAX: RECOMMENDATIONS



## 1 Clarify advancement requirements.

Replace vague feedback with success profiles modeled on the actual outputs of top performers at each level. Transparent, measurable rubrics make the path to promotion defensible and bias-resistant.

## 2 Standardize contribution credit.

Standardize contribution credit by establishing clearer mechanisms to recognize individual contributions, particularly on high-profile work where credit can default to the most senior or visible person.

## 3 Embed accountability for sponsorship.

Tie senior leader evaluations to the advancement of their sponsored talent, including placement into stretch assignments and high-visibility roles. Sponsorship that affects a leader's own performance gets treated as a business priority.

## 4 Institutionalize shadowing.

Create formal opportunities for BIPOC women to sit in on closed-door pitches or executive meetings to gain high-profile visibility.

## 5 Redefine leadership archetypes.

Challenge assumptions about what a leader should look and sound like, ensuring that leadership potential is assessed based on impact and capability rather than conformity to a traditional executive type.

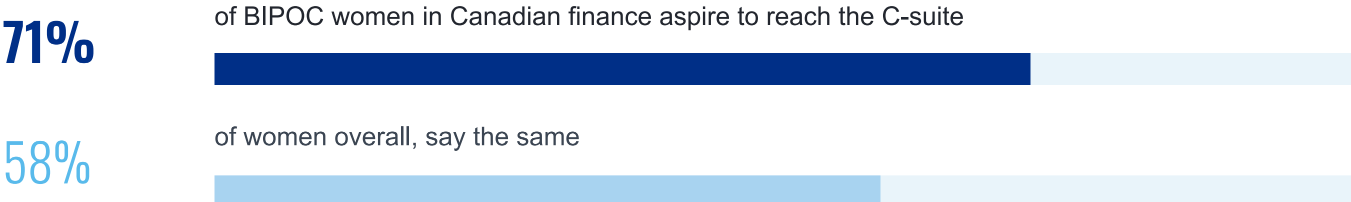
SECTION ONE

# RESEARCH FINDINGS

The Performance Tax Across Four Dimensions

# BIPOC Women Are Among the Most Ambitious Professionals in Finance

Previous VersaFi research has shown that women in finance from Canada's BIPOC (Black, Indigenous and People of Colour) community are among the most ambitious professionals in the sector. More than 7 in 10 (71%) say they aspire to reach the C-suite, compared to just over half (58%) of women overall.[1] Yet BIPOC women remain concentrated in much lower-paying roles than both their white women peers and men, and face far steeper barriers to advancement, a pattern documented across the sector and the broader economy.[2,3,4]




This report draws on quantitative and qualitative research to examine exactly what those barriers are, and how significantly they shape the careers and trajectories of BIPOC women in Canadian finance.

## BIPOC Women Pay a Performance Tax at Work

Our research findings point to a consistent and troubling pattern for BIPOC women in Canadian finance: they report being held to a different standard than their peers when it comes to leadership evaluations, leadership decisions, and proving competence, and have to work harder to gain the same level of recognition for advancement.

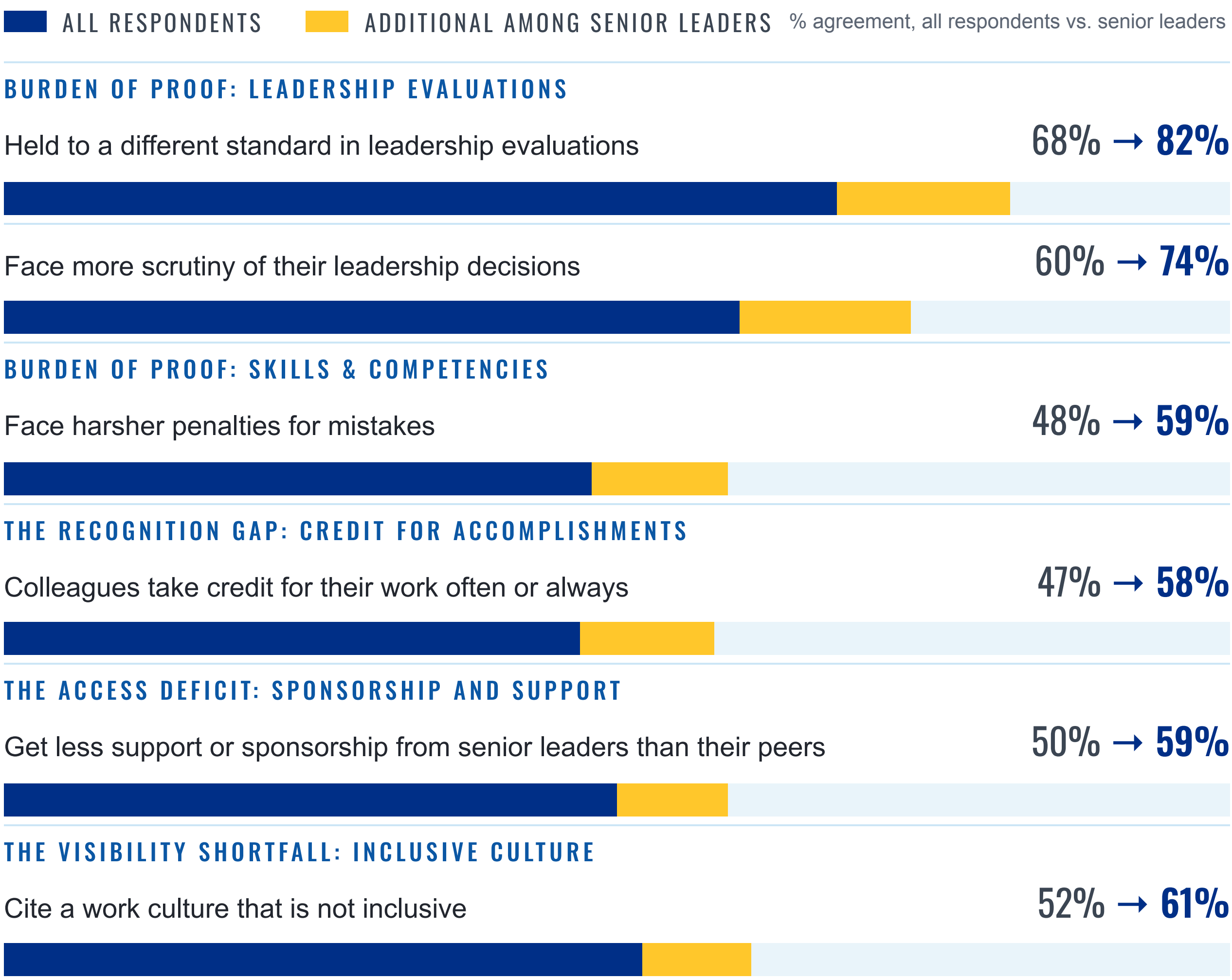
From this research, VersaFi refers to the **Performance Tax** as the compounding, invisible surcharge BIPOC women pay simply to be seen as equally capable, credible, and ready for leadership as their peers.

The Performance Tax operates across four interconnected dimensions of BIPOC women's professional experience: 1) The Burden of Proof, having to prove competence that is never assumed; 2) The Recognition Gap, experiencing a pattern of unacknowledged contribution; 3) The Access Deficit, being excluded from sponsorship and networking opportunities critical to advancement; and 4) The Visibility Shortfall, not having or seeing BIPOC role models in leadership roles. Together, these constitute a system in which BIPOC women must spend significantly more energy, time, and emotional labour than their peers to achieve the same, or lesser, outcomes.

# The Performance Tax Compounds as Seniority Increases

Our research also indicates a consistent pattern across each dimension explored. The Performance Tax for BIPOC women compounds as seniority increases, with barriers becoming more pronounced, rather than less, in senior leadership positions (those above middle management). See Figure 1 below.

## FIGURE 1: BARRIERS INCREASE WITH SENIORITY IN ELEMENTS OF EACH DIMENSION



# 01 The Burden of Proof

The most fundamental component of the Performance Tax is the Burden of Proof, or expectation that BIPOC women must continuously demonstrate competence that their white peers and peers that are men are assumed to possess from the outset. This is reflected in what BIPOC women reported in our research.

*Note: percentages cited below are representative of the quantitative data (i.e., survey results).*

## LEADERSHIP EVALUATIONS

**68%** believe BIPOC women in the finance sector are held to a different standard than their peers in leadership evaluations.


**60%** believe BIPOC women face more scrutiny of their leadership decisions.


**57%** find/have found it difficult to make the transition to mid or senior leadership roles in the finance sector.

## PERFORMANCE REVIEWS

**53%** cite biased performance reviews as a key barrier to senior leadership.

**53%** say unconscious bias or stereotyping in promotions is also a key barrier to senior leadership.

## SKILLS AND COMPETENCIES

**58%** believe BIPOC women face higher expectations for proving competence.

**48%** say expectations of having to work harder than peers is a key barrier to senior leadership.

**48%** say BIPOC women face harsher penalties for mistakes.

# The Burden of Proof - *Comments from Respondents*

> *"Even when you're the top performer, there's always some reason why you're 'not quite ready yet.' It's like moving the goalpost again and again."*

> *"You end up working twice as hard, but they still question your leadership readiness. I saw people who looked nothing like me getting fast-tracked."*

# 02 The Recognition Gap

A second dimension of the Performance Tax is a consistent pattern of unacknowledged contribution. We've labelled this the Recognition Gap, and it is tied to something more fundamental than just acknowledgment of work well done. In most organizations, recognition is the mechanism through which advancement happens. When credit does not follow contribution, the professional record that determines promotions and compensation is built on incomplete information. Our research reveals that many BIPOC women feel uncredited and unsupported, often working from a position that does not reflect what they have already delivered.

## ADVANCEMENT SUPPORT

**61%** say they have to work harder than others to gain the same level of recognition or advancement.

**54%** "somewhat agree" that they feel supported by their manager to get into a leadership position.

**50%** say they feel supported by their organization in advancing to or within senior leadership.


## CREDIT FOR ACCOMPLISHMENTS

**47%** report that colleagues take credit for their work often or always.

# The Recognition Gap - *Comments from Respondents*

> *“There was a time I raised a risk flag in a meeting, and it was brushed off. Twenty minutes later, a white colleague brought it up again and suddenly it was urgent...I wish someone in leadership had stopped and said, ‘Let’s recognize that [my name] already mentioned this.’ That acknowledgment would have changed everything.”*

> *“My accomplishments were there on paper—client wins, revenue growth—but the promotion went to someone already 'in the club.' No transparency, no criteria, just backroom decisions. It’s not about your work, it’s about how well you’re liked by certain leaders or whether they think you’re a ‘fit.’ That’s code for bias.”*

> *“I got asked to sit on all these committees and speak on all these panels and at first, I was excited. But after a while, I realized it wasn't helping my career. I was doing all this extra work that wasn't in my job description, and it wasn't being recognized in my performance reviews.”*

# 03 The Access Deficit

The third dimension of the Performance Tax is the routine exclusion of BIPOC women from the informal networks and sponsorship relationships that determine who advances. We call this the Access Deficit, and it falls disproportionately on those who most need an advocate in the room. Our research reveals that while BIPOC women value the opportunities that sponsorship, mentorship and high-visibility roles offer, they receive less of these opportunities compared to peers.

## SPONSORSHIP AND MENTORSHIP

**88%** believe sponsorship is crucial to reaching a leadership position

**YET**

**46%** identify lack of sponsorship from senior leadership as a key barrier

**84%** believe mentorship is crucial to getting a leadership position

**YET**

**54%** identify lack of formal mentorship opportunities as a key barrier

## ACCESS TO OPPORTUNITIES AND LEADERSHIP NETWORKS

**58%** say they face limited opportunities for high-visibility roles.

**53%** say limited access to strategic projects is a key barrier to senior leadership.

**50%** say they get less support or sponsorship from senior leaders compared to their peers.


**38%** say limited access to senior leadership networks is a key barrier to senior leadership.

# The Access Deficit - *Comments from Respondents*

> *"The biggest difference I saw between me and my white male peer was access. He was invited to golf trips and leadership dinners. I didn't even know those things were happening."*

> *"Mentorship is helpful, but it only goes so far. It was a sponsor who changed my life. Someone who pushed for me behind closed doors."*

> *"A sponsor believes in you before everyone else does. Without one, you're just hoping your hard work gets noticed."*

# 04 The Visibility Shortfall

The final dimension of the Performance Tax is an absence of BIPOC women in senior leadership roles, which we call the Visibility Shortfall. When BIPOC women are absent from leadership, the signal sent to those earlier in their careers is clear: you can enter this industry, but you are unlikely to lead it. Over time, lack of visibility at the top shapes who applies, who stays and who leaves a job.

## REPRESENTATION OF BIPOC WOMEN LEADERS

**51%** cite limited representation of BIPOC women in leadership as a key barrier to advancement.

**52%** cite a work culture that is not inclusive as a key barrier to advancement.

# The Visibility Shortfall - *Comments from Respondents*

> *"We don't have any women of colour who are marked to participate in spotlight programs. It sends a message that we're not seen as leaders, even if we're doing the work already. If we're not visible, how can others believe they belong here?"*

> *"Seeing more and more girls looking at the financial industry... brings me hope. But we also need to make sure those girls see people who look like them at the top. Otherwise, the message is: you can start here but you won't finish here."*

> *"I joined a leadership circle for racialized women run by an outside organization. It changed everything. Suddenly, I wasn't the only one. We all had different experiences, but there was this shared understanding. I felt seen in a way I hadn't inside my company. It made me realize I wasn't imagining things. That validation gave me the push to apply for a promotion I'd been hesitating on. And I got it."*

> *"There was this cohort of Black women across different financial institutions that met monthly. It wasn't formal, just a space where we could be real. We'd talk about work, yes, but also about how we were coping, how we were showing up. I didn't realize how much I needed that until I had it. I remember one session where someone said, 'You're not too much. You're just in the wrong room.' That stuck with me. It helped me walk into spaces with a little more of my full self."*

SECTION TWO

# RECOMMENDATIONS

Moving Beyond Stated Values to Structural Accountability

# RECOMMENDATIONS



Dismantling the Performance Tax is not an exercise in adjusting the ambitions or capabilities of BIPOC women; they are already among the most driven professionals in the Canadian finance sector. Rather, it requires a fundamental rewiring of the institutional systems, evaluation rubrics, and networks that govern career progression across the sector.

VersaFi offers the following recommendations for institutions and leaders to support, advance and retain BIPOC women.

## 01 Clarify advancement requirements through measurable success profiles.

Eliminate ambiguity and subjective feedback such as “needs more presence” by replacing vague expectations with granular ‘Success Profiles’ modeled after the actual outputs of top performers. When these measurable, bias-free rubrics are clearly communicated as the explicit performance standard required for progression at every level, the path to promotion becomes more transparent.

## 02 Standardize contribution credit.

Establish clearer mechanisms to recognize individual contributions, particularly on high-profile work where credit can default to the most senior or visible person.

## 03 Embed accountability for sponsorship.

Account for sponsorship success in senior leaders' evaluations. This should include advocating for, and equitably advancing, high-potential talent into lateral stretch assignments or promotions. In this way, executives are not just assigned a protégé; their own performance is tied to the promotion or lateral high-visibility move of their sponsored talent. This makes sponsorship a business deliverable, not a volunteer activity.

## 04 Institutionalize ‘shadowing.’

BIPOC women expressed being over-utilized and stretched for their presence at performative requests with no reward, such as on awareness days or months. Shift the focus to business opportunities, requiring that major client pitches, for example, include a designated ‘shadowing seat.’ Create formal opportunities for BIPOC women to sit in on closed-door pitches or executive meetings to gain high-stakes visibility. This can apply regionally as well, where high-potential regional talent are assigned a virtual ‘seat’ in high-stakes executive meetings for a quarter, creating opportunities to learn and become familiar faces to the C-suite.

## 05 Redefine leadership archetypes.

Challenge assumptions about what a leader should look and sound like, ensuring that leadership potential is assessed based on impact and capability rather than conformity to a traditional executive type.

By implementing these concrete, measurable interventions, Canadian financial institutions can eliminate the invisible surcharge currently paid by exceptional talent.

In doing so, the sector will build a more resilient, high-performing, and meritocratic leadership pipeline for the future.

# ABOUT VERSAFI

VersaFi is a national, non-profit organization focused on elevating women in the finance sector to advance prosperity for all. Founded in 1995 as Women in Capital Markets (WCM), the organization rebranded in 2024, as VersaFi.

As Canada's largest network of women, allies, and leading finance sector organizations, we champion talent at every stage of the career journey: empowering individuals and shaping leaders; transforming individual success into industry-wide impact; and advancing a stronger, more competitive finance sector for all.

Our community has grown to a membership of more than 4,400 and 55+ corporate partners across the country representing the finance sector across banks, dealers, insurance companies, pension plans, regulatory agencies, exchanges, and advisory firms. To learn more or to become a member, visit www.versafi.ca

## REFERENCES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4 McKinsey & Company, *Women in the Workplace 2025*





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