

# WEbrometer 2020

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

**wegate**

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

# Foreword

Businesses throughout Europe, particularly small businesses, are suffering extremely difficult trading times, addressing challenges on a daily basis that they have never previously experienced. Within the business community, women entrepreneurs are being expressly challenged in these problematic times, with data for example showing that it is currently considerably more difficult for women to access finance to start and grow their business. The identification of the distinctive problems and barriers that women entrepreneurs encounter when starting and growing their own business is the crucial foundation to developing tailored support and services to assist them.

The WEgate platform is being redeveloped into a space where women entrepreneurs can find a welcome home to share thoughts and experiences with other women entrepreneurs throughout Europe. Potentially, WEgate can also help identify solutions to their problems from analysis of the large scale data collected through the WEbarometer. The WEbarometer is the first comprehensive effort to measure at a pan-European level, the current social, political and economic circumstances for women entrepreneurs to start and grow their own business. It provides an independent, non-partisan, multidisciplinary view of public opinion on a range of women entrepreneurship-relevant issues.

The WEbarometer offers an opportunity to look into a mirror that reflects the current business sentiment of women entrepreneurs across Europe. Using the data from the WEbarometer, we will be able to advocate for tailored business support relating to issues such as access to finance, digital skills, legal advocacy and start-up assistance. Such intelligence will also inform policymakers about the critical challenges facing women entrepreneurs in today's business environment and how such challenges might be addressed. We will also be able to promote political actions to strengthen women's involvement and status in business, and enhance the active participation of women entrepreneurs in the European economy.

Women make up 52% of the total European population, but only 34.4% of the European Union (EU) self-employed and 30% of start-up entrepreneurs. Given their creativity, entrepreneurial capacities and talents, they are an under-utilised resource that could become the new driving force for the next generation of Europe. The ambition for the WEbarometer is that it will become a permanent 'spokeswoman' at a European-level, as part of the WEgate project that mobilises women into a larger ecosystem based on networking, shared best practices, tailored mentoring and training.

With this much needed support for women entrepreneurs, collectively we can create new models of behaviour for future generations, and we can definitely look forward to a better and more inclusive Europe.

## **David Caro**

President of the European Small Business Alliance

# Executive Summary

The following are the key highlights to the survey of women entrepreneurs that was undertaken in the summer of 2020:

- The survey generated 618 responses, with 590 of these considered valid responses.
- In terms of age, the largest category of respondents was those aged 35-44 (42%) and the second largest was women aged 45-54 (30%).
- Besides 'Other', there are 29 countries represented in the survey data collection, with France providing 25% of the respondents.
- Of the valid responses received, 91 were in the process of starting a business, 158 are solo self-employed and 217 are owner-manager of a business. These 466 responses are the focus of this report.
- Of the 375 respondents who had businesses trading, 29% were trading 1-3years, 31% trading 4-9 years and 31% trading more than 10 years, with 52% of businesses having multiple founders.
- 67% of businesses had an annual revenue of less than €100,000, while a total of 93% of businesses had annual revenue less than €1 million.
- The most popular industry sectors were 'Other Professional Services', followed by 'Education', 'Media, cultural and graphical' and 'Health Services'.
- Respondents viewed the current economic environment more positively than might have been anticipated, but they rated the general enterprise ecosystem in their country quite poorly.
- A good 'Work/life balance' was the main reason for starting a business, but poor enterprise support systems ranked highest in terms of why women might not start a business. 'Caring obligations' scored quite highly for not starting a business.
- 'Mentoring programs', 'Government start your own business programs' and 'Networking programs' were identified as the main forms of support required.
- 74% of post-start-up respondents identified 'Difficulty in securing finance' as the biggest issue facing women entrepreneurs who are trading.
- Low percentages said that the environment for women accessing finance was 'Good', 'Very good' or 'Excellent', identifying 'Own savings' and 'Family/relatives' as the main sources of finance.
- 'Access to start-up grants' and 'Direct advice and support' were highlighted as the primary actions to improve access to finance for women growing a business.
- 'Income tax relief' and 'Corporation tax relief' were referenced by over half of all respondents as actions that would influence women entrepreneurs to scale their business.
- While the majority of post-start-up respondents answered that demand had decreased due to COVID-19, 24% responded that demand had increased and 15% stated that there had been no change.
- The majority of respondents expected demand to increase over the next 6 months, with 21% stating there will be no change in demand.
- Only 16% expected to increase their prices, with the vast majority of respondents suggesting that there would be no change.
- 15% had to lay-off staff permanently and 19% had to lay-off staff temporarily.
- 48% of respondents believe that there will be no change in employee numbers in 2021, while 39% believe they will employ more people.
- 50% of respondents stated that they had no difficulty or minimal difficulty in accessing raw materials due to the pandemic and just 7% stated that cyber-attacks had increased since the COVID-19 crisis began.
- 43% of respondents in the pre-start-up stage stated that they would be more likely to start their business since the pandemic began, while 20% reported no change in their intentions.

The following are the Key Recommendations offered by the report:

1. Each government or national enterprise support agency should appoint a 'Champion' who would advocate for women entrepreneurs across government and its agencies.
2. Every enterprise support agency should review its operations to ensure that its programmes and supports are designed to maximise participation by women.
3. Enterprise agencies should provide dedicated Start Your Own Business, Mentoring and Networking initiatives for women entrepreneurs.
4. Financial institutions and enterprise support agencies should collaborate to introduce targeted initiatives for women entrepreneurs that provides tailored sources of finance.

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

According to an EU/OECD<sup>1</sup> report in 2016, “women are under-represented among the population of entrepreneurs. They tend to operate smaller and less dynamic businesses than men, and are more likely to operate in non-capital intensive sectors including personal services, which often have lower potential for generating a high and sustainable income”. The report found that in 2015, the ratio of self-employed women to men in the European was 9.9% vs. 17.8%, and that this ratio holds in most EU Member States.

In its study of 848 responses from 31 countries, the European Startup Monitor 2019/20<sup>2</sup> found that the vast majority of the startup founders were male and that 78% of startups were founded by multiple founders. Furthermore, 67% of these entrepreneurial teams were all-male teams, with just 8% of them founded by all-female teams, while the remaining 25% was founded by a team including at least one man and one woman. One of the key recommendations from the report was the need to prioritise the increase of female entrepreneurs in Europe through a range of initiatives at a local, national and European level.

Over the past decade, a growing and diverse number of stakeholders have begun initiatives to support women entrepreneurs. The European Gateway for Women’s entrepreneurship, called WEgate, is an e-platform launched by the European Commission to support women entrepreneurs across the European Union. By registering on WEgate, people can find like-minded professionals with whom they can connect, exchange good practices, or discuss relevant policy initiatives in the area of women’s entrepreneurship. WEgate also acts as an information resource with content that directly relates to women’s entrepreneurship and aims to direct people to other sources of information or contacts provided by enterprise support agencies and other relevant organisations.

To better understand the challenges facing women entrepreneurs in Europe, WEgate identified a need for reliable, structured data to be gathered from women entrepreneurs themselves and so launched a survey in July 2020 which was targeted at women who were considering or had already started a business. The online survey was available in six languages (French, German, Italian, Portuguese, Spanish and English) and was promoted through social media and relevant networks across European countries. The key goals of the survey were to better understand the perceptions of women entrepreneurs towards the business environment in their country and to recommend actions that should be taken to support women entrepreneurs.

This report is the first annual WEbarometer which each year will explore the business sentiments of women who are either in the process of starting or have already started a business. Because the WEbarometer is uniquely-positioned as a pan-European survey of women entrepreneurs, these reports will provide a database of critical information that can be utilised by policymakers, enterprise support agencies, businesswomen’s networks and other relevant stakeholders to promote and enhance the environment for women entrepreneurs across Europe.

1. EU / OECD (2016). Policy Brief on Women’s Entrepreneurship. Luxembourg: Publications Office of the European Union.

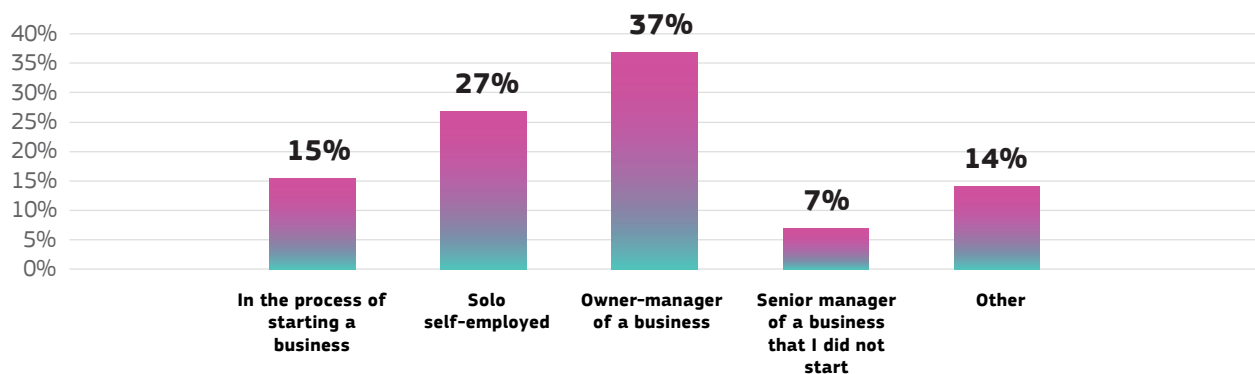
2. European Startup Network (2020). EU Startup Monitor 2019/20, Brussels, European Startup Network

# Respondent Profile

The survey generated a total of 618 responses, with 590 of these considered as valid responses. It is the ambition of the project team to grow the number of valid responses year-by-year to enable detailed statistical analysis to be undertaken and patterns to be recognised across time periods.

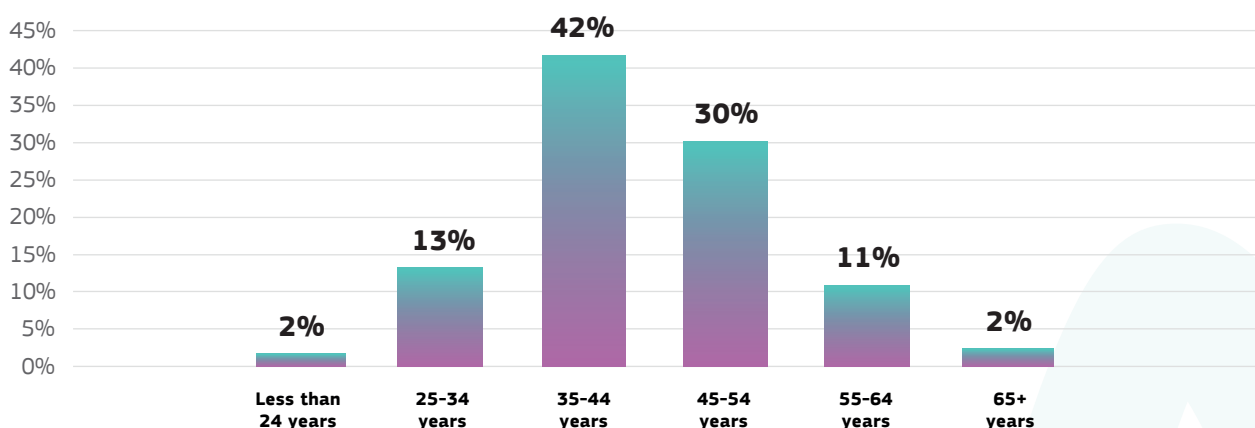
The 590 valid responses can be broken down into the following categories: (1) In the process of starting a business – 91; (2) Solo self-employed – 158; (3) Owner-manager of a business – 217; (4) Senior manager of a business that I did not start – 41; and (5) Other – 83. These numbers are shown by percentages in Figure 1 below. While the survey incorporated senior managers of a business and women from other organisations such as enterprise agencies, this report will focus only on potential and existing women entrepreneurs.

**Figure 1 - Current Position of Respondent**



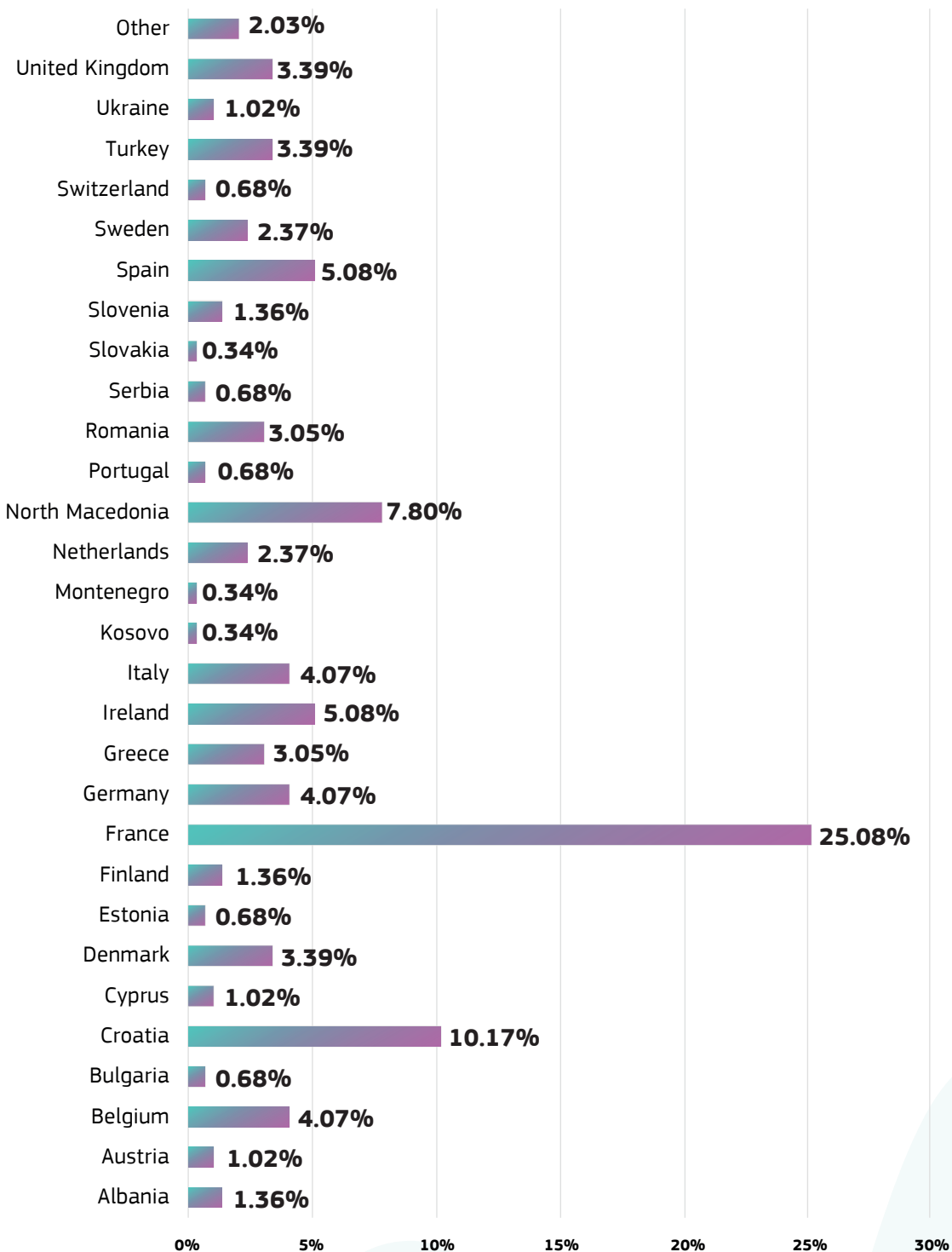
In terms of age profile as shown in Figure 2, the largest category of respondents was those aged 35-44, with the second largest being women aged 45-54. As might have been anticipated, the age profile for women involved in pre-start-up was lower with 48% aged 35-44 and just 15% of women aged 45-54, while for post-start-up 40% were aged 35-44 and 33% were aged 45-54. The number of respondents aged under 24 and those aged 65+ was quite low and this fits with the overall pattern for women entrepreneurs in many European countries.

**Figure 2 - Age of Respondents**



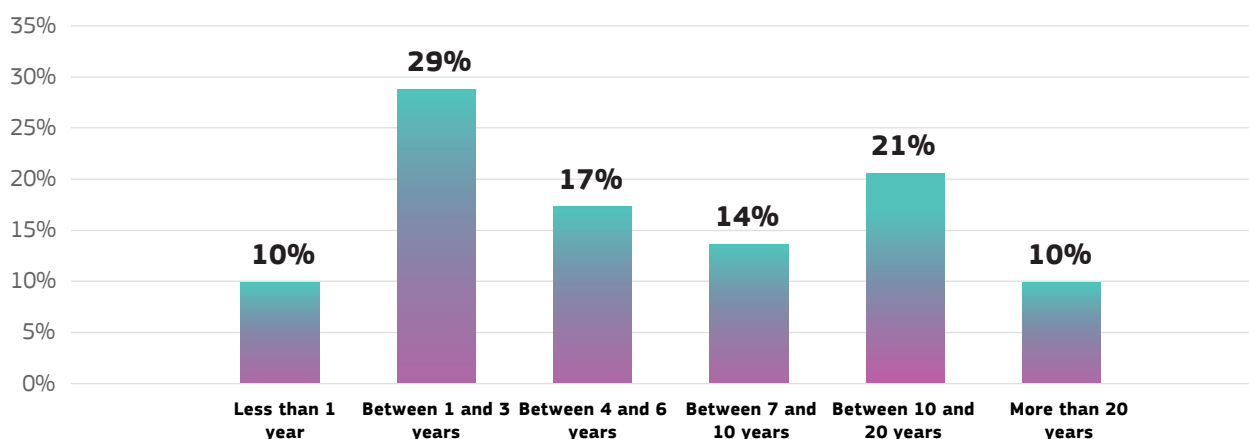
The questionnaire asked respondents “In which country is your business primarily based?” and Figure 3 details the responses to this question. Besides ‘Other’, there are 29 countries represented in the survey data collection, with France providing 25% of the respondents, followed by Croatia and North Macedonia with the next highest number of respondents. The questionnaire was available in six languages (French, German, Italian, Portuguese, Spanish and English) and was promoted through a variety social media channels, women’s business networks and other forms of promotion.

**Figure 3 - Country of Business of Respondents**



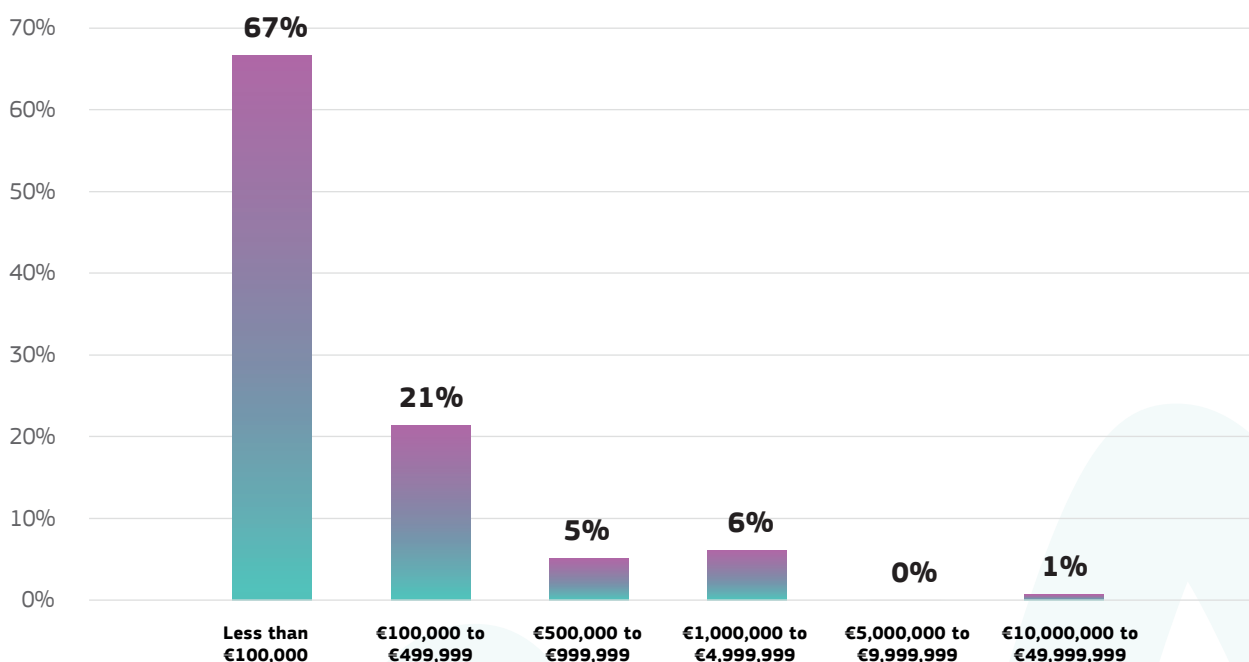
There were 158 respondents who identified as being ‘Solo self-employed’ and 217 who identified as being ‘Owner-manager of a business’. These were combined to be analysed as the post-start-up category which later in the report are compared to those identified as being ‘In the process of starting a business’ which amounted to 91 respondents and these are analysed as the pre-start-up category. The 375 respondents who had started a business were asked some questions which helped with the profiling of their business. Figure 4 highlights that there was a strong balance across the number of years in which women who started a business were trading, with 29% trading 1-3 years. Given the challenging economic climate, it should be noted that 31% were trading for more than 10 years.

**Figure 4 - Years Trading**



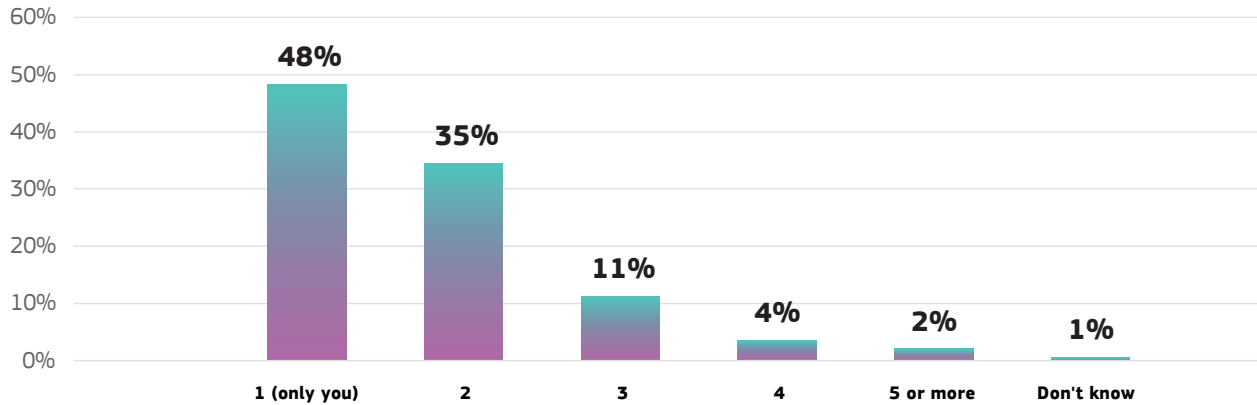
While businesses may have been in existence for many years, the turnover for businesses started by respondents remained relatively low with 67% of businesses having revenue of less than €100,000. A total of 93% of businesses have revenue less than €1 million as is shown in Figure 5.

**Figure 5 - Company Revenue**



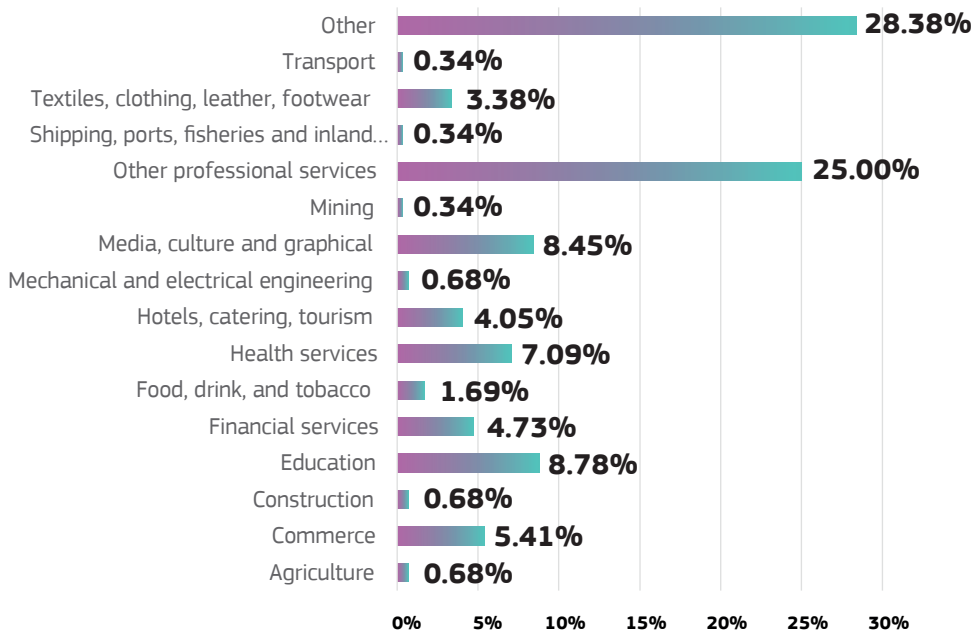
In recent years, there has been a growing movement towards multiple founders and a body of evidence exists which suggests that high-growth firms are more likely to be started by multiple founders rather than lone actors. Approximately 50% of the respondents were in businesses started by multiple founders, although it is not known from the data if the co-founders were male or female.

**Figure 6 - Number of Founders**



Finally, the industry sector most evident in Figure 7 is 'Other Professional Services' which is followed by 'Education', 'Media, cultural and graphical' and 'Health Services'. Service based industries are quite heavily represented overall and reflects the findings of other reports on the type of businesses started by women entrepreneurs.

**Figure 7 - Industry Sector of Business**



The profiling of the 590 respondents offers background to the people who have answered the survey. It underlines the broad representation of women entrepreneurs in terms of age, country and industry that participated and how their views can be taken to be largely typical of the opinions of the wider community of women entrepreneurs in Europe.

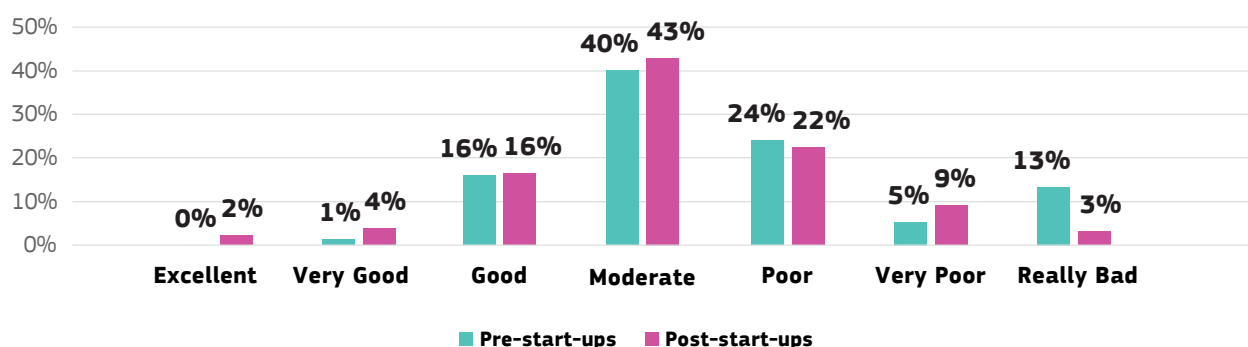


# Business Environment

The results in this section have been broken into ‘Pre-Start-up’ which is 91 respondents who have not yet started their business, and ‘Post-Start-Up’ which is the 375 respondents who already are in business. 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.

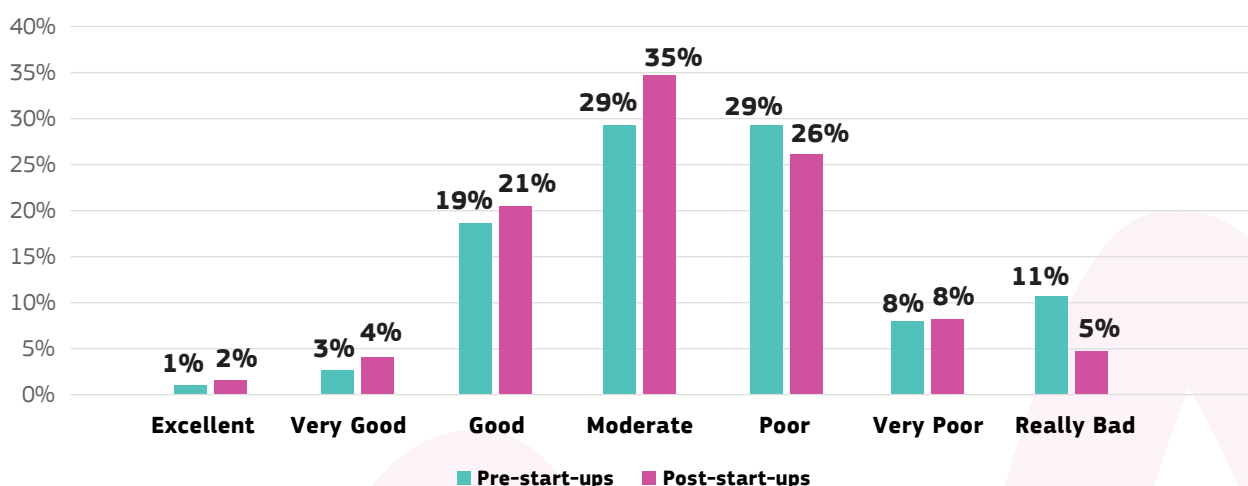
The response to the question on rating the current economic environment might be considered more positive than expected given that they were dealing with the consequences of the COVID-19 pandemic. It can be seen in Figure 8 that post-start-up respondents were slightly more positive about the environment than pre-start-up respondents, but little difference existed across most categories, except for the category ‘Really Bad’ which pre-start-ups respondents rated much higher than post-start-up respondents as is evident in Figure 8.

**Figure 8 - Current Economic Environment**



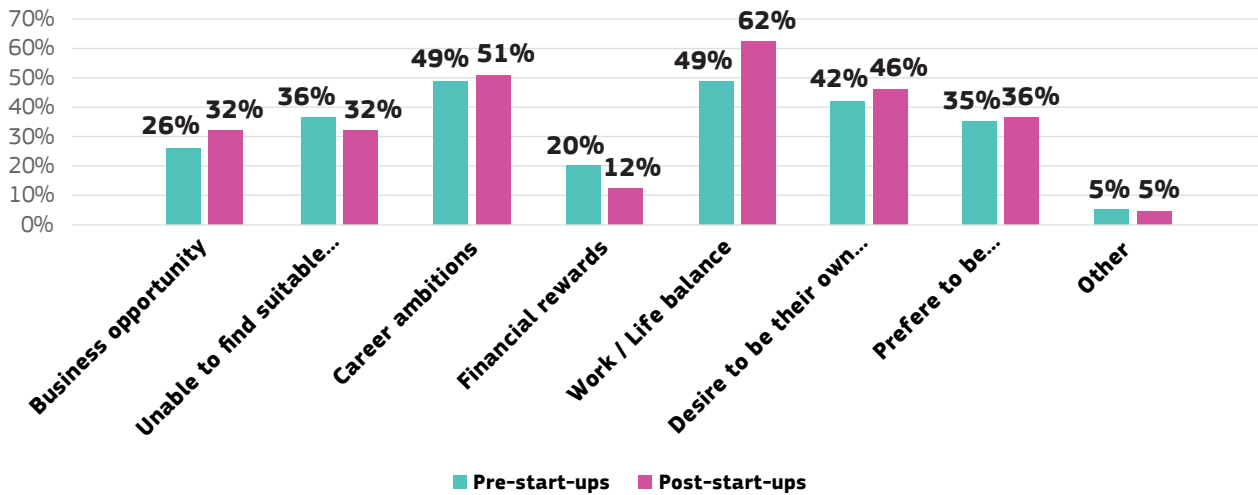
A more disappointing result is the view of respondents regarding the current enterprise ecosystem for women starting a business in their country. Only 27% of post-start-up respondents rated it as ‘Good’ or better, while just 23% of pre-start-up respondents rated it as ‘Good’, ‘Very good’ or ‘Excellent’. Such an ecosystem should be embedded in a country and relatively unaffected by the pandemic which means that the general viewpoint is that the existing enterprise ecosystem is not very supportive for women entrepreneurs in their country. In fact, 48% of post-start-up respondents and 39% of pre-start-up respondents rated it as “Poor”, “Very poor” or “Really bad”.

**Figure 9 - Current Enterprise Ecosystem**



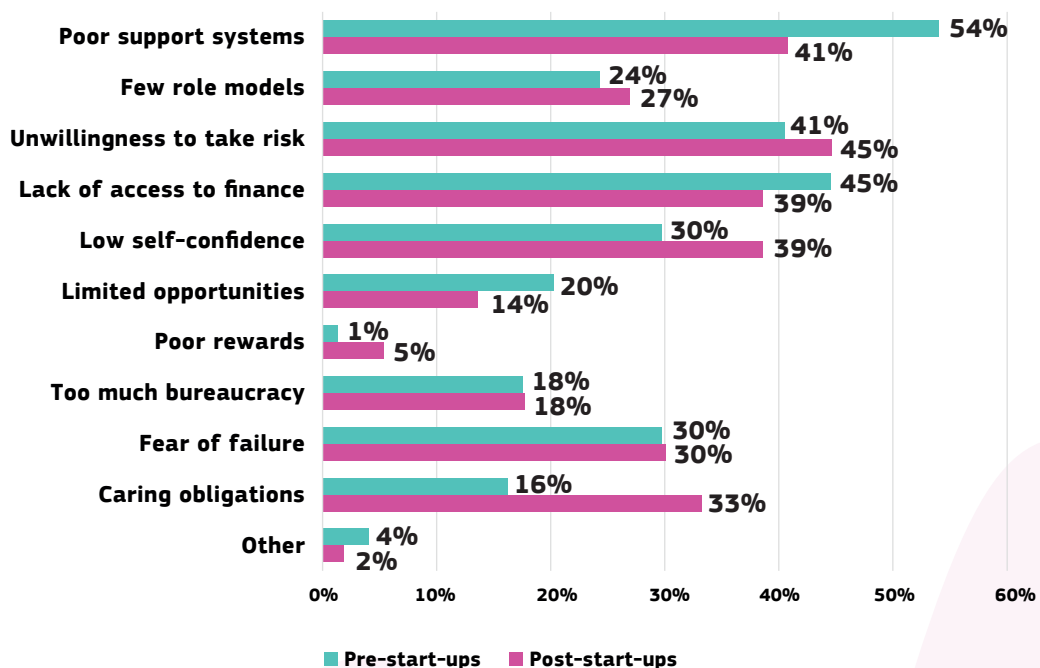
Respondents were asked to give three reasons for starting a business and the largest number of replies for post-start-up respondents was related to ‘Work/Life balance’, followed by ‘Career Ambitions’ and ‘Desire to be their own boss’ in a very clear ranking order. However, for pre-start-up respondents, there was little difference between the same three categories as each almost had the same percentage levels as seen in Figure 10. It should be noted that significantly more pre-start-up respondents than post-start-up respondents answered that one of the main reasons for starting a business was for ‘Financial rewards’.

**Figure 10 - Reasons for Starting a Business**



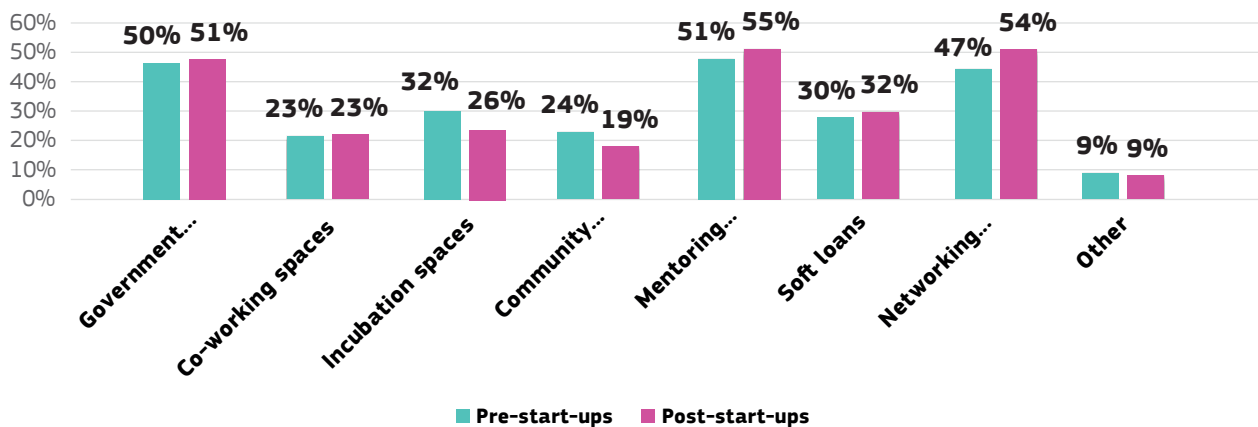
Respondents were also asked to give three reasons why women might not start a business and more than half of post-start-up respondents highlighted ‘Poor support systems’ as being a critical issue. The same group of respondents identified ‘Lack of access to finance’ and ‘Unwillingness to take risk’ as being the next biggest challenges. For pre-start-up respondents, the major reasons were more closely ranked, with ‘Low self-confidence’ also featuring.

**Figure 11 - Reasons for not Starting a Business**



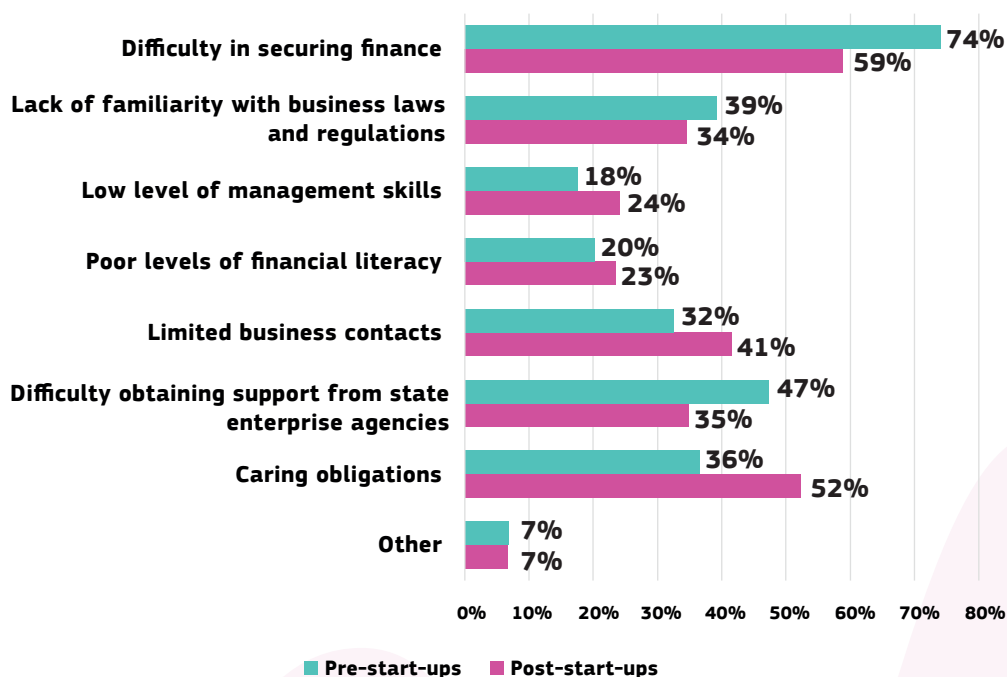
In terms of supports for starting a business, replies from pre and post-start-up respondents were generally similar with ‘Mentoring programs’, ‘Government start your own business programs’ and ‘Networking programs’ featuring highest amongst the different options. Supports such as ‘Co-working spaces’ and ‘Community enterprise centres’ had the lowest levels of support as the emphasis was on personal development rather than business support. While lack of access to finance was an issue in the previous figure, support through ‘soft loans’ received modest support in this question.

**Figure 12 - Best Support for Women Starting a Business**



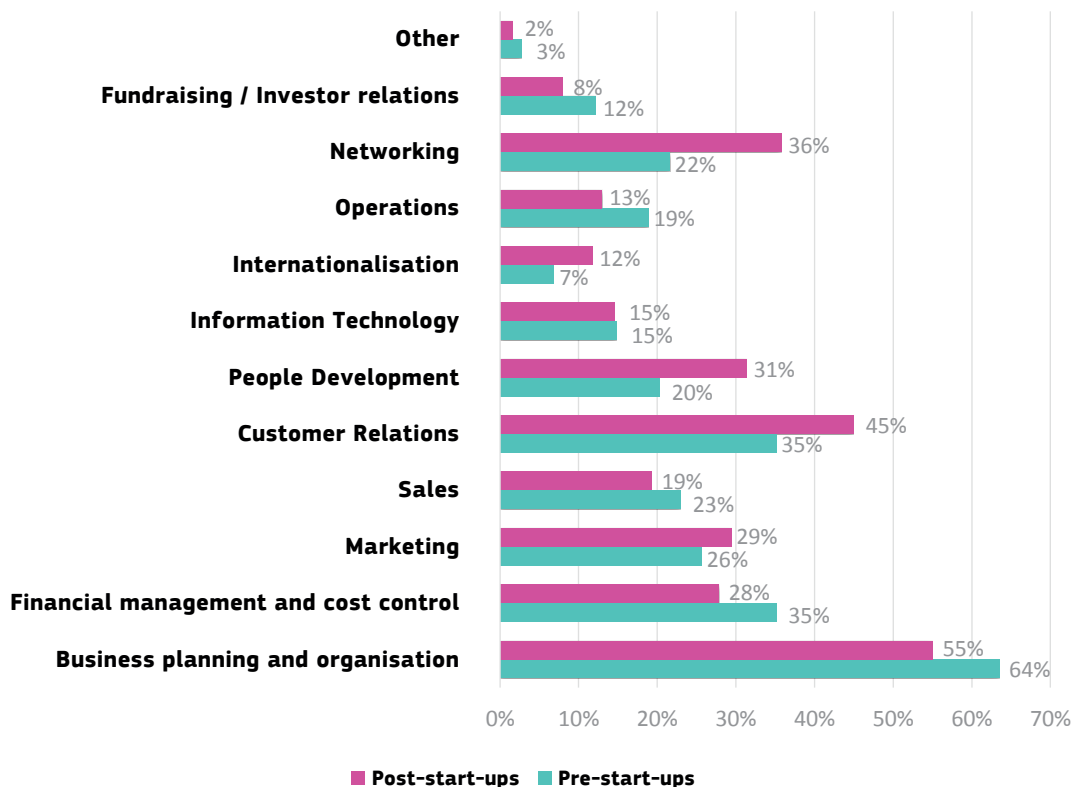
Respondents were also asked what they perceived were the three biggest challenges facing women already in business and approximately three-quarters of pre-start-up respondents identified ‘Difficulty in securing finance’ as being an issue. The next highest issue at 47% was ‘Difficulty obtaining support from enterprise agencies’ which correlates with the poor view that respondents had of the enterprise ecosystem previously in Figure 9. While ‘Difficulty in securing finance’ was also the highest rated issue for post-start-up respondents, it was very closely followed by ‘Caring Obligations’ which was mentioned by more than half of these respondents.

**Figure 13 - Challenges Faced by Women Business Owners**



The questionnaire asked respondents to identify the three areas of businesses that they considered to be their strongest. While ‘Business planning and organisation’ was considered to be the strongest aspect of respondents’ business abilities, it must be highlighted that ‘Fundraising/ Investor relations’ and Internationalization’ both scored very poorly across all respondents. Both of these business areas would significantly impact a company’s ability to grow which might relate to the revenue levels noted in Figure 5.

**Figure 14 - Individual Strengths in Business**

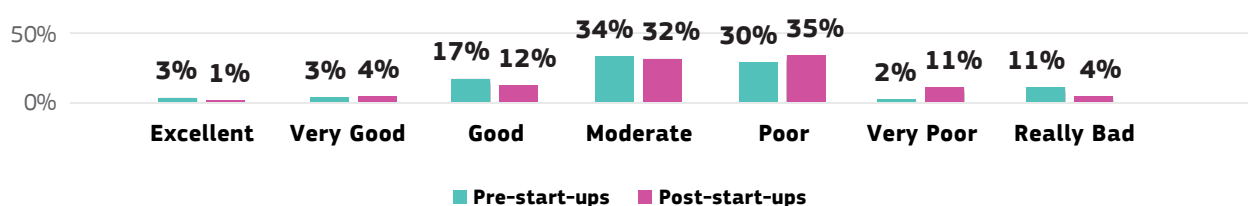


This section has analysed the views of the respondents regarding the business environment. Perhaps the biggest findings were the poor perception that respondents had of the enterprise support ecosystem in their country and their need for programs/initiatives relating to start your own business, mentoring and networking. The question for enterprise support agencies is to ask if enough is being done or if the problem is one of communicating more effectively what is being done for women entrepreneurs. The other major concern highlighted in this section is access to finance and indeed respondents’ understanding of fundraising/investor relations. Is the issue a lack of finance, unwillingness of lenders to give money to women entrepreneurs, low level of demand for finance or low levels of confidence and education by women entrepreneurs regarding how to access finance? This issue will be addressed in further detail in the next section.

# Funding the Business

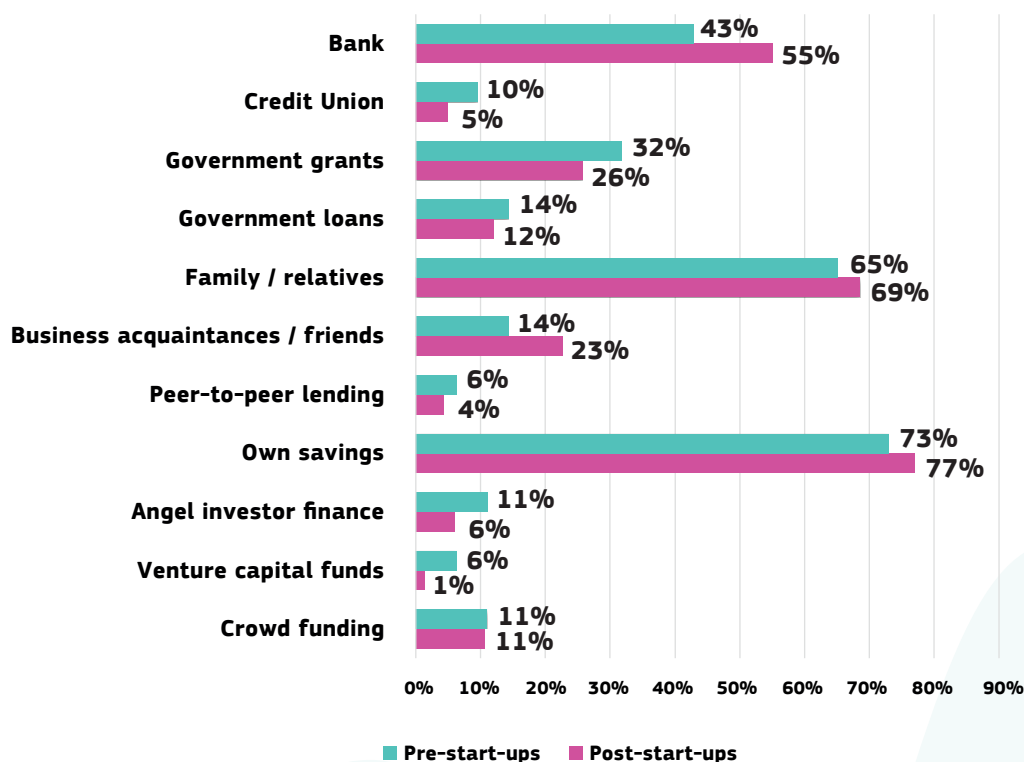
The questionnaire asked respondents a series of questions related to the funding of their business as this had been identified in prior research as being a major issue. The need to examine this issue in greater detail was supported by findings in the previous section of this report which reinforced this 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 half of respondents already trading said it was 'Poor', 'Very poor' or 'Really bad'. Approximately one-third of all respondents said that the environment was moderate, with low percentages suggesting that the environment was 'Good', 'Very good' or 'Excellent'.

**Figure 15 - Environment for Women Wishing to Access Finance for Business**



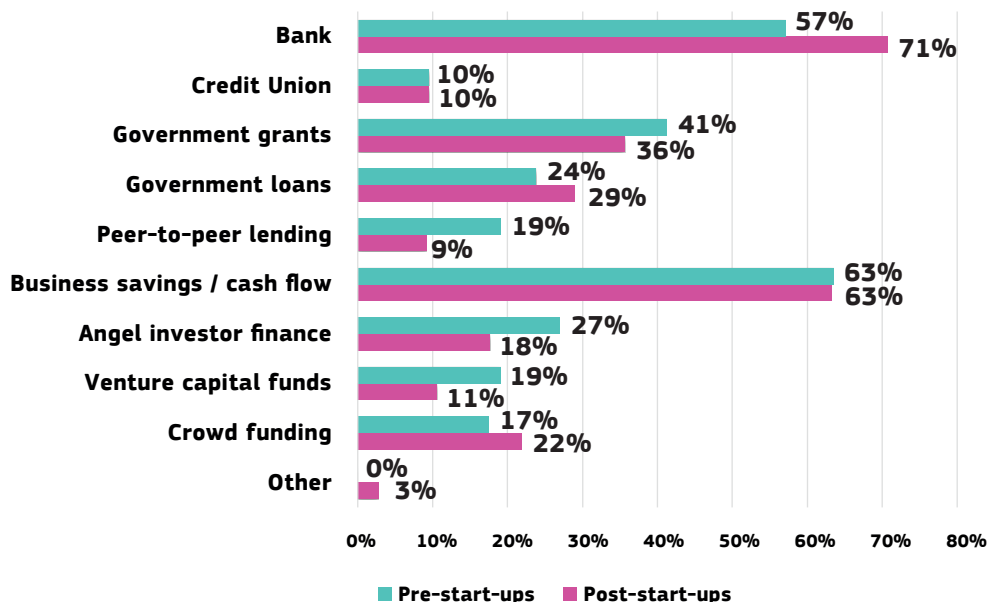
In terms of sources of finance, approximately three-quarters of respondents identified 'Own savings' as one of the top three sources of finance, followed by approximately two-thirds of respondents stating 'Family/relatives' as one of the top three sources. For all respondents, 'Bank' was the third highest source, while 'Venture capital funds' scored extremely low.

**Figure 16 - Sources of Finance for Women Starting a Business**



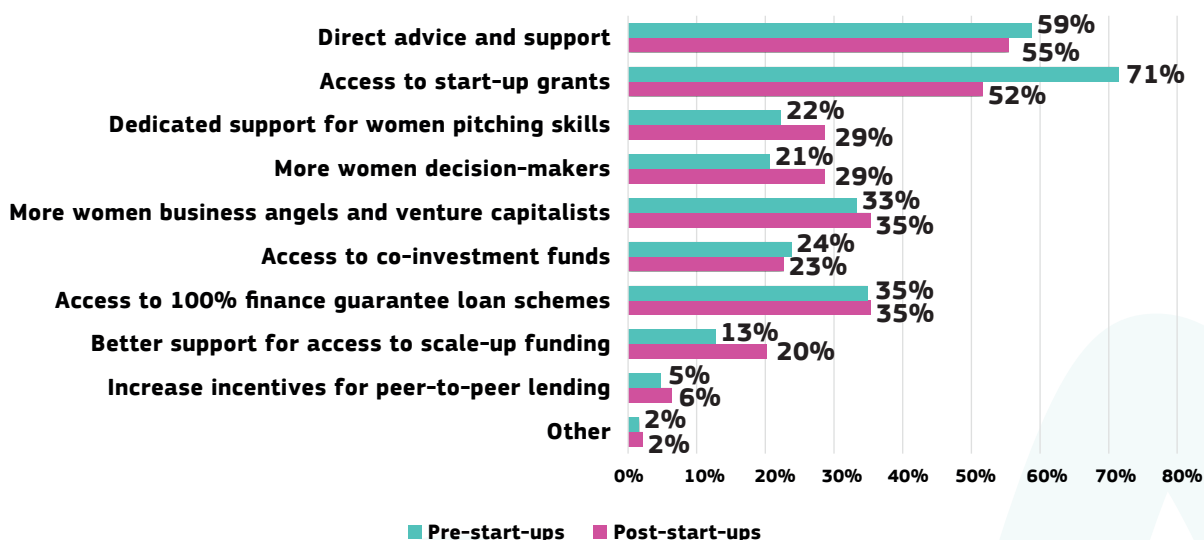
For sources of finance to grow a business, it is interesting to note that almost two-thirds post-start-up respondents identified 'Business savings/cash flow' as being one of the top three sources of growth finance, while 'Government grants' was also mentioned quite frequently. However, for post-start-up respondents the most mentioned source of growth finance was 'Bank' with 71% of respondents listing it as one of the top three sources.

**Figure 17 - Sources of Finance for Women Growing a Business**



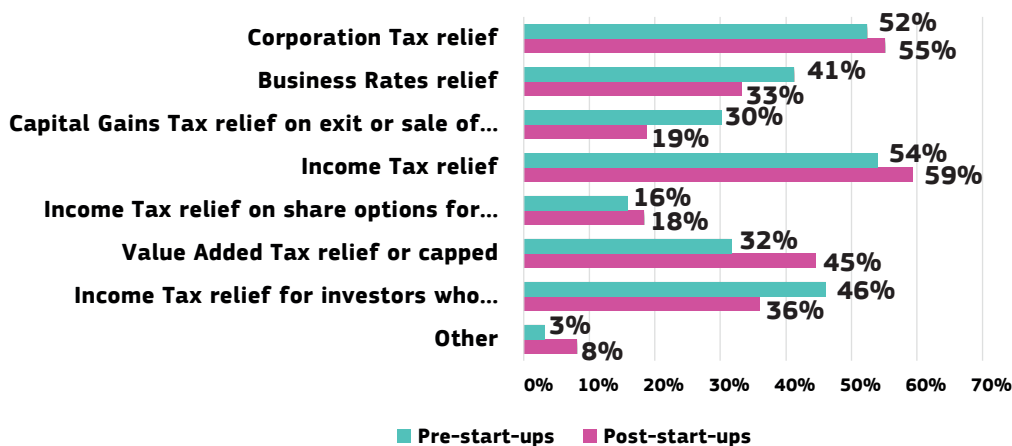
In terms of improving access to finance, pre-start-up respondents identified 'Access to start-up grants' most frequently, followed by 'Direct advice and support'. However, the order was reversed for post-start-up respondents, while the other initiatives are quite evenly supported far behind the two previously mentioned, as shown in Figure 18.

**Figure 18 - What Would Improve Access to Finance for Women in Business?**



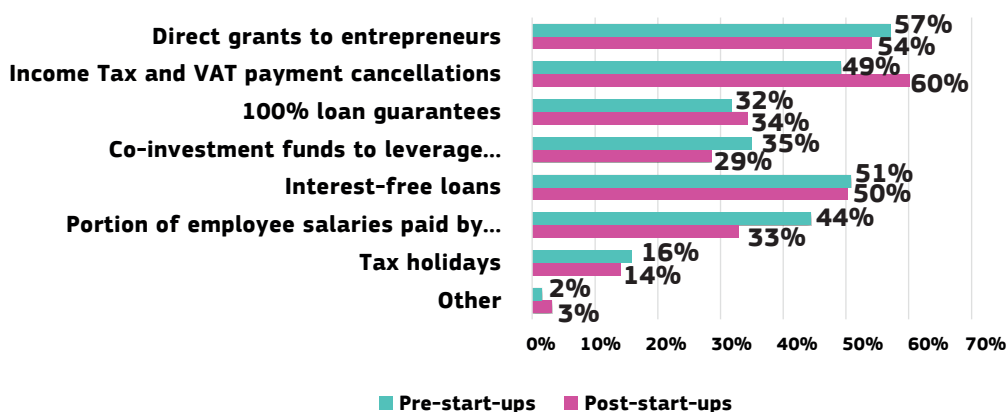
One of the suggestions highlighted in prior research to support scaling the business was the idea of offering tax incentives. A number of different options were presented to respondents and they were asked to select the top three taxation actions that they believed would influence women to scale their business. The most referenced choices were ‘Income tax relief’ and ‘Corporation tax relief’ with each getting over 50% support from all respondents. Post-start-up respondents had ‘Value Added Tax relief’ as the third highest referenced, while for pre-start-up respondents it was ‘Income tax relief for investors’. Respondents offered modest support for ‘Income tax relief on share options for employees’.

**Figure 19 - Taxation Actions That Would Influence Decision to Scale Business**



Respondents were invited to support the top three actions that they thought the government in their country should take to support businesses. The highest referenced action for post-start-up entrepreneurs was ‘Income tax and VAT payment cancelled for the tax year or deferred for 2 years’ with ‘Direct grants to entrepreneurs to address loss of working capital’ having the second highest references and ‘Interest free loans’ also receiving significant support. These suggestions were also the top three referenced for pre-start-up respondents, but in a different order as evident in Figure 20.

**Figure 20 - Actions That the Government Should Take to Support Businesses**



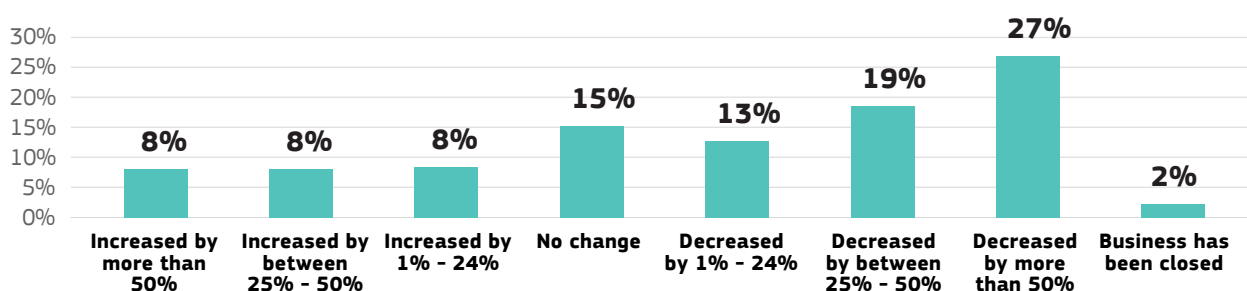
This section highlighted the challenges facing women entrepreneurs when seeking to access finance to start and grow their business. It offers information regarding what recommendations could be offered to reduce barriers to accessing finance, although governments may have less opportunity to provide financial support in the near future due to the economic crisis caused by the pandemic.

# COVID-19

One of the most dramatic world events occurred in 2020 with the arrival of the COVID-19 pandemic. It has caused governments across the world to introduce strict lockdown measures in an attempt to curb the spread of the disease. This has caused an enormous impact on businesses and the economies of countries as people have been unable to go to work or purchase products and services in a normal fashion. It has meant that millions of businesses have either ceased trading or have greatly reduced turnover, while millions of people have either temporarily or permanently lost their jobs. One section of the questionnaire asked respondents about how they planned to deal with the pandemic and the results are reported here. The focus of the data is on respondents who are already in business as it was determined their opinions would be grounded in the reality of experience.

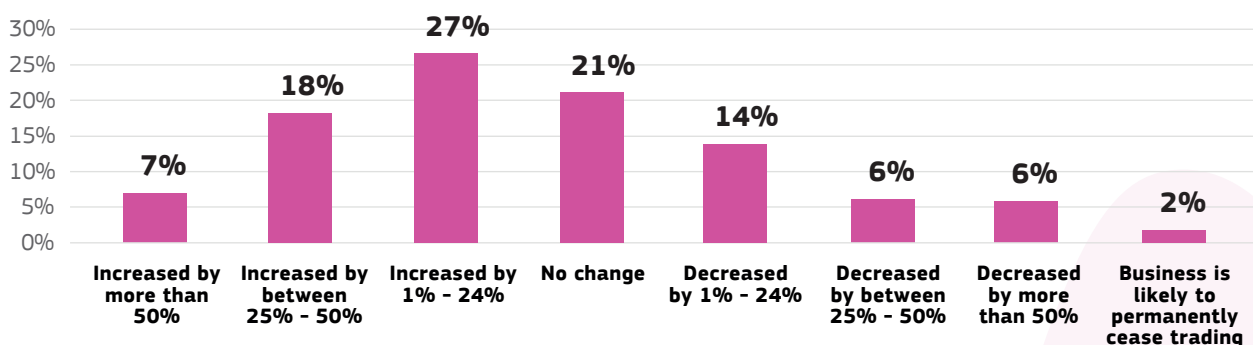
Respondents were asked about the change in demand that their business had experienced due to COVID-19 and it is not surprising to learn that the majority of respondents answered that demand had decreased. What is possibly surprising is that 24% responded that demand had increased, while 15% stated that there had been no change. It should be noted that 2% stated that their business had closed, while 27% stated that demand had decreased by more than 50%.

**Figure 21 - Post start up: Actual Change in Demand due to Covid-19**



It is interesting to note in Figure 22 that the majority of respondents expected demand to increase over the next 6 months, with 21% stating there will be no change in demand.

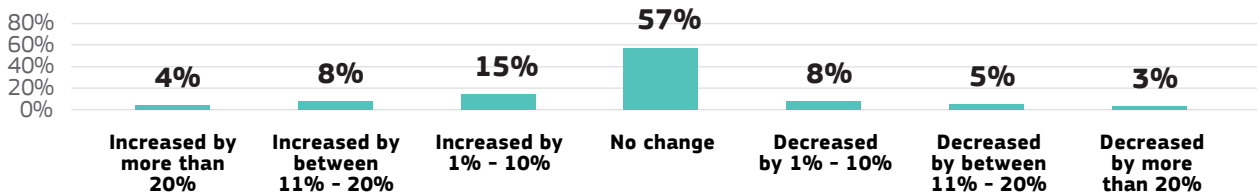
**Figure 22 - Post start up: Expected Change in Demand Over the Next 6 Months**





It might have been anticipated that business owners would have reacted to the decrease in demand by reducing prices, but only 16% expected to adopt this approach, with the vast majority of respondents suggesting that there would be no change as highlighted in Figure 23.

**Figure 23 - Post start up: Expected Price Change Over the Next 6 Months**



An expectation of the pandemic on businesses may have been the need to make people redundant. This trend has been particularly evident in service-based industries, which contains a high percentage of women entrepreneurs. However, respondents to the survey have portrayed a different reality as just 15% had to lay-off staff permanently, while 19% had to lay-off staff temporarily. It should be noted that 17% of businesses employed more people, while the majority of businesses stated that there was no change to their employment numbers.

**Figure 24 - Post start up: Since the Covid-19 Crisis Began**

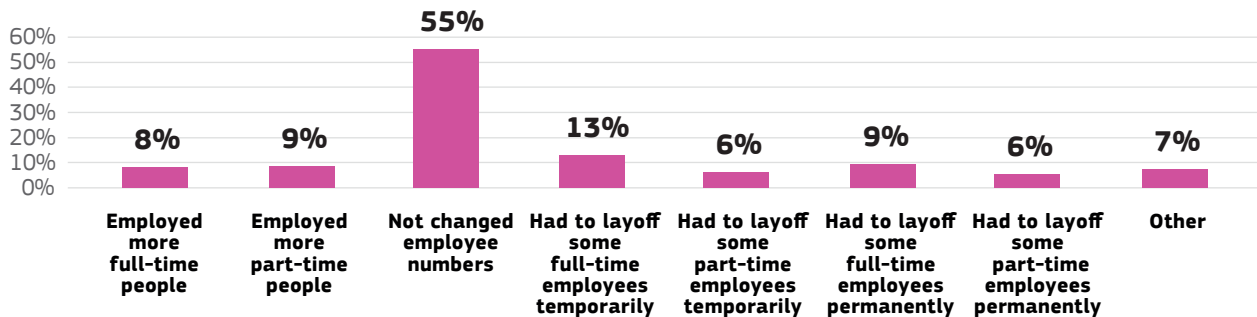
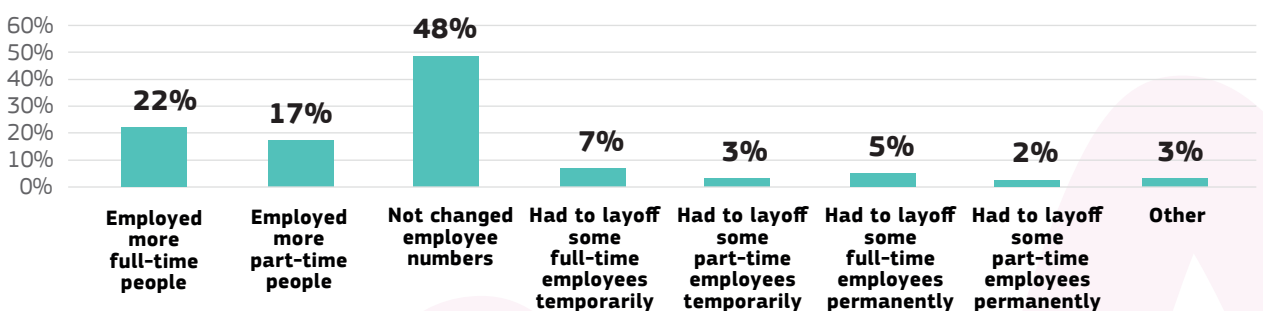


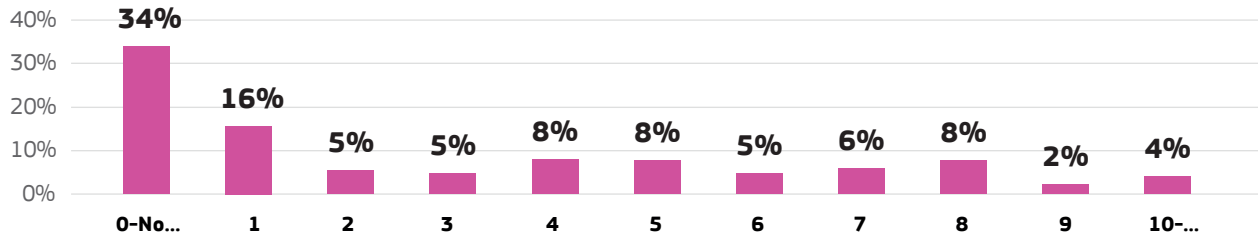
Figure 25 highlights that almost half of respondents believe that there will be no change in employee numbers in 2021, while 39% believe they will employ more people.

**Figure 25 - Post start up: In the Following Year, do you Think That Your Business Will**



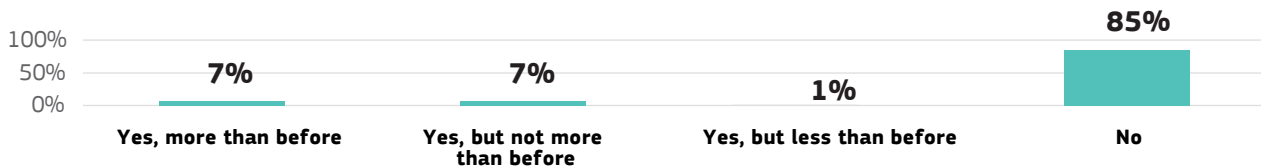
When respondents were asked to rate the level of difficulty that they were experiencing in accessing raw materials, half of the respondents stated that they had no difficulty or minimal difficulty. Again, this finding may be linked to the nature of the industry in which they are operating as sectors such as professional services would be less affected than other sectors.

**Figure 26 - Post start up: Difficulty in Accessing Raw Materials, Components, or Other Supplies due to Covid-19**



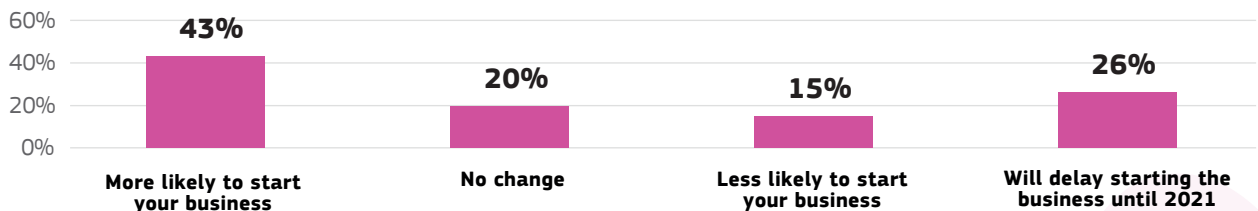
Another interesting finding is that very few respondents reported experiencing cyber-attacks, with just 7% stating that such attacks had increased since the COVID-19 crisis began. The majority of respondents stated that they had no difficulty or little difficulty in preparing responses to potential cyber-attacks and generally it was viewed as being of little concern.

**Figure 27 - Post start up: Since the Covid-19 Crisis Began, has Your Business Experienced any Cyber Attacks?**



It might have been anticipated that given all of the bad news relating to business that has been highlighted in the media since the pandemic began, that people who had yet to start a business might be less likely to begin their entrepreneurial journey. However, 43% of respondents in the pre-start-up stage stated that they would be more likely to start their business while 20% reported no change in their intentions. Such news is very positive for all stakeholders looking to see national economies grow in 2021 and beyond.

**Figure 28 - Post start up: How likely is That you Will Start a Business Next Year?**



This section has highlighted the challenges that women entrepreneurs perceive are greatest due to the COVID-19 pandemic. However, the positive attitude of respondents to dealing with the crisis must be noted.

# Key Recommendations

**1**

Each government or national enterprise support agency should appoint a 'Champion' who would advocate for women entrepreneurs across government and its agencies.

**2**

Every enterprise support agency should review its operations to ensure that its programmes and supports are designed to maximise participation by women.

**3**

Enterprise agencies should provide dedicated Start Your Own Business, Mentoring and Networking initiatives for women entrepreneurs.

**4**

Financial institutions and enterprise support agencies should collaborate to introduce targeted initiatives for women entrepreneurs that provides tailored sources of finance.



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