

# WEbarometer

# 2022

A Survey of **Women**  
**Entrepreneurs** in Europe

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On behalf of the WEgate Project



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of the European Union

**we**gate

We open doors for **W**omen **E**ntrepreneurs

# Foreword

We live in challenging economic times, the likes of which many of us will not have experienced in our business lives. Recovery from the Covid pandemic had started to improve the business climate, only for it to be dramatically interrupted by other economic and political troubles that have disturbed almost every aspect of business life. All entrepreneurs are affected, but the business problems endured by women entrepreneurs become more exaggerated because of the additional and distinctive challenges that they face.

It is a noticeable trend that, once again, it is in industry sectors in which women entrepreneurs are particularly prevalent that have been most keenly affected by the latest crises. Sectors such as hospitality and recreation are customarily amongst the first to suffer, with reducing family disposable income negatively impacting turnover. Furthermore, labour, raw material and energy costs have spiralled, while disposable income has been squeezed to such an extent that purchasing power has dropped, affecting sales and cash flow.

The WEbarometer series of gender-related statistics continues to detect women-differentiated conditions. The array of difficulties being experienced now by businesses in troubled industry sectors specifically highlight issues relating to the limited financial support available to women-led businesses. This is accentuated in the analysis of the data from our third, gender-specific, WEbarometer report, information that is hugely valuable as a guide to policymakers in eliminating the systemic barriers that exist for Europe's women entrepreneurs.

It is critical that programmes designed to support women to start and grow their businesses are not submerged in the maelstrom of measures to combat European economic and political pressures. In fact, priority should be given to this under-represented entrepreneurial cohort, which is a substantial body of the population that can act as a springboard to regenerating economic and social recovery.

WEgate, the parent organisation to the WEbarometer, continues to support women in business and those wanting to start a business. We achieve this through our linked organisations, and various training and mentoring activities, which are constantly updated to give the best possible assistance as we strive to withstand these unprecedented challenging times.

**David Caro**

President of the European Small Business Alliance

# Executive Summary

The following are the key highlights to the survey of European women entrepreneurs that was undertaken in the summer of 2022:

- The survey generated a total of 200 responses from 23 countries.
- Solo self-employed represented 38.55% of respondents, while 'Owner / co-owner of a business with less than 10 employees' represented 40.96% of respondents.
- 60.24% started the business on their own, while 23.77% had more than one woman in the founding team.
- Food & Beverages', 'Finance & Financial Services' and 'Education' are the most popular industries with respondents.
- 7.27% had 'Not started a business yet' and 38.79% were in business 'Between 1 and 3 years'
- Revenue was generally low with 42.17% of respondents reporting annual turnover of 'Less than €100k' and 26.51% reporting between '€100k to €499k'.
- The age category '35-44 years' represented 37.95% of respondents, while the category '45-54 years' represented 29.52%.
- Prior to starting this business, 65.66% were 'Employed' and 17.47% were 'Self-employed in different business'
- Respondents were generally optimistic about the economic environment as 38.89% rated the economic environment as 'Good' or better for women starting a business.
- In terms of enterprise support, respondents placed 'Mentoring programs' as the top type of support required, followed by 'Start Your Own Business programs' and 'Networking programs'.
- Respondents believed that 'Women's business networks' (42.27%) offered the most effective enterprise support for women starting a business, followed by 'State agencies' (25.77%).
- The top reason for starting a business was 'Identified a business opportunity' (51.26%), followed by 'Greater flexibility to work around family responsibilities' (47.74%) and 'Desire to be her own boss' (45.73%).
- The top three reasons for not starting a business were 'Low self-confidence' (44.16%), 'Lack of access to finance' (42.13%) and 'Unwilling to take risk' (40.10%).
- The biggest challenges facing women business owners are 'Difficulty securing finance', 'Lack of knowledge / skills about starting and growing a business', 'Difficulty obtaining support from state enterprise agencies', and 'Substantial caring obligations'.
- The strongest abilities of women entrepreneurs were 'Customer Relations', 'Business planning and organisation', and 'Marketing'.
- The top three sources of finance to develop their business were 'Government grants' (62.98%), 'Business savings / cash flow' (55.25%), and 'Bank - business loan' (47.51%).
- Just 22.95% of respondents rated the environment for accessing finance as 'Good' or better, which is similar to last year's figure.
- Respondents identified 'Own savings' (67.65%), 'Family / relatives' (63.53%) and 'Bank – personal loan' (35.29%) as the top three sources for starting a business.
- The primary sources for growing a business were 'Bank - business loan' (68.64%), 'Business savings' (55.62%), and 'Government grants' (47.73%).
- The main reasons why women entrepreneurs would not seek venture capital were 'Want to minimize giving percentage of ownership to outsiders' (62.94%), 'Prefer to self-finance through cash flow' (54.71%), and 'Risk averse to large capital investment' (50.00%), 'Business model not suitable' (38.82%), and 'Expectation of gender discrimination' (28.82%).
- Three actions that could be taken to access finance are 'Access to start-up grants specifically for women entrepreneurs' (59.41%), 'Provide more direct advice and support with accessing the right source of funding' (54.71%), and 'Access to 100% finance guarantee loan schemes for Women Entrepreneurs' (34.71%).
- The findings suggest that respondents believe that financial literacy is hugely important, that their level of financial literacy is decent, but other women entrepreneurs are quite poor in terms of financial literacy.
- 64.44% of respondents stated that they were more likely to grow their business and just 6.11% stated that they would be less likely to grow their business.
- 34.25% answered that they believed there would be a 'Significant increase in demand' and 35.91% answered that they believed there would be a 'Slight increase in demand'.
- Respondents were very positive about the future growth of their business despite the difficult economic environment that exists and the many challenges that they endure.
- The three business areas where they considered a need to receive training were 'Financial management and cost control' (41.67%), 'Business planning and organisation' (35.00%) and 'Fundraising / Investor relations' (31.67%).
- The top three actions that government should take to support women-led businesses were 'Build a culture that is supportive of women entrepreneurs' (60.22%), 'Facilitate access to finance, including through loan guarantees, microfinance and loans' (43.65%), and 'Provide low-cost childcare facilities' (41.44%)
- The main issues identified through the data analysis were:
  1. Women want to be involved, want to feel involved, and want to be targeted.
  2. Stop trying to fix women, focus instead on fixing the system.
  3. Perceived Lack of Knowledge / Skills.
  4. They have different visions of their responsibilities.

- 5. Women and Men relate differently with a financial service provider.
- 6. Women are looking for role models they can follow.
- 7. Women prefer to get their support from women's business organizations rather than state agencies.
- Given the data analysis, the following are the recommendations stemming from the report:
  - 1. Audit for Gender-Bias.
  - 2. Target Financial Literacy.
  - 3. Increase the visibility of Role Models.
  - 4. Target the financial services sector for their support.
  - 5. The European Commission needs to create an overarching framework.
  - 6. Create a solid network (coalition) in civil society to reflect the change needed in the public sector.

This report is the third annual WEbarometer Report and it adds to the body of work that examines the current challenges facing women entrepreneurs and identifies actions that can be taken to support them.

# Introduction

Women entrepreneurs are now recognised as one of the fastest growing entrepreneurial populations in the world (Brush and Cooper, 2012). Despite this, the proportion of women entrepreneurs is still smaller than that of men (Elam et al., 2019). According to Cardella et al. (2020), women's entrepreneurship is impacted by two key factors. Firstly, the importance of property rights affects how easily an entrepreneur can obtain funding to launch a business (Estrin and Mickiewicz, 2011), but women have restricted access to the financial resources necessary for entrepreneurship (Brush et al., 2009). The second group of factors influencing the entrepreneurial entity is represented by the role of governmental policy. The need for stronger assistance for women entrepreneurs has been highlighted in various studies by policy institutes and transnational organizations such as the European Union, ILO, UNIDO, the OECD, and national governmental organizations.

The GEM Women Entrepreneurship 2018/19 study highlighted that necessity-driven Total Entrepreneurial Activity (TEA) rates for women are highest in low-income countries, whereas opportunity-driven TEA rates for women are highest in high-income countries. According to Kelley et al. (2012), at least 30% more women than men start enterprises out of necessity. Research by Martinez-Rodriguez (2021) demonstrated that irrespective of the GDP of their home country, more women enter business out of necessity than opportunity. According to Kirkwood (2009), workplace issues can drive women to start a business, while Orhan and Scott (2001) identified catalysts for self-employment as issues such as unemployment, redundancy, a lack of job or career opportunities, or discontent with salaried employment. Senda-Pons et al. (2021) stressed that low educational attainment, entrepreneurial skills, knowing another entrepreneur, job creation expectations, fear of failure, and entrepreneurial intentions are the main factors that lead to female necessity entrepreneurship.

Schwanke (2013) emphasized that executive women's career advancement is impacted by organizational structures such as male-dominated "old-boys' networks", increased ambiguity regarding development, and the existence of the glass ceiling. Mattis (2004) asserted that this glass ceiling has been a significant factor in the decision of many female corporate managers to launch their own businesses. In research on the link between work-family institutions and gender disparities in entrepreneurship, Thébaud (2015, 2016) discovered that women are more likely than men to start a firm to resolve work-life conflict. Meanwhile, the National Women's Business Council (NWBC) 2017 survey found that women became entrepreneurs out of necessity as a result of gender-specific issues such as job discrimination and the gendered roles that women play in childcare and household management.

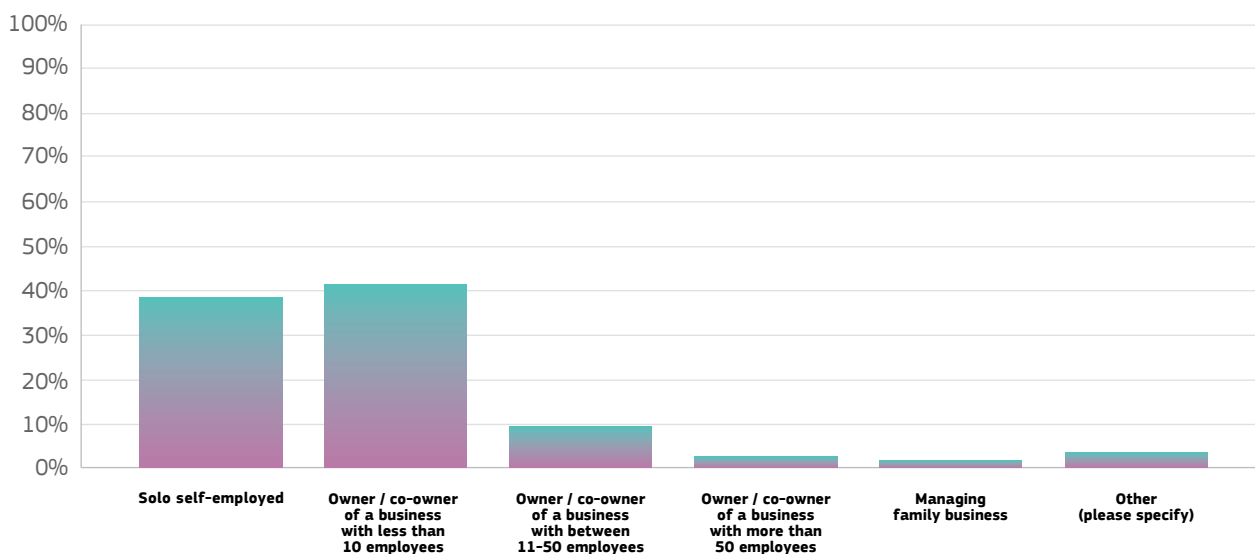
The WEbarometer 2022 report is based on an online survey undertaken between June and August 2022. The survey was available in five languages (English, Italian, Spanish, French and German) and was promoted through a variety of social media channels and networks encouraging potential, nascent and existing women entrepreneurs to offer their feedback on matters relating to issues such as the business environment, funding of the business and future plans. While there are many areas of concern highlighted in the report, the positive news from it is the finding that respondents are feeling very confident about their future plans<sup>1</sup>.

1. The Introduction was prepared with the assistance of Sona Sareen, a doctoral student at Technological University Dublin (Ireland).

# Respondent Profile

The survey generated a total of 200 responses from 23 countries. The 200 responses can be broken down into the following categories: (1) Solo self-employed - 38.55%; (2) Owner / co-owner of a business with less than 10 employees - 40.96%; (3) Owner / co-owner of a business with between 11-50 employees - 9.64%; (4) Owner / co-owner of a business with more than 50 employees - 3.01%; (5) Managing family business - 2.41%; and (6) Other - 5.42%. These responses are shown in Figure 1.

**Figure 1 – Which of the following best categories best fits your current position?**



In terms of age profile (as shown in Table 1), the largest category of respondents was those aged 25-34, with the second largest being women aged 35-44. The number of respondents aged under 24 and those aged 65+ was quite low again in this year’s survey and this fits with the overall pattern for women entrepreneurial activity in many European countries.

**Table 1 – Age Profile of Respondents**

Age Group	Percentage
Less than 24 years	2.41%
25-34 years	37.95%
35-44 years	29.95%
45-54 years	29.52%
55-64 years	15.06%
65+ years	1.81%

The survey found that 60.24% started the business on their own, with 29.52% founding the business with one other person, while the remaining respondents founded the business with more than one co-founder. Just 23.77% of the businesses were co-founded with other women which is higher than the findings of the European Startup Monitor 2020-2021 report which found that 64% of entrepreneurial teams were all-male, 29% were of mixed gender, and just 7% were all-female teams.

Table 2 offers an insight into the industry sectors which best describes the principal sector in which the business of the respondent operates. It is interesting to note that 'Food & Beverages', 'Finance & Financial Services' and 'Education', are the most popular industries with respondents.

**Table 2 - Which of the following best describes the principal sector in which your business operates?**

Industry Sector	Percentage
Advertising & Marketing	6.34%
Agriculture	2.11%
Airlines & Aerospace (including Defence)	0.00%
Automotive	1.41%
Business Support & Logistics	9.86%
Construction, Machinery, and Homes	1.41%
Education	11.97%
Entertainment & Leisure	5.63%
Finance & Financial Services	12.68%
Food & Beverages	12.68%
Government	0.70%
Healthcare & Pharmaceuticals	9.15%
Insurance	0.00%
Manufacturing	7.75%
Non-profit	2.82%
Retail & Consumer Durables	6.34%
Real Estate	0.70%
Telecommunications, Technology, Internet & Electronics	6.34%
Transportation & Delivery	0.70%
Utilities, Energy, and Extraction	1.41%

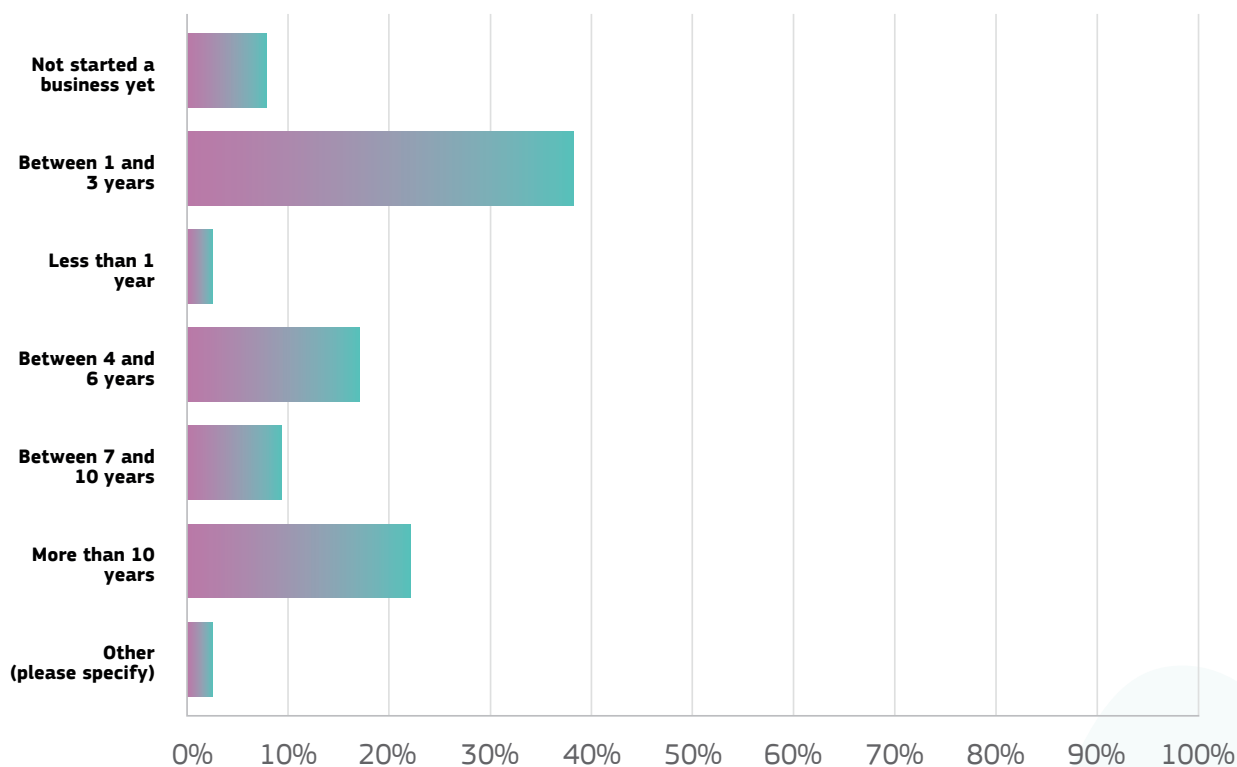
As can be seen from Table 3, prior to starting their business, the majority of respondents were in employment (65.66%), while the second highest category was self-employed in a different business (17.47%). The number of women starting a business without currently being in the labour market (unemployed, student, homemaker, retired) was 11.44%, with just 1.81% having worked in their family business prior to starting their own business.

**Table 3 - Prior to starting your new business, which status best describes your position?**

Position	Percentage
Employed	65.66%
Self-employed in different business	17.47%
Unemployed	4.22%
Student	3.01%
Homemaker	3.61%
Retired	0.60%
Worked in family business	1.81%
Other (please specify)	3.61%

Respondents were asked how many years they had been in business and the largest category was ‘Between 1 – 3 years’ with 38.79%, while ‘Between 4 – 6 years’ was 17.58% and ‘More than 10 years’ was 22.42%. Overall, this table demonstrates that almost 89% of the respondents have been in business for more than one year and therefore should possess a good understanding of their business and the wider business environment.

**Figure 2 - How many years has your business been trading?**

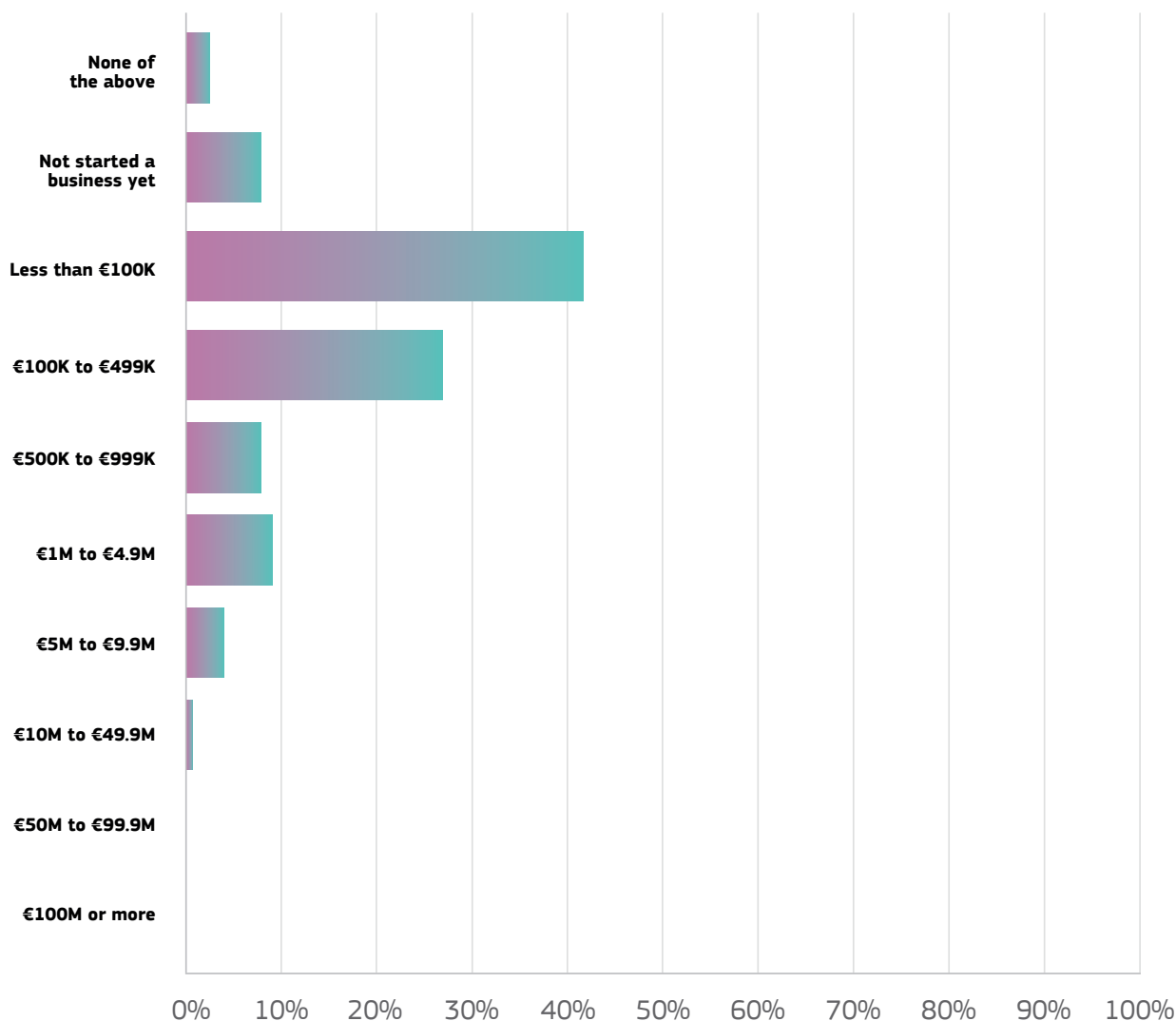




## Respondent Profile

While businesses may have been in existence for many years, the turnover for businesses started by respondents remained relatively low for the majority of businesses with 42.17% having revenue of less than €100,000 and 26.51% having revenue between €100k and €500k. It is interesting to note that 13.25% of businesses have revenue greater than €1 million as is shown in Figure 3.

**Figure 3 - What is the approximate annual revenue for your business?**



The profiling of the 200 respondents offers background information to the people who have answered the survey. It underlines the broad representation of women entrepreneurs in terms of age, industry and years in business that participated in the survey and how their views can be taken to be typical of the opinions of the wider community of women entrepreneurs in Europe.

# Business Environment

The section of the survey focusing on the business environment began with a question asking: How would you rate the current economic environment for women starting a business in your country? Respondents were generally optimistic about the economic environment as 38.89% rated the economic environment as Good or better for women starting a business. Interestingly, the question asking respondents to rate enterprise supports showed a more positive response than previous years. Table 4 shows that the majority (52.02%) of respondents rated the enterprise supports as Good or better which was marginally higher than previous years. However, it should be noted that just under half of these respondents rated the supports as Moderate or worse, so much work still needs to be done by enterprise support organisations / agencies to convince women entrepreneurs of the value of the supports that are being offered to them.

**Table 4 - How would you rate the enterprise supports for women starting a business in your country?**

Rating	Percentage
Excellent	4.04%
Very Good	17.17%
Good	30.81%
Moderate	21.72%
Poor	17.17%
Very Poor	6.57%
Really Bad	2.53%

In terms of enterprise support, Table 5 highlights that respondents placed 'Mentoring programs' as the top type of support required, while 'Start Your Own Business programs' and 'Networking programs' were ranked second and third respectively. The need for individual interaction and support as the primary preference rather than gaining start-up knowledge is an interesting finding as it should influence policymakers and training program providers when designing supports for women entrepreneurs. It should also be noted that 'Soft loans (low interest loans)' and 'Microfinance' rated moderately with respondents, despite access to finance being raised regularly as a barrier to entrepreneurial activity.

**Table 5 - Please select the 3 best forms of enterprise support for women starting a business in your country.**

Type of Support	Percentage
Start your own business programs	61.11%
Co-working spaces	17.17%
Incubation spaces	17.68%
Community enterprise centres	16.16%
Mentoring programs	68.18%
Soft loans (low interest loans)	24.24%
Microfinance (loan support)	18.18%
Networking programs	52.53%
Other	9.60%

Respondents believed that ‘Women’s business networks’ (42.27%) offered the most effective enterprise support for women starting a business in their country, followed by ‘State agencies’ (25.77%). This finding is likely related to the relatively low rates of satisfaction with enterprise agencies discussed elsewhere. It also supports the primary preference for mentoring supports. These findings pose the question: should governments seek to improve the performance of state agencies or outsource more activities to women’s business networks, or both?

One of the questions asked of respondents was to select three reasons why they thought a woman would decide to start a business in their country. As can be seen in Table 6, the top reason given by respondents was ‘Identified a business opportunity’ (51.26%), which is interesting given that the literature has highlighted that necessity entrepreneurship is a significant reason why women start a business. This reason was followed by ‘Greater flexibility to work around family responsibilities’ (47.74%) and ‘Desire to be her own boss’ (45.73%). It was noted by one commentator that they thought it highly unlikely that the option of ‘Greater flexibility to work around family responsibilities’ would score so highly if the survey was taken by men!

**Table 6 - Please select 3 reasons why you think a woman would decide to start a business in your country.**

Reason for starting a business	Percentage
Identified a business opportunity in the market	51.26%
For greater financial rewards	24.12%
Better work / life balance	41.21%
Desire to be her own boss	45.73%
Preference to be independent	38.69%
Greater flexibility to work around family responsibilities	47.74%
Unable to find suitable work	16.08%
Unable to fulfil career ambitions in the organization in which they work	33.67%
Other (please specify)	3.52%

There was some differing opinion regarding the top three reasons why women might not start a business in their home country. For respondents the top three reasons were 'Low self-confidence' (44.16%), 'Lack of access to finance' (42.13%) and 'Unwilling to take risk' (40.10%). 'Fear of Failure' was the fourth highest score (37.09%), while it should also be noted that 27.92% stated that 'Substantial caring obligations' was one of the reasons why women do not start a business. Previous WEbarometer reports have also highlighted that the issue of self-confidence is a significant barrier to women starting a business which is once again supported in this survey. This finding would also align with the high scoring found for mentoring supports needed when starting a business.

Respondents were also asked to identify what they thought were the biggest challenges facing women business owners in their country and 'Difficulty securing finance' was the top response given by respondents. As noted previously, funding support was not a priority for respondents when identifying supports required when starting a business. Respondents rated 'Lack of knowledge / skills about starting and growing a business' as the second biggest challenge and 'Difficulty obtaining support from state enterprise agencies' as the third highest rating, followed by 'Substantial caring obligations'. It has been occasionally suggested that women do not have the same level of growth ambition for their businesses as men, but this is not borne out in this survey as just 8.67% stated that 'Low desire to grow the business' was a key challenge facing women business owners.

**Table 7 - Please select the 3 main challenges facing women business owners in your country**

Challenge	Percentage
Difficulty in securing finance	52.04%
Lack of knowledge about business laws and business regulations	23.98%
Low level of management skills	11.73%
Poor levels of financial understanding	29.08%
Limited business contacts	35.71%
Low desire to grow the business	8.67%
Difficulty obtaining support from state enterprise agencies	38.27%
Substantial caring obligations	37.76%
Lack of knowledge / skills about starting and growing a business	46.43%
Other (please specify)	8.67%

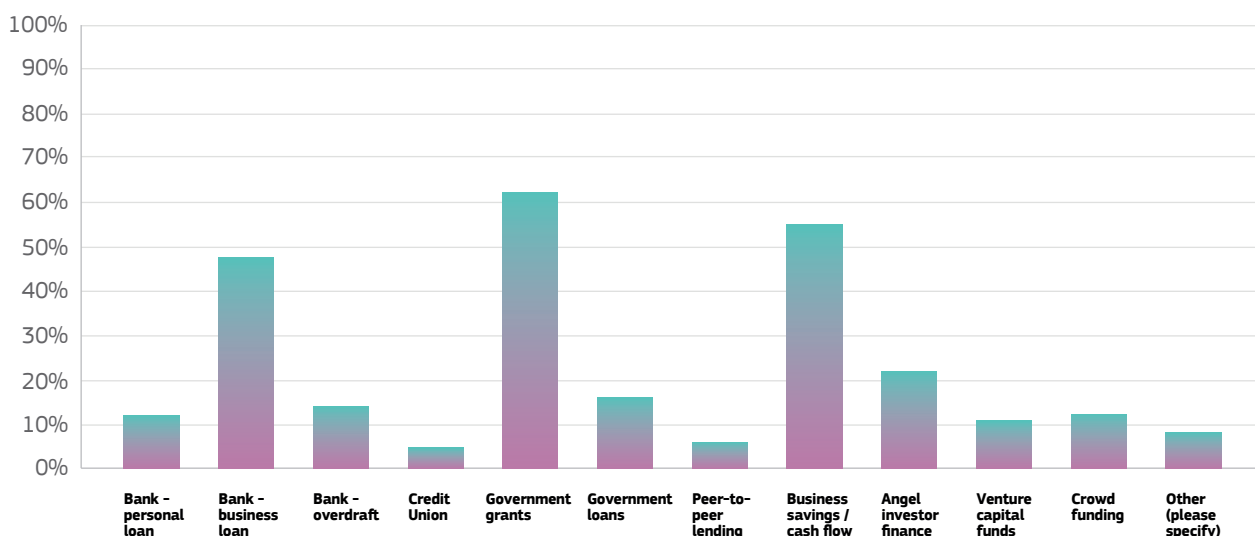
When respondents were asked to consider what were the strongest abilities of women entrepreneurs in their country, respondents put 'Customer Relations' in first place. Respondents ranked 'Business planning and organisation' in second place and 'Marketing' in third place, followed then by 'People development' and 'Networking'. Meanwhile possessing capabilities such as 'Fundraising / Investor Relations', 'Information Technology' and 'Internationalisation' scored very low with respondents.

The results of the survey highlight that women entrepreneurs are positive about their environment being supportive of their ambition to start and grow a business, and that women's business networks are better placed to support their needs than other types of enterprise support organizations. However, difficulty in accessing finance, low levels of self-confidence and the desire for mentoring programmes were highlighted by respondents as matters that need to be addressed by policymakers.

# Funding the Business

The survey asked respondents a series of questions related to the funding of their business as this had been identified in many international reports as being of major concern. The need to examine this issue in greater detail was supported by findings in the previous section of this report which reinforced this appraisal of funding being a significant challenge for women entrepreneurs. When asked about the sources of finance to develop their business, 'Government grants' (62.98%), 'Business savings / cash flow' (55.25%) and 'Bank - business loan' (47.51%) were the preferred options, as can be seen in Figure 4.

**Figure 4 - To develop your business, which 3 sources of finance would you be most likely to use?**



The series of questions began by asking respondents for their assessment of the current environment for women wishing to access finance for business and the response was once again disappointing. Table 8 highlights that just 22.95% of respondents rated the environment for accessing finance as Good or better, which is similar to last year's figure. It is of serious concern that 34.12% of respondents rated the environment for women wishing to access business finance as Poor or worse in their home country.

**Table 8 - How would you rate the environment for women wishing to access business finance in your country?**

Rating	Percentage
Excellent	0.59%
Very Good	1.18%
Good	21.18%
Moderate	42.94%
Poor	17.65%
Very Poor	12.35%
Really Bad	4.12%

The survey also asked respondents about sources of finance for starting a business. As can be seen in Table 9, respondents identified ‘Own savings’ (67.65%), ‘Family / relatives’ (63.53%) and ‘Bank – personal loan’ (35.29%) as the top three sources for starting a business. It is interesting to note that modern funding sources such as ‘Crowd funding’ and ‘Peer-to-peer lending’ were ranked quite low by respondents. However, the answers changed when asked about the primary sources when growing a business as respondents selected ‘Bank - business loan’ (68.64%), ‘Business savings’ (55.62%), and ‘Government grants’ (47.73%) as the top three choices. It should be noted that ‘Angel investor finance’ (18.34%) and ‘Venture capital funds’ (13.02%) ranked quite low amongst respondents as a source of finance for growing a business. Prior empirical studies have shown low levels of financial literacy among owner-managers of SMEs which impact upon firm performance. Given that ‘Own savings’ and ‘Business savings’ are such a critical source of finance for starting and growing a business, it is imperative that financial literacy is identified by women entrepreneurs and enterprise support agencies as a key skill-set that owner-managers need to develop.

**Table 9 - Please select the top 3 sources of finance for women Starting and Growing a business in your country.**

	<b>Starting a Business</b>	<b>Growing a Business</b>
<b>Source</b>	<b>Percentage</b>	<b>Percentage</b>
Bank - personal loan	35.29%	20.71%
Bank - business loan	29.41%	68.64%
Bank - overdraft	14.12%	17.75%
Credit Union	10.59%	6.51%
Government grants	33.53%	47.73%
Government loans	7.06%	18.34%
Family / relatives	63.53%	n/a
Business acquaintances / friends	15.58%	n/a
Peer-to-peer lending	5.29%	8.28%
Own Savings / Business savings	67.65%	55.62%
Angel investor finance	3.53%	18.34%
Venture capital funds	0.59%	13.02%
Crowd funding	3.53%	7.69%
Other (please specify)	2.94%	6.51%

1. Molina-García, A., Campos-Valenzuela, M., Galache-Laza, M. T., & Diéguez-Soto, J. (2021). Financial literacy in SMEs: a bibliometric analysis of an emerging topic. <https://hdl.handle.net/10630/22502>
2. Fackelmann, S. and De Concini, A. (2020). Funding women entrepreneurs: How to empower growth. European Investment Bank, Luxembourg

The reasons why a woman would choose not to use venture capital or angel investment to start or grow one's business was asked of respondents. The top three answers by respondents were 'Want to minimize giving percentage of ownership to outsiders' (62.94%), 'Prefer to self-finance through cash flow' (54.71%), and 'Risk averse to large capital investment' (50.00%), with 'Business model not suitable (38.82%) ranked fourth and 'Expectation of gender discrimination' (28.82%) was fifth. Fackelmann and De Concini (2020) found that women only account for a small portion of the venture capital deal flow and overall volume invested, and this situation is due to a combination of factors such as a lack of female representation among founders and investors, gender investment bias and risk aversion.

Respondents were asked to identify three actions that they thought would improve access to finance for women in business in their country. Respondents selected the top three choices as 'Access to start-up grants specifically for women entrepreneurs' (59.41%), 'Provide more direct advice and support with accessing the right source of funding' (54.71%) and 'Access to 100% finance guarantee loan schemes for Women Entrepreneurs' (34.71%).

Respondents were also questioned about their levels of financial literacy. As expected, two-thirds of respondents said that good financial literacy skills are very important, 11.18% of respondents said they had expert financial knowledge and 41.76% said they had good knowledge, while they believed that only 0.59% of other women entrepreneurs had expert financial knowledge and 26.47% had good knowledge. Basically, the findings suggest that respondents believe that financial literacy is hugely important, that their levels of financial literacy is decent, but other women entrepreneurs are quite poor in terms of financial literacy. This concurs with other reports that have similarly found that entrepreneurs do not believe that the issue lies with them. In terms of financial training, 26.04% have received no training on finance, and 19.53% have taken a short course outside of formal education as their highest level of financial training. Given the issues identified previously in this report relating to access to finance, improving one's financial literacy might be a useful ambition for many women entrepreneurs.

The analysis of the survey data highlights yet again the significant challenge that access to finance poses for women entrepreneurs. Women are likely to use personal or business savings, loans from family and relations, and business or government loans to start and grow a business, with the use of angel investors and venture capitalists quite low. The expectation of gender discrimination featuring highly in the rankings raises another point of concern, with support from Fackelmann and De Concini (2020) who also found that gender disparities persist. The outcome of this survey also reinforces the need to enhance financial literacy skills amongst women entrepreneurs given their greater preference to use cash flow and business savings to grow a business.

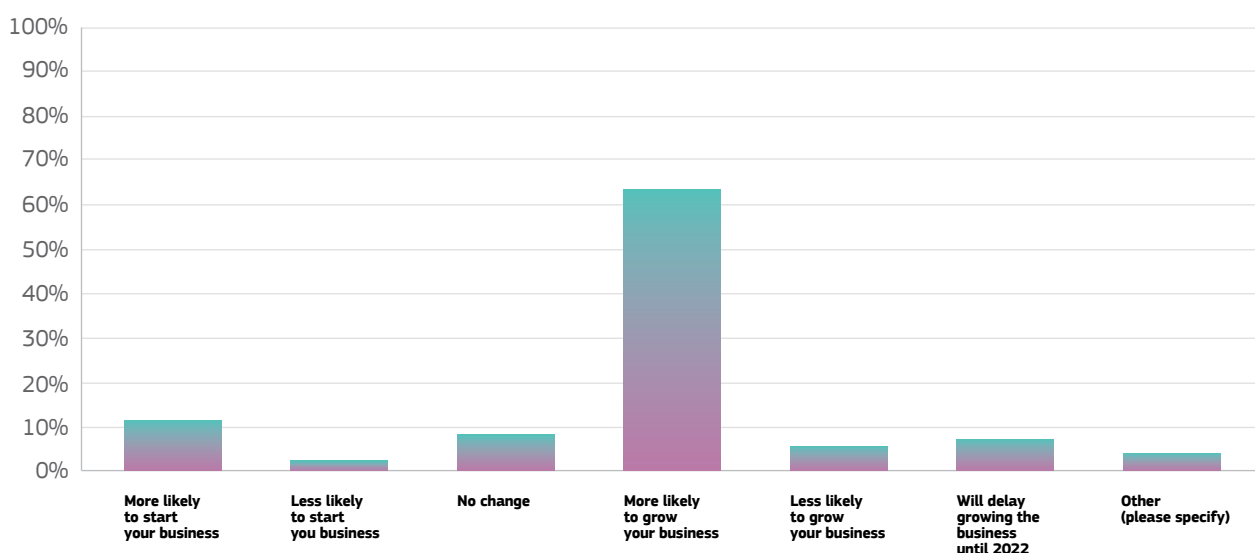
1. Molina-García, A., Campos-Valenzuela, M., Galache-Laza, M. T., & Diéguez-Soto, J. (2021). Financial literacy in SMEs: a bibliometric analysis of an emerging topic. <https://hdl.handle.net/10630/22502>
2. Fackelmann, S. and De Concini, A. (2020). Funding women entrepreneurs: How to empower growth. European Investment Bank, Luxembourg



# Future Plans

Despite the global economic crisis caused by the Covid-19 pandemic and the war in Ukraine, respondents are generally very positive about their plans for the future. What emerges is a very hopeful picture of entrepreneurial endeavour in the face of a challenging economic environment. Respondents were asked about their plans to start or grow their business in the year ahead. As can be seen in Figure 5, the response was very positive with 64.44% stating that they were more likely to grow their business and just 6.11% stating that they would be less likely to grow their business. Furthermore, 12.22% of respondents said that they would be more likely to start a business, while 3.33% said that they would be less likely to start a business. Respondents were also asked how much did they think the demand for their product / service had altered in the past again the response was very positive as 34.25% answered that they believed there would be a 'Significant increase in demand' and 35.91% answered that they believed there would be a 'Slight increase in demand'.

**Figure 5 - For the year ahead, do you think you are likely to start a business?**



Respondents were asked their goals for their business for the next three years and the response was very positive, with Table 9 showing that either Agree or Strongly Agree was selected by 82.85% for 'Increase profitability significantly', 74.01% for 'Increase range of new products / services', 73.14% for 'Increase revenue / turnover significantly' and 72.73% for 'Expand into new markets'. All of these responses suggest that women entrepreneurs are very positive about the future growth of their business despite the difficult economic environment that exists and the many challenges that they endure.

**Table 10 - Which of the following are the goals for your business for the next 3 years?**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither Agree nor Disagree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Non Applicable</b>
Maintain its current levels of performance	16,67%	25,60%	12,50%	24,40%	16,67%	4,17%
Increase profitability a little	20,86%	26,99%	16,56%	19,63%	10,43%	5,52%
Increase profitability significantly	53,71%	29,14%	10,29%	2,29%	0,00%	4,57%
Increase number of employees by a few	22,54%	35,26%	13,29%	16,18%	6,94%	5,78%
Increase number of employees by many	13,10%	14,29%	23,81%	25,60%	16,67%	6,55%
Increase revenue / turnover a little	15,48%	32,14%	15,48%	21,43%	9,52%	5,95%
Increase revenue / turnover significantly	48,00%	25,14%	16,57%	5,14%	0,57%	4,57%
Increase range of new products / services	30,51%	43,50%	12,43%	6,78%	3,39%	3,39%
Expand into new markets	32,39%	40,34%	11,36%	8,52%	2,27%	5,11%
Expand into new countries	28,74%	34,48%	14,94%	12,07%	2,30%	7,47%

The three business areas that they considered a need to receive training to help develop their business were identified as 'Financial management and cost control' (41.67%), 'Business planning and organisation' (35.00%) and 'Fundraising / Investor relations' (31.67%) which again shows a strong need to focus upon enhancing financial literacy skills. These are also the same top three training needs identified in previous WEbarometer reports.

When asked if the money that they personally earned from the business provides them with a comfortable living, 16.02% selected Strongly Agree and 37.57% selected Somewhat Agree. Respondents were also asked to select three actions that they think the government should take to support women-led businesses in their country and their top three selections were 'Build a culture that is supportive of women entrepreneurs' (60.22%), 'Facilitate access to finance, including through loan guarantees, microfinance and loans' (43.65%), and 'Provide low-cost childcare facilities' (41.44%). These responses are similar to what is being advocated in other international reports on women's entrepreneurship, highlighting culture, access to finance and childcare as the principal areas to be addressed by policymakers.

Overall, the results suggest that women entrepreneurs were feeling quite confident about starting and growing a business in the next three years. Given the environment, this finding is very heartening and so the challenge for policymakers is to address the challenges identified by respondents to this survey.

# Key Recommendations<sup>4</sup>

To enable the reader to have a clear vision of what needs to be done to support women entrepreneurs in Europe, one first needs to know the problem. From the work undertaken on WEgate survey and utilising the data generated through the comments provided, the following are the key issues identified:

1

**Women want to be involved, want to feel involved, and want to be targeted.** It was found that if funding programmes are framed, adapted and communicated with a focus on the needs of women, then more women apply. Some respondents highlighted that it is time to stop claiming that women just need to become more confident. Instead, policymakers should listen to the needs of women and fix the structures that are gender-biased and mostly catering for the circumstances and styles of male founders - even if not intentionally. Language matters!

2

**Stop trying to fix women, focus instead on fixing the system.** It has been suggested by many actors in the ecosystem that the skillsets and mindsets of women need to be improved. The underlying belief is that everything would be better if women behaved like men! But, it has been repeatedly highlighted by women entrepreneurs that it is the entrepreneurship ecosystem that needs to be addressed and action needs to be taken by the EU and national governments to ensure that the ecosystem is gender-neutral.

3

**Perceived Lack of Knowledge / Skills.** One of the results of the WEbarometer clearly states that for 47% of respondents, the main challenge for women entrepreneurs is a Lack of Knowledge/Skills. However, the truth is that this finding is their 'perception' of the major difference between women and men. The reality is that men also lack knowledge and skills, and that women are highly-skilled in some business sectors and lacking skills in other sectors - just like men. This might also be related to the issue of a lack of self-confidence by women that is a broader societal issue which must be addressed through education, particularly early years education.

4

**They have different visions of their responsibilities.** Generally speaking, women are more interested in having an impact instead of getting more money. They are more focused on the impact they aim to achieve (personal, societal) instead of on numbers. This will mean that they are likely pitch their business ideas completely differently from men entrepreneurs and this would resonate poorly with bankers, venture capitalists and other financial investors (who are most likely to be male). However, in the world of post-COVID and Sustainable Development Goals, surely a more balanced approach to business should be encouraged amongst all entrepreneurs.

5

**Women and Men relate differently with a financial service provider.** The feedback from the community suggests that women want a relationship with their financial providers, instead of a purely transactional relationship. This means that banks need to orientate to being more customer focused instead of product driven. For bankers, the priority is to sell their products and services, while women need more time to take a reasoned decision, and frequently they will need more information to help make that decision. It could be argued that this process is about taking calculated risk!

6

**Women are looking for role models they can follow.** The reality is that policymakers need not only to support more women entrepreneurs, but more women investors are also required. Furthermore, policymakers need to give greater visibility to women funders and investors in order to highlight good practice and to spread the news about these role models.

7

**Women prefer to get their support from women's business organizations rather than state agencies.** A consistent finding from the WEbarometer surveys over the past three years has been the strong preference by women entrepreneurs to receive business support from women business organization's rather than state agencies. This could reflect the belief that state agencies are gender-biased, or that there is greater understanding within women's business organizations of the additional and distinctive needs faced by women entrepreneurs and how they should be addressed.

4. The key findings and recommendations were presented by Eva Merloni (Project Manager, WEgate) who was a guest speaker at the debate on the EESC opinion SOC/723 'Gender lens investing as a way to improve gender equality in the EU' on November 23<sup>rd</sup> 2022.

Given the analysis provided above, the report suggests that the following actions are taken:

1

**Audit for Gender-Bias.** The European Commission and the government of every Member State needs to undertake an audit of its laws and regulations relating to business to analyse how they may negatively impact or be gender-biased against women. This audit will inevitably identify a range of actions that could be taken across all countries that would lead to a significant change in creating a more equal ecosystem for all entrepreneurs.

2

**Target Financial Literacy.** All entrepreneurs need to receive entrepreneurship skills training. But for women, some skills need to be particularly targeted, with the principal one being Financial Literacy. Greater understanding of financial accounts and projections would lead to greater confidence and would ensure that they would be better prepared for meetings with bankers and VCs. It is a long-term process as what they lack is practice and confidence, not information, but ultimately it would enable women to advocate better for themselves.

3

**Increase the visibility of Role Models.** There is an urgent need to identify and heavily promote role models in every Member State for both women entrepreneurs and for women financiers.

4

**Target the financial services sector for their support.** The reality is that access to finance will continue to be an issue for women entrepreneurs unless the financial services sector changes its behaviour and becomes truly gender-neutral. More women need to become angel investors and the evaluation panels for funding applications should have a balance of women and men. Trusting the financial services sector to self-regulate this ambition is not enough as change will happen far too slowly. Rewards and punishments need to be introduced to bring about change.

5

**The European Commission needs to create an overarching framework.** It is critical to maintain the principle that women do not need to be fixed, but the focus instead needs to be on fixing the system. For a systemic bias, a systemic solution is required and the European Commission needs to create an overarching framework that cuts across multiple women-related issues (family care responsibilities, employment, digital and green transition, etc).

6

**Create a solid network (coalition) in civil society to reflect the change needed in the public sector.** Co-operation between existing institutions, associations, networks dealing with women's entrepreneurship needs to be strengthened in order to stop competing against each other. Such entities need to work together in partnership and co-operation (investors, policy makers, incubators, all together), involving more women, changing language and communication, and stimulating women to be part of the ecosystem as mentors, trainers, etc. A unique and common space is required to interact and design a new entrepreneurial model. For instance, WEgate might be a good candidate to take this responsibility!!

This is a wonderful opportunity to shape the environment in which women entrepreneurs operate in order to achieve common results for a better and more sustainable society. This report highlights the key challenges that have been identified by women entrepreneurs across Europe and the actions that they are proposing should be taken to improve their entrepreneurial activity.

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