

# WEbarometer

# 2021

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

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On behalf of the WEgate Project



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wegate

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

# Foreword

Entrepreneurship is crucial to economic development, promoting social integration and reducing inequalities and women have made an enormous effort in recent decades to be present in the world of entrepreneurship. However, women across the world have been and still are disproportionately affected by the COVID-19 pandemic, reversing gains in gender equality. Women-led businesses have been more negatively impacted economically, mainly because they trade in sectors hardest hit by the pandemic, such as recreational services and accommodation and food.

In addition, there is a problem with understanding the term when referring to women entrepreneurs. There is still a wide range of definitions and a lack of legal distinction between the different types of businesses created, compounded by all existing datasets lacking gender-specific data. Insufficient standardized and country-comparable data on female entrepreneurship, difficulties in in-depth understanding and analysis of the different dimensions and factors determining gender gaps.

All these factors underlie the importance of this, our WEbarometer, that reports gender-specific statistics designed to detect women-differentiated conditions and characteristics and allow policymakers to come up with tailored solutions to gender-specific problems.

Information on female entrepreneurs' profiles, the type of businesses they are founding, the business environment and the specific challenges and risks they face in funding the business as well as future plans, these are key to crafting evidence-based recommendations and tailored policies to foster women's economic empowerment.

For instance, although the results of the WEbarometer show a widespread optimism among the interviewed that would increase profitability and revenue/turnover significantly as well as the range of new products/services and intent to expand into new markets over the next three years, there is still enterprise support required, such as networking mentoring programs.

Women entrepreneurs and their organizations are definitely calling loudly for opportunities to thrive and for coordinated actions. Therefore, a joint effort is required from European and national actors to bring unity and define common guidelines and actions to strengthen women's entrepreneurship all over Europe.

This is where WEGate fits: to become the overarching umbrella organisation that links grassroots organisations and policy makers at European and national levels to define a long-term strategy, to advance the dialogue on common goals and to successfully strengthen female entrepreneurship through tailor-made training and services, engaging actions and knowledge sharing. Ultimately celebrating Women's Entrepreneurship!

## **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 2021:

- The survey generated a total of 316 valid responses from 25 countries.
- Respondents were broken into two broad categories: (1) Pre-start-up – respondents considering starting a business; and (2) Post-start-up – respondents who already were in business.
- For post-start-up respondents, 58.24% reported that they had no co-founder when they started and 31.76% had just one co-founder. Of those who started with a co-founder, 44.05% said that none of their co-founders were women.
- Education' and 'Food & Beverages' are popular industries with both types of respondents.
- The majority of post-start-up respondents were in employment (59.65%), while the second highest category was self-employed in a different business (21.64%).
- 29.41% of post-start-up respondents were in business 'Between 1 – 3 years', while 23.53% selected 'Between 4 – 6 years' and 22.35% selected 'More than 10 years'.
- 51.19% of businesses had revenue of less than €100,000, while 16.67% of businesses had revenue greater than €1 million.
- 74.36% of pre-start-up respondents and 48.12% of post-start-up respondents rated the current economic environment as Moderate or worse.
- 25.64% of pre-start-up respondents and 51.88% of post-start-up respondents rated enterprise supports in their country as Good or better.
- 'Networking programs' and 'Mentoring programs' were the top two types of enterprise support required.
- Both types of respondents believed that 'Women's business networks' offered the most effective enterprise support for women starting a business in their country, followed by 'State agencies'.
- The top three reasons for starting a business given by both types of respondents were 'Identified a business opportunity', 'Better work / life balance' and 'Greater flexibility to work around family responsibilities'.
- The main reasons given why women might not start a business were 'Lack of access to finance', 'Too few role models', 'Low self-confidence' and 'Unwilling to take risk'.
- The biggest challenges facing women business owners were identified as '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 identified as 'Customer Relations', 'Networking' and 'People Development'.
- Capabilities such as 'Fundraising / Investor Relations', 'Information Technology' and 'Internationalisation' were ranked very low with both types of respondents.
- There was a very strong rejection of the suggestion that maternity leave legislation is supportive of women starting a business in their country.
- Less than one-quarter of respondents rated the environment for accessing finance as Good or better.
- The main sources of finance for starting a business were identified as 'Own savings', 'Family / relatives', 'Government grants', 'Government loans' and 'Banks – business loans'.
- 'Bank – business loan', 'Government grants' and 'Business savings' were ranked as their top three sources of finance for growing a business.
- 'Angel investor finance' and 'Venture capital funds' ranked quite low as a source of finance for growing a business.
- The main reasons that women choose not to use venture capital or angel investment were 'Want to minimize giving percentage of ownership to outsiders', 'Expectation of gender discrimination' and 'Prefer to self-finance through cash flow'.
- The highest ranked actions proposed to improve access to finance were 'Access to start-up grants specifically for women entrepreneurs', 'Provide more direct advice and support with accessing the right source of funding' and 'Access to 100% finance guarantee loan schemes for Women Entrepreneurs'.
- The preferred government actions that could be taken were 'Income tax and VAT payment cancelled for the tax year or deferral for 2 years', 'Interest-free loans' and 'Direct grants to entrepreneurs to address loss of working capital'.
- 62.50% of pre-start-up respondents stated that they were likely to start a business in the year ahead.
- The top three challenges for pre-start-up respondents in the year ahead are 'Difficulty in securing finance', 'Limited business contacts' and 'Difficulty obtaining support from state enterprise agencies'.
- The three business areas that pre-start-up respondents considered they needed training to help start their business were 'Financial management and cost control', 'Business planning and organisation' and 'Fundraising / Investor relations'.
- 71.02% of post-start-up respondents answered they were likely to grow their business in the year ahead.
- 83.03% believed they would 'Increase profitability significantly', 82.25% would 'Increase range of new products / services', 81.04% would 'Increase revenue / turnover significantly' and 79.88% would 'Expand into new markets' over the next three years.

- 'Difficulty in securing finance', 'Difficulty obtaining support from state enterprise agencies' and 'Limited business contacts' were identified as the top three challenges by post-start-up respondents.
- The three business areas that post-start-up respondents needed training to help grow their business were identified as 'Financial management and cost control', 'Business planning and organisation', and 'Fundraising / Investor relations'.

Following an analysis of the data generated by the survey of women entrepreneurs across Europe, the following are the key recommendations:

- 1.** Governments need to revise existing maternity leave legislation to ensure that it offers greater support to women entrepreneurs.
- 2.** Governments need to improve access to child care for women entrepreneurs through the use of tax incentives.
- 3.** Governments should introduce tailored start-up grants through training programs specifically designed for women entrepreneurs.
- 4.** Training providers should prioritise coaching on financial literacy for women entrepreneurs.
- 5.** The European Commission should promote the development of a network of investors / investment companies who wish to focus on women-led businesses.
- 6.** Enterprise support agencies should create women enterprise consultation groups to review agency operations in order to maximise participation in agency supports by women.
- 7.** State agencies should outsource their 'Networking' and 'Mentoring' programs to women's business networks.

The report offers greater detail to these highlights and provides fascinating insights regarding the perspectives of nascent and existing women entrepreneurs in Europe related to starting and growing a business.

# Introduction

While the true economic impact of the Covid-19 virus will not be known for some years, ample evidence already exists regarding the negative effect that the pandemic had on businesses led by women entrepreneurs. Industries where women have higher levels of business ownership (such as locally-traded services and the hospitality industry) were particularly badly affected by the global shutdown. Indeed, a recent World Bank Blog (2021) stated that women-led businesses were unequally affected by the crisis when compared to businesses led by men. Furthermore, it highlighted that women-led businesses were less likely to report accessing public support compared to companies led by men even though they suffered greater business consequences from the pandemic.

The Covid-19 pandemic also brought to the fore issues such as family caring obligations which had a greater impact on women entrepreneurs than their male counterparts. Home-schooling and the closure of child-care facilities meant that at least one parent needed to stay at home with their children and anecdotal evidence suggests that such responsibilities were most frequently undertaken by women. This occurrence obviously had a significant impact on the manner in which women were able to conduct their business since greater flexibility in working hours was required and other adaptations in working practices needed to be taken. Additionally, news that women-led businesses were disproportionately affected by matters such as supply shocks and sales declines inevitably led to the higher closure rates for women-led businesses than for men-led businesses.

Low rates of entrepreneurial activity amongst women also remains a significant issue despite the significant efforts of the European Commission and many governments across Europe. Startup Heatmap's (2020) latest research on women entrepreneurs in Europe found that only 15.5% of founders or co-founders are women. The report also found that female CEOs receive 38% less funding than their male counterparts when starting under the same conditions, and even in cities with strong support ecosystems, less than one-in-five business founders are female. These statistics support various reports from the OECD and the Global Entrepreneurship Monitor which have highlighted the considerable gender gap in entrepreneurial activity across Europe.

The WEbarometer 2021 report is based on an online survey undertaken between June and August 2021. 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.

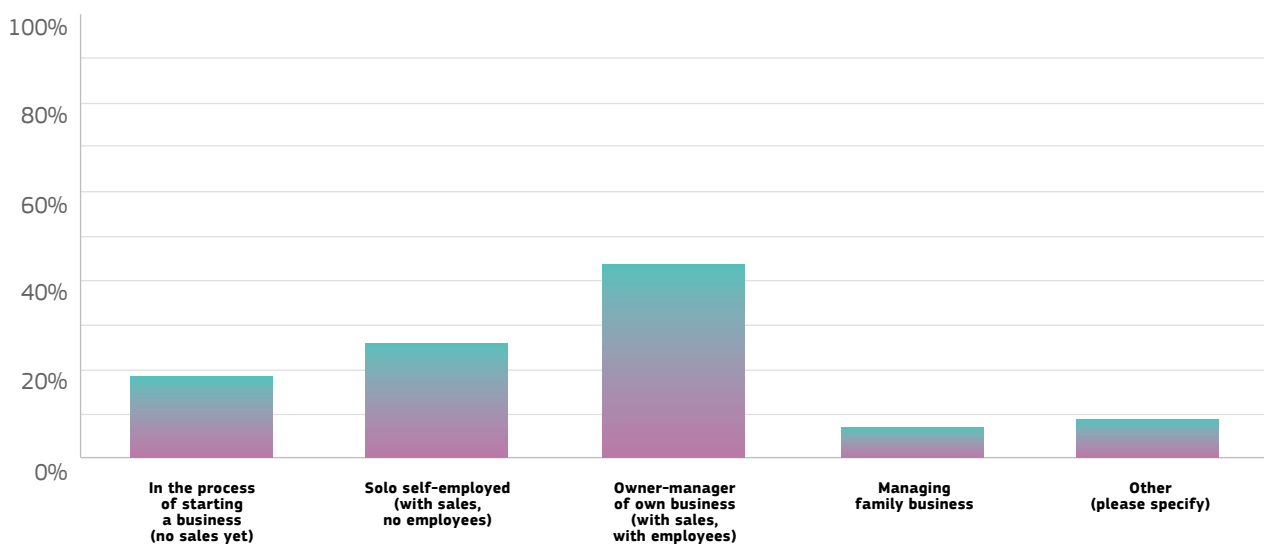
1. Iacovone, L.; Medvedev, D.; Torres, J.; Maduko, F.; Gaddis, I. and Beegle, K. (2021). COVID-19 and women-led businesses: More innovation but greater financial risk. World Bank Blog, accessed 23rd September 2021

2. StartupHeatmap Europe (2020). Women Entrepreneurs. StartupHeatmap Europe, Munich

# Respondent Profile

The survey generated a total of 316 valid responses from 25 countries. The 316 valid responses can be broken down into the following categories: (1) In the process of starting a business – 18.67%; (2) Solo self-employed – 25.32%; (3) Owner-manager of a business – 43.35%; (4) Managing family business – 7.59%; and (5) Other – 9.18%. These responses are shown in Figure 1 below. The survey presented a twin-track approach with respondents in the process of starting a business (pre-start-up respondents) answering one set of questions and respondents who had already started a business (post-start-up respondents) answering a different set of questions. It should be noted that many questions were the same for both types of respondents and where this occurs, the information will be shown together across the report.

**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 45-44, with the second largest being women aged 35-44. As might have been anticipated, the age profile for women involved in pre-start-up was lower with 22.58% aged 25-34 and just 7.60% of post-start-up in that age category. 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	Pre-Start	Post-Start
Less than 24 years	0.00%	1.17%
25-34 years	22.58%	7.60%
35-44 years	29.03%	36.84%
45-54 years	38.71%	36.26%
55-64 years	9.68%	16.37%
65+ years	0.00%	1.76%

Respondents who were in the process of starting a business reported that 38.71% would have no co-founder, while 45.16% said that they would have one co-founder and 16.13% said they would have two co-founders. However, of those respondents who were intending to have co-founders, 45.16% said that none of their co-founders would be women. For respondents who had already started a business, 58.24% reported that they had no co-founder when they started and 31.76% had just one co-founder. Of those who started with a co-founder, 44.05% said that none of their co-founders were women. This data highlights once again that women are much less likely than men to have a co-founder when starting a business and that should they have a co-founder, then they are more likely to start their business with a man rather than a woman. There are many potential reasons for such trends which are worthy of deeper study in a future report.

Table 2 offers an insight into the industry sectors which pre-start-up respondents are targeting or post-start-up respondents have already entered. It is interesting to note that ‘Education’ and ‘Food & Beverages’ are popular industries with both types of respondents, while ‘Health & Pharmaceuticals’ is quite contrasting with 26.92% of pre-start-up respondents targeting this industry but just 7.01% of post-start-up respondents entering the industry.

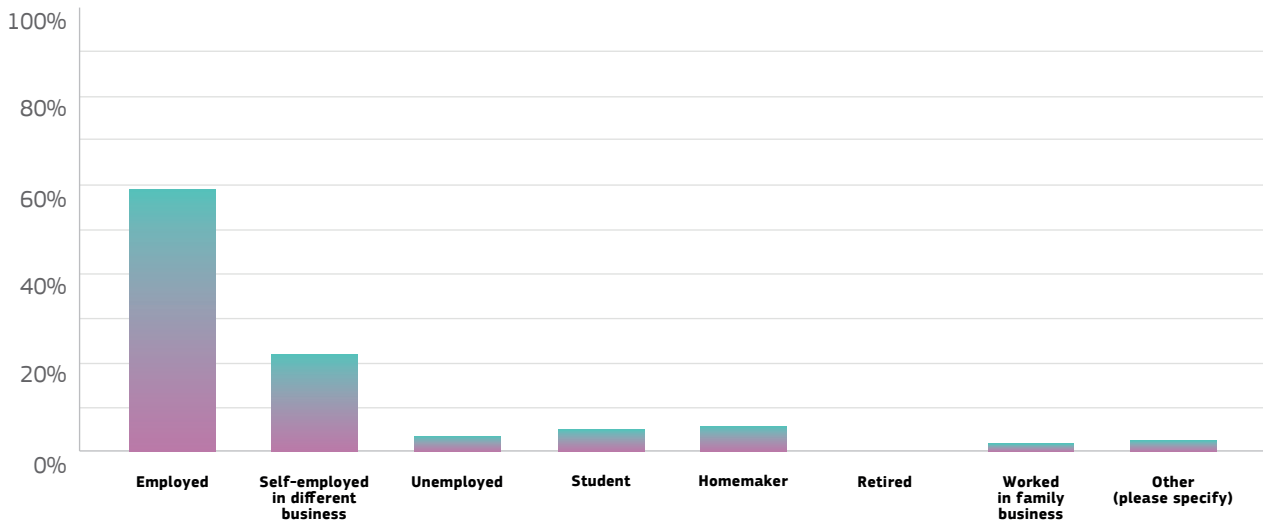
**Table 2 - Which of the following best describes the principal sector in which your business operates?**

Industry Sector	Pre-Start	Post-Start
Advertising & Marketing	3.85%	7.01%
Agriculture	7.69%	4.46%
Airlines & Aerospace (including Defence)	0.00%	0.00%
Automotive	0.00%	0.00%
Business Support & Logistics	7.69%	8.28%
Construction, Machinery, and Homes	0.00%	1.27%
Education	11.54%	12.74%
Entertainment & Leisure	3.85%	7.64%
Finance & Financial Services	7.69%	3.82%
Food & Beverages	15.38%	10.19%
Government	0.00%	0.00%
Healthcare & Pharmaceuticals	26.92%	7.01%
Insurance	0.00%	0.00%
Manufacturing	3.85%	7.01%
Non-profit	0.00%	2.55%
Retail & Consumer Durables	7.69%	14.01%
Real Estate	0.00%	0.64%
Telecommunications, Technology, Internet & Electronics	0.00%	12.10%
Transportation & Delivery	0.00%	0.00%
Utilities, Energy, and Extraction	3.85%	1.27%

## Respondent Profile

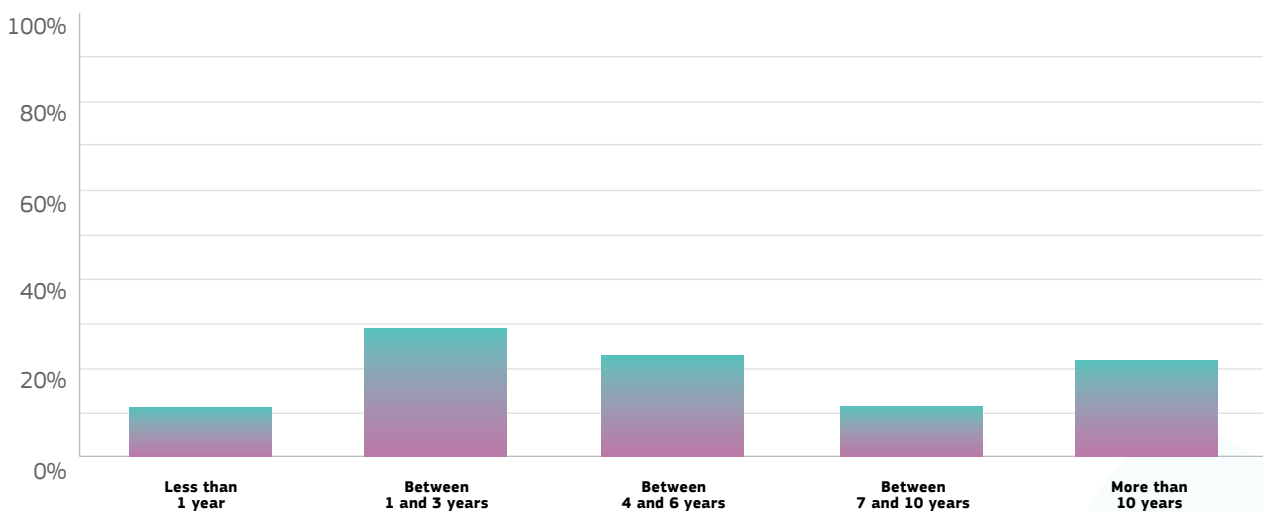
Respondents who were post start-up were asked to describe their position prior to starting a business. As can be seen from Figure 2, the majority of respondents were in employment (59.65%), while the second highest category was self-employed in a different business (21.64%). The number of women starting a business without currently being in the labour market (unemployed, student, homemaker) was just 12.28%, with nobody coming out of retirement to start a business.

**Figure 2 - Prior to starting your new business, which status best describes your position?**



Respondents who had started a business were also asked about the number of years that they were trading. The largest category was 'Between 1 – 3 years' with 29.41%, while 'Between 4 – 6 years' was 23.53% and 'More than 10 years' was 22.35%. Overall, this table demonstrates that almost 90% 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.

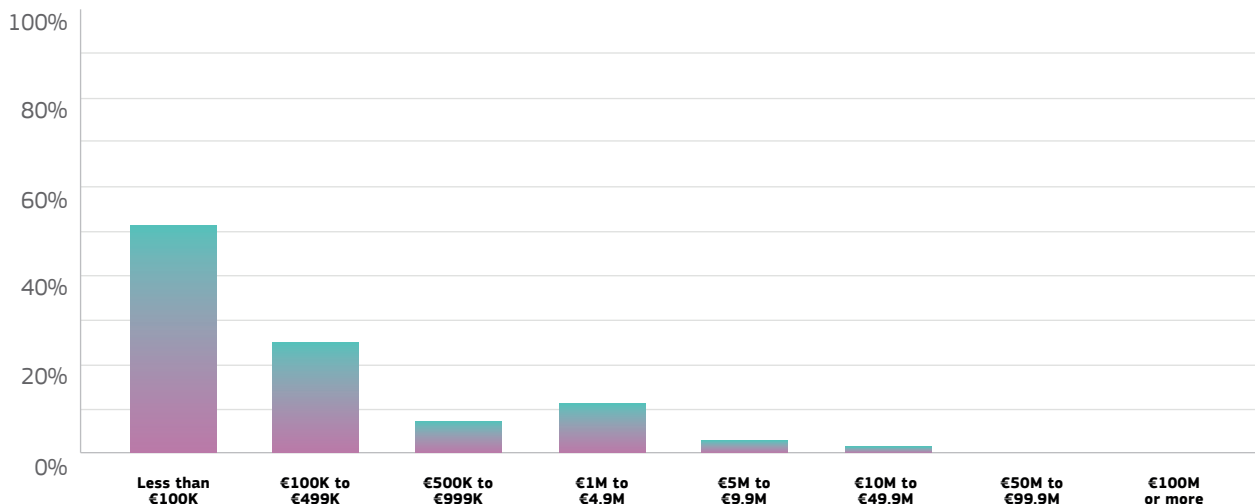
**Figure 3 - How many years has your business been trading?**





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 51.19% having revenue of less than €100,000. It is interesting to note that 16.67% of businesses have revenue greater than €1 million as is shown in Figure 4.

**Figure 4 - What is. the approximate annual revenue for your business?**



The profiling of the 316 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 results in this section have been broken into ‘Pre-Start-up’ which is 18.67% of respondents who have not yet started their business, and ‘Post-Start-Up’ which is 72.15% of respondents who are already in business (9.18% were Other). The objective of this section of the report is to examine how the attitudes/perceptions of respondents might differ due to the experience of owning a business rather than planning to start a business.

The probing in this section of the survey began with a question asking: How would you rate the current economic environment for women starting a business in your country? Almost three-quarters (74.36%) of pre-start-up respondents rated the environment as Moderate or worse, which should be taken within the context of the Covid-19 pandemic. However, post-start-up respondents were more optimistic about the economic environment as almost half (49.53%) of respondents rated the economic environment as Good or better.

The response to the question on rating enterprise supports also showed an interesting divergence of views. Pre-start-up respondents had a poor perception of supports with just over 10% rating them as Excellent or Very Good, with 38.46% rating them as Poor or worse. Table 3 shows that the majority (51.88%) of post-start-up respondents rated the enterprise supports as Good or better which signified that those who engage with the supports having started a business perceived them more positively. However, it should be noted that just under half of these respondents rate the supports as Moderate or worse, so much work 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 3 - How would you rate the enterprise supports for women starting a business in your country?**

Rating	Pre-Start	Post-Start
Excellent	5.13%	5.19%
Very Good	5.13%	17.92%
Good	15.38%	28.77%
Moderate	39.90%	30.66%
Poor	20.51%	13.68%
Very Poor	7.69%	2.83%
Really Bad	10.26%	0.94%

In terms of enterprise support, Table 4 highlights that both types of respondents placed ‘Networking programs’ and ‘Mentoring programs’ as the top two types of support required (although in different order), while ‘Start Your Own Business programs’ was ranked third by both. 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 lowly with both types of respondents, despite access to finance being raised regularly as a barrier to entrepreneurial

activity. Both types of respondents believed that ‘Women’s business networks’ offered the most effective enterprise support for women starting a business in their country, followed by ‘State agencies’. This finding is likely related to the relatively low rates of satisfaction with enterprise agencies discussed earlier. It also supports the primary preference for networking and 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?

**Table 4 – Please select the 3 best forms of enterprise support for women starting a business in your country.**

Type of Support	Pre-Start	Post-Start
Start your own business programs	57.89%	56.19%
Co-working spaces	23.68%	14.29%
Incubation spaces	26.32%	18.10%
Community enterprise centres	13.16%	19.05%
Mentoring programs	57.89%	66.19%
Soft loans (low interest loans)	23.68%	20.95%
Microfinance (loan support)	21.05%	20.48%
Networking programs	60.53%	60.00%
Other	10.53%	10.48%

One of the key questions asked of both pre-start-up and post-start-up respondents was to select three reasons why they thought a woman would decide to start a business in their country. The same top three reasons were given by both types of respondents with ‘Identified a business opportunity’ as the most popular reason (66.67% pre / 56.34% post), which is interesting given that an earlier finding suggested that respondents perceived that the current economic environment was poor for starting a business. The next most popular reasons were ‘Better work / life balance’ (48.72% pre / 48.33% post) and ‘Greater flexibility to work around family responsibilities’ (41.03% pre / 44.60% post). 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, while another commentator suggested that such a choice of answer may not even appear on a survey for men!

There were some differing opinions regarding the top three reasons why women might not start a business in their home country. For pre-start-up respondents, the top three reasons were ‘Lack of access to finance’ (61.54%), ‘Too few role models’ (41.03%) and ‘Low self-confidence’ (38.46%), while for post-start-up respondents the top three reasons were ‘Low self-confidence’ (45.54%), ‘Lack of access to finance’ (44.60%) and ‘Unwilling to take risk’ (38.50%). For post-start-up respondents, ‘Too few role models’ was a minor concern (24.41%), but ‘Fear of Failure’ was the fourth highest score (37.09%). Previous research has

3. Avnimelech, G., &Rechter, E. (2021). Accelerators as a Tool for Encouraging Female Entrepreneurship. Available at SSRN 3895717.

highlighted that the issue of self-confidence is a significant barrier to women starting a business which is supported in this survey. This finding would also align with the high scoring found for networking and 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 one of the top two responses given by both types of respondents. As noted previously, funding support was not a priority for respondents when identifying supports required when starting a business. Pre-start-up respondents rated 'Lack of knowledge / skills about starting and growing a business' as the biggest challenge and 'Difficulty obtaining support from state enterprise agencies' as the third highest rating. Post-start-up respondents rated 'Substantial caring obligations' as their second highest rating (significantly higher than pre-start-up respondents) and 'Lack of knowledge / skills about starting and growing a business' was the third highest rated challenge. The challenge of 'Low level of management skills' was rated very lowly by both types of respondents.

**Table 5 – Please select the 3 main challenges facing women business owners in your country**

Challenge	Pre-Start	Post-Start
Difficulty in securing finance	50.00%	52.86%
Lack of knowledge about business laws and business regulations	36.84%	26.67%
Low level of management skills	13.16%	10.48%
Poor levels of financial understanding	21.05%	21.43%
Limited business contacts	34.21%	35.71%
Low desire to grow the business	2.63%	10.48%
Difficulty obtaining support from state enterprise agencies	39.47%	39.05%
Substantial caring obligations	34.21%	49.05%
Lack of knowledge / skills about starting and growing a business	52.63%	41.43%
Other (please specify)	13.16%	6.67%

When respondents were asked to consider what were the strongest abilities of women entrepreneurs in their country, both types of respondents put 'Customer Relations' in first place. Pre-start-up respondents ranked 'Networking' in second place and 'People Development' in third place. All of these abilities could be considered as soft skills and questions the need for 'Networking programs' and 'Mentoring programs' mentioned previously. Post-start-up respondents ranked 'Business planning and organisation' in second place and 'Networking' in third place. Both types of respondents ranked 'Marketing' fourth in terms of business capabilities, while possessing capabilities such as 'Fundraising / Investor Relations', 'Information Technology' and 'Internationalisation' scored very low with both types of respondents.

This year's survey also asked respondents if they thought that maternity leave legislation is supportive of women starting a business in their country. The response was a very strong rejection as just 2.56% of pre-start-up respondents agreed and only 13.81% of post-start-up respondents agreed that maternity leave legislation was supportive of women starting a business

in their country. Women with children aged under five primarily used 'Private kindergartens or nurseries' for child-caring responsibilities during the working day, with 'State-run kindergartens or nurseries' as the second choice. Approximately one-fifth of both types of respondents used a family member for child-caring responsibilities during the working day. The cost of child-care is generally quite expensive across many European countries and would explain why 'Greater flexibility to work around family responsibilities' rated so highly as a reason to start a business.

What emerges from the research is an understanding that potential and existing women entrepreneurs view the current economic environment as quite challenging and they rate state enterprise agencies quite poorly. Furthermore, issues such as family caring obligations and maternity leave legislation that is unsupportive of women entrepreneurs present additional barriers that men do not endure. Women also face great difficulty in terms of accessing finance and issues relating to self-confidence, so networking and mentoring programs offered by women's business organisations are the preferred route towards developing one's business skills.



# Funding the Business

The survey asked respondents a series of questions related to the funding of their business as this had been identified in last year's survey 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. 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 6 highlights that just 22.86% of pre-start-up respondents rated the environment for accessing finance as Good or better, while the figure for post-start-up respondents was 22.75%. It is of serious concern that 60.00% of pre-start-up respondents and 67.72% of post-start-up respondents rated the environment as Moderate or Poor.

**Table 6 - How would you rate the environment for women wishing to access business finance in your country?**

Rating	Pre-Start	Post-Start
Excellent	0.00%	0.53%
Very Good	8.57%	3.17%
Good	14.29%	19.05%
Moderate	37.14%	38.62%
Poor	22.86%	29.10%
Very Poor	11.43%	5.82%
Really Bad	5.71%	3.70%

The survey also asked respondents about sources of finance for starting and growing a business. As can be seen in Table 7, pre-start-up respondents identified 'Own savings' (65.71%), 'Family / relatives' (54.29%) and 'Government grants' (37.14%) as the top three sources for starting a business, while post-start-up respondents selected 'Own savings' (73.12%), 'Government loans' (56.99%) and 'Bank - business loan' (40.32%) as their top three sources. It is interesting to note that modern funding sources 'Crowd funding' and 'Peer-to-peer lending' were ranked quite low by both types of respondents. However, the primary sources altered when growing a business as pre-start-up respondents selected 'Business savings' (61.76%), 'Bank - business loan' (52.94%) and 'Government grants' (47.06%) as the top three choices, while post-start-up respondents selected 'Bank - business loan' (66.48%), 'Government grants' (50.55%) and 'Business savings' (46.70%) as their top three sources of finance for growing a business. It should be noted that 'Angel investor finance' (24.18%) and 'Venture capital funds' (13.74%) ranked quite low amongst post-start-up respondents as a source of finance for growing a business. Prior empirical studies

4. 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>

have shown low levels of financial literacy among owner-managers of SMEs which impacts 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 7 - Please select the top 3 sources of finance for women Starting and Growing a business in your country.**

	<i>Starting a</i>	<i>Business</i>	<i>Growing a</i>	<i>Business</i>
<b>Source</b>	<b>Pre-Start</b>	<b>Post-Start</b>	<b>Pre-Start</b>	<b>Post-Start</b>
Bank - personal loan	20.00%	32.80%	11.76%	17.03%
Bank - business loan	31.43%	40.32%	52.94%	66.48%
Bank - overdraft	5.71%	13.98%	14.71%	19.78%
Credit Union	11.43%	32.80%	2.94%	13.19%
Government grants	37.14%	8.60%	47.06%	50.55%
Government loans	5.71%	56.99%	14.71%	18.68%
Family / relatives	54.29%	6.45%	n/a	n/a
Business acquaintances / friends	14.29%	2.69%	n/a	n/a
Peer-to-peer lending	8.57%	2.69%	14.71%	4.40%
Own savings / Business savings	65.71%	73.12%	61.76%	46.70%
Angel investor finance	14.29%	5.91%	41.18%	24.18%
Venture capital funds	2.86%	2.15%	17.65%	13.74%
Crowd funding	14.29%	4.30%	11.76%	8.79%
Other (please specify)	2.86%	2.15%	0.00%	4.40%

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 responses by pre-start-up respondents were ‘Want to minimize giving percentage of ownership to outsiders’ (36.67%), ‘Expectation of gender discrimination’ (26.67%) and ‘Prefer to self-finance through cash flow’ (26.67%), while post-start-up respondents identified ‘Want to minimize giving percentage of ownership to outsiders’ (59.88%), ‘Prefer to self-finance through cash flow’ (44.19%) and ‘Risk averse to large capital investment’ (33.14%) as their top three reasons. The issue of ‘Expectation of gender discrimination’ (20.93%) was ranked fourth by post-start-up respondents and empirical evidence already exists that women-led start-ups are not funded on an equivalent basis to men-led start-ups. Fackelmann and De Concini (2020) found that women only account for a small portion of the 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.

5. Fackelmann, S. and De Concini, A. (2020). Funding women entrepreneurs: How to empower growth. European Investment Bank, Luxembourg

Respondents were asked to identify three actions that they thought would improve access to finance for women in business in their country. Both pre-start-up and post-start-up respondents selected the same top three choices which were 'Access to start-up grants specifically for women entrepreneurs' (68.57% Pre / 65.59% Post), 'Provide more direct advice and support with accessing the right source of funding' (48.57% Pre / 50.54% Post) and 'Access to 100% finance guarantee loan schemes for Women Entrepreneurs' (37.14% Pre / 44.09% post).

Respondents were also asked to select three taxation actions that they thought would have most influence on women wanting to scale their business and pre-start-up respondents choose 'Income Tax relief' (85.29%), 'Income tax relief for investors who invest in your business' (47.06%) and 'Business Rates relief' (38.24%), while post-start-up respondents selected 'Income Tax relief' (68.13%), 'Value Added Tax relief or capped' (45.05%) and 'Business Rates relief' (45.05%) as their top three choices.

Finally, respondents were asked to select three actions that they thought the government should take to support businesses in their country and the same top three actions were identified, although in a slightly different order. The actions selected were 'Income tax and VAT payment cancelled for the tax year or deferral for 2 years' (64.71% Pre / 52.94% Post), 'Interest-free loans' (58.82% Pre / 55.08% Post) and 'Direct grants to entrepreneurs to address loss of working capital' (41.18% Pre / 46.52% Post).

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 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.

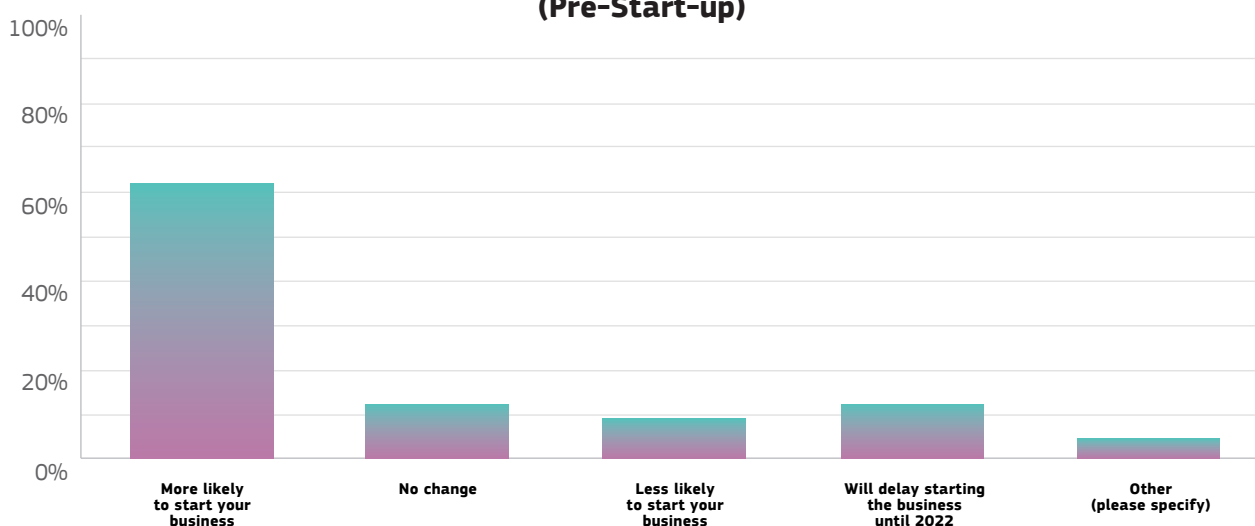
# Future Plans

Given the global economic crisis caused by the Covid-19 pandemic, it was considered prudent in this year's survey to ask respondents about their plans for the next three years. The results have been separated into two sections: (1) Pre-start-up respondents; and (2) Post-start-up respondents. What emerges is a very hopeful picture of entrepreneurial endeavour in the face of a challenging economic environment.

## (1) Pre-start-up respondents

Pre-start-up respondents were asked about their plans to start a business in the year ahead. As can be seen in Figure 5, the response was very positive with 62.50% stating that they were more likely to start a business and just 9.38% stating 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 due to the COVID-19 crisis and again the response was very positive as 19.35% answered that they believed there would be a 'Significant increase in demand' and 38.71% 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? (Pre-Start-up)**



Respondents were asked about their goals for their business for the next 3 years and again the response was very positive with 86.67% selecting Agree or Strongly Agree to the goal of starting their business, while hiring an employee also featured quite strongly.

**Table 8 - Which of the following are the goals for your business for the next 3 years? (Pre-Start-up)**

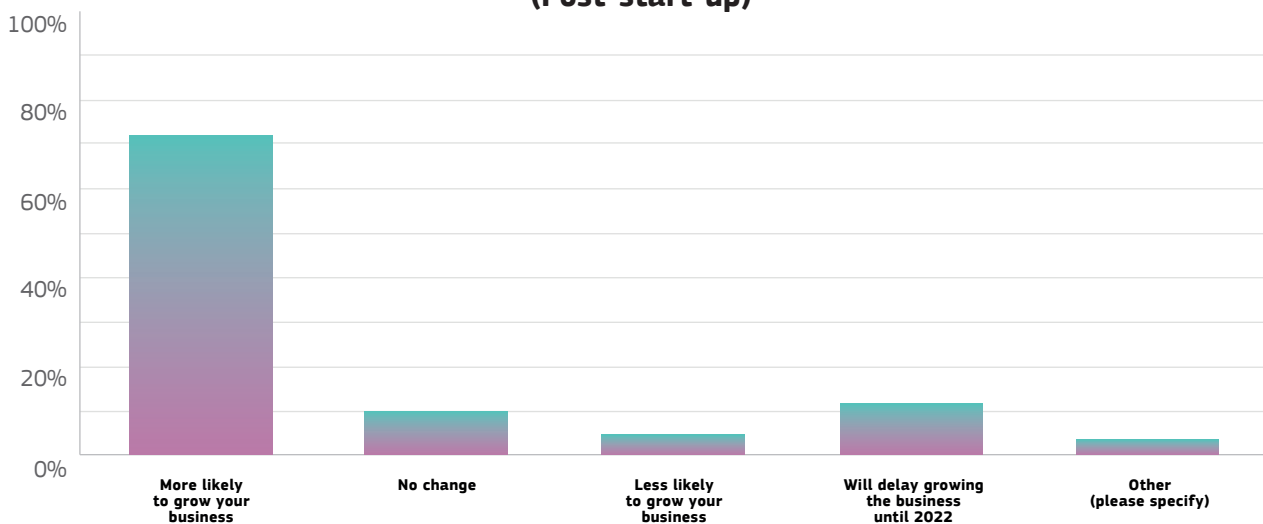
Goal	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	N/A
Start your business	60.00%	26.67%	0.00%	3.33%	0.00%	10.00%
Reach breakeven with regards to profitability	36.67%	30.00%	20.00%	3.33%	0.00%	10.00%
Hire at least one employee	40.00%	26.67%	13.33%	13.33%	0.00%	6.67%
Increase range of new products / services	33.33%	36.67%	6.67%	10.00%	3.33%	10.00%
Expand into new markets	33.33%	26.67%	10.00%	13.33%	0.00%	16.67%
Expand into new countries	40.00%	16.67%	13.33%	13.33%	0.00%	16.67%

When asked to select the three main challenges they faced if they wanted to start their business this year, the following were the top three choices: ‘Difficulty in securing finance’(61.29%), ‘Limited business contacts’ (41.94%) and ‘Difficulty obtaining support from state enterprise agencies’ (35.48%). Each of these issues had been highlighted as concerns earlier in the report. The three business areas that respondents mainly considered they needed training to help start their business were ‘Financial management and cost control’ (48.39%), ‘Business planning and organisation’ (45.16%) and ‘Fundraising / Investor relations’ (38.71%). The matter of access to finance and financial literacy is repeatedly emphasised across the results as being of primary concern to women entrepreneurs seeking to start a business.

(2) Post-start-up-respondents

Post-start-up respondents were asked about their plans to grow the business in the year ahead and 71.02% answered that they were more likely to grow their business and just 4.55% answered that they were less likely to grow their business. In terms of the demand for their product / service being altered due to the COVID-19 crisis, 32.39% responded that they believed there would be a ‘Significant increase in demand’, while 28.98% responded that there would be a ‘Slight increase in demand’.

**Figure 6 - For the year ahead, do you think you are likely to start a business? (Post-start-up)**



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 83.03% for ‘Increase profitability significantly’, 82.25% for ‘Increase range of new products / services’, 81.04% for ‘Increase revenue / turnover significantly’ and 79.88% 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 9 - Which of the following are the goals for your business for the next 3 years?  
(Post-start-up)**

Goal	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	N/A
Maintain its current levels of performance	19.88%	26.51%	11.45%	19.88%	19.28%	3.01%
Increase profitability a little	25.16%	29.03%	14.84%	17.42%	9.03%	4.52%
Increase profitability significantly	52.73%	30.30%	9.70%	5.45%	0.00%	1.82%
Increase number of employees by a few	17.54%	44.44%	14.04%	11.11%	5.85%	7.02%
Increase number of employees by many	11.95%	13.84%	27.67%	26.42%	10.06%	10.06%
Increase revenue / turnover a little	19.75%	31.85%	19.75%	18.47%	6.37%	3.82%
Increase revenue / turnover significantly	50.00%	31.40%	11.05%	4.07%	2.33%	1.16%
Increase range of new products / services	34.32%	47.93%	11.24%	4.14%	0.59%	1.78%
Expand into new markets	42.01%	37.87%	11.24%	2.96%	1.18%	4.73%
Expand into new countries	39.77%	29.24%	14.62%	5.85%	2.92%	7.60%

In terms of future challenges facing women entrepreneurs already in business, 'Difficulty in securing finance'(47.67%), 'Difficulty obtaining support from state enterprise agencies' (33.14%) and 'Limited business contacts' (27.33%) were identified as the top three challenges. The three business areas that they considered a need to receive training to help grow their business were identified as 'Financial management and cost control' (41.86%), 'Business planning and organisation' (38.37%) and 'Fundraising / Investor relations' (30.81%) which again shows a strong need to focus upon enhancing financial literacy skills.

The post-start-up respondents were also asked about their experiences since starting their business and the weighted averages identified the top five issues as follows:

1. Having too little business
2. Loneliness
3. Difficulty in planning ahead
4. Lack of financial security
5. Performance pressures

When asked if the money that they personally earned from the business provides them with a comfortable living, 18.75% selected Strongly Agree and 36.36% selected Somewhat Agree.

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 provide the supports identified by respondents to this survey.

# Key Recommendations

Following an analysis of the data generated by the survey of women entrepreneurs across Europe, the following are the key recommendations:

**1**

**Governments need to revise existing maternity leave legislation to ensure that it offers greater support to women entrepreneurs.**

**2**

**Governments need to improve access to child care for women entrepreneurs through the use of tax incentives.**

**3**

**Governments should introduce tailored start-up grants through training programs specifically designed for women entrepreneurs.**

**4**

**Training providers should prioritise coaching on financial literacy for women entrepreneurs.**

**5**

**The European Commission should promote the development of a network of investors / investment companies who wish to focus on women-led businesses.**

**6**

**Enterprise support agencies should create women enterprise consultation groups to review agency operations in order to maximise participation in agency support by women.**

**7**

**State agencies should outsource their 'Networking' and 'Mentoring' programs to women's business networks.**

These recommendations are not exhaustive in terms of the measures that could be taken to support women entrepreneurs in Europe, but they offer an excellent platform from which greater success can be achieved in terms of the number of women in Europe who start and grow a business.



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