

# Female Entrepreneurship: Moving Forward



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**Small Business Britain** is the UK's leading champion of small businesses, supporting all 5.5 million small businesses in the UK – no matter their background or circumstances, their location, their industry or their size. Through a series of reports, events and campaigns, Small Business Britain champions, inspires and accelerates small businesses in the UK to foster growth and increased confidence.

# Foreword



At Small Business Britain, we sit at the heart of an incredible community of female founders who educate and inspire us every day.

However, this is relatively unusual in the business community, a community that is dominated, close to 80% in the UK, by male-led businesses. This is clearly something that needs to change.

I am asked a lot about why women do not start businesses more, but for me the interesting conversation is around why women do start businesses, and what they are doing with them once they do.

The women I know, work with and speak to every day have a real fire for entrepreneurship, and it is driven at its heart by a desire for independence, freedom and control. Women are shaping their lives and futures so much more now than even a couple of decades ago, and this is leading to exciting things.

Indeed, as I see women taking on the challenge of starting a business, and bringing with them their own way of looking at the world and addressing challenges, I see the very nature of entrepreneurship changing in the UK.

We should be wary of measuring female-led businesses through a “traditional” lens of what business success should look like, which can often be very male in nature and tone. We should not aim for female owners to be more like male owners, but instead look for value as defined by women themselves.

I believe women are making entrepreneurship more meaningful in many ways. Businesses are becoming more focused on their impact on the world, on society and on their communities. Businesses are realising their power to create new kinds of workplaces, to offer flexibility, compassion and to embrace a different type of workforce.

Founders are still focused on making a financial success of the business, but not at all costs and not necessarily above all else. This is creating new and interesting ways of doing business, and is, I think, an exciting development.

I would like to see the conversation around female entrepreneurship growing in the coming months and years to encompass everything that women bring to start ups and to leadership.

The passion, focus, creativity, inspiration, collaboration and growth that will come from this will be a guiding light for all businesses, not just those run by women.

I am hugely optimistic about the future of female entrepreneurship. If we can properly support and inspire women to make the jump into starting their own business, and give them the tools they need to succeed, we have an incredible future ahead of us economically and as a society. It will be a sight to see for sure.

It has been a great pleasure to work on this report with Square and Clearpay, and we look forward to moving forward with inspiration and support in 2024 and beyond.



**Michelle Ovens CBE**

Founder, *Small Business Britain*

# Foreword



Female entrepreneurs are a driving force within the UK's SME sector, contributing significantly to economic growth, innovation and local communities.

At Square and Clearpay, meeting the needs of small businesses and helping them grow are at the heart of everything we do. Square and Clearpay are part of Block, Inc, a global company with a purpose to build technology that gives everyone equal opportunity and access to the economy. We believe that every business owner should have access to the tools and resources they need to succeed, regardless of their size or industry.

That's why we're proud to support small businesses through our ongoing partnership with Small Business Britain, to provide entrepreneurs with the guidance they need to thrive in today's rapidly changing business landscape.

Our survey of more than 1,000 UK female founders, unearthed valuable insights into the challenges and opportunities for women in business. From funding difficulties, to limited access to networks and resources, female entrepreneurs often encounter unique hurdles on their journey to success. Despite these barriers, women demonstrate resilience, creativity, fresh perspectives and unwavering determination.

Recent research from Clearpay highlighted that we support a higher proportion of women-run businesses compared to the mix of businesses across the UK.<sup>1</sup> Nearly two thirds (66%) of businesses affiliated with Clearpay are owned by women. Further, minority-owned businesses account for 39% of Clearpay's merchants. These small businesses partner with us because we can help them boost sales, attract new customers, and we enable them to provide a payment option to their customers to help them manage their spending.

Furthermore, Square's industry research signaled that 2024 would be the year of growth for UK businesses, with business expansion and automation top of mind for many.<sup>2</sup> This aligns with one of the key findings from our work with Small Business Britain; female entrepreneurs are optimistic about future growth, with 65% expecting their businesses to grow in the coming year. This positivity is even stronger for ethnic minority female founders, of which 76% anticipate growth in the coming year.

We're encouraged by these findings and are excited to see the potential and opportunity to drive female entrepreneurship forward in the UK.

<sup>1</sup> [The Economic Impact of Clearpay in the UK \(October 2023\)](#)  
<sup>2</sup> [Square UK - Future of Commerce \(January 2024\)](#)

This report provides insights and recommendations on how Government and industry leaders can proactively provide assistance to women business owners. Whether that's opening doors to finance, providing tailored education, or creating opportunities for them to promote themselves and their businesses - now is the time to develop support and solutions that help female entrepreneurs to truly achieve their full potential.



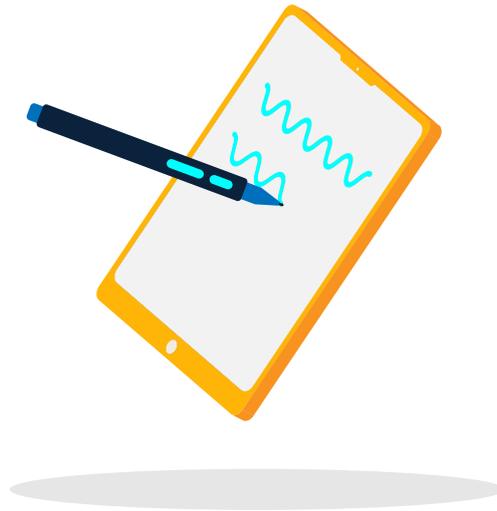
**Samina Hussain-Letch**  
Executive Director and Head of Industry  
Relations - UK, *Square*



**Rich Bayer**  
UK Country Manager, *Clearpay*

# Executive Summary





Female entrepreneurs make up just over 20% of all UK business owners.<sup>3</sup> According to the Federation of Small Businesses, they contribute £116 billion to the economy.<sup>4</sup> This has seen growth in the last five years, but lags behind male-led businesses considerably.

Some historical barriers to starting a business as a woman are now being addressed - but many remain. So, what is next for female entrepreneurship?

This report explores the current pace of progress for female entrepreneurship in the UK. Partnering with Square and Clearpay, Small Business Britain has spoken to over 1,000 women about their experience of entrepreneurship – what works, and what needs to change.

Conversations with entrepreneurs have highlighted three areas that are driving interest, engagement and growth:

- the notion of independence;
- the need for, and lack of, financial confidence;
- drivers and enablers of future ambitions and growth, such as AI.

This report looks at the primary motivations and challenges that female entrepreneurs face, and proposes strategic interventions to support their growth and sustainability in the world of entrepreneurship.

Women have made considerable strides forward in the last few decades in terms of starting and growing businesses. However, they are still a minority when it comes to business representation. There is a long way to go to see real equality in business ownership.

Whilst entrepreneurship can provide the freedom and flexibility that many women need and desire, it still holds a mystery, a complexity, and for some it can feel like a club that is incredibly hard to get into. As those barriers start to come down, we look at what more can be done to speed up this process.

3 [Women and the UK economy](#), House of Commons Library

4 [Supporting Women's Enterprise in the UK: The Economic Case \(November 2018\)](#)

# Contribution to the UK Economy

We surveyed over 1,000 female founders from a range of businesses and backgrounds across the UK. Our data provides clear insights into why these women started their businesses. 60% were seeking independence, and a significant proportion reported financial stability and personal fulfilment as key factors.

The women we surveyed stated that setting up their businesses created new opportunities when they are faced with issues such as losing their job (17% of founders), managing childcare with work (37%), managing their health with work (11%), and low incomes (12%).

There is clearly an economic benefit to supporting women into entrepreneurship.

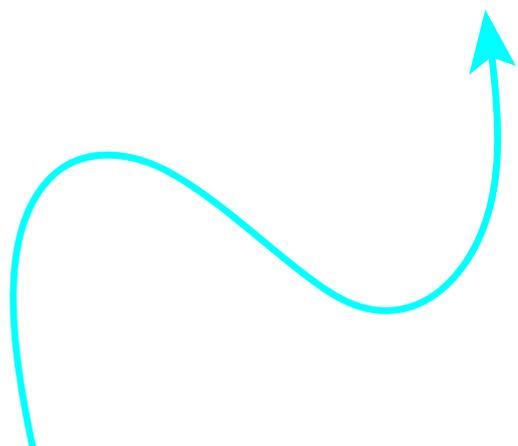
However, women still face challenges that can hinder their business progress; these include financial barriers, lack of confidence, and systemic obstacles in business environments.



“ I started the business in 2018, moved to premises in 2019, and then of course we had to close in March 2020. I didn’t want my business to fail so I started running it from home, as we were still allowed to go to the Post Office and I was still allowed to accept deliveries at home. I basically pushed LJ’s on social media and during that time we grew 871%.

“I wanted curvy ladies to have more range than had been offered before – to have more styles, colours and patterns, and we did that during the pandemic. The Facebook page started with 1,000 followers and now we have 45,000 so our audience was definitely out there – and I knew that as, at that time, I was one of them. Our first year’s takings were £120k and last year, we took £1.8m.”

» Leesa Sharpe, *LJ’s Ladies Boutique*



## Motivated by Independence

### Key Findings:

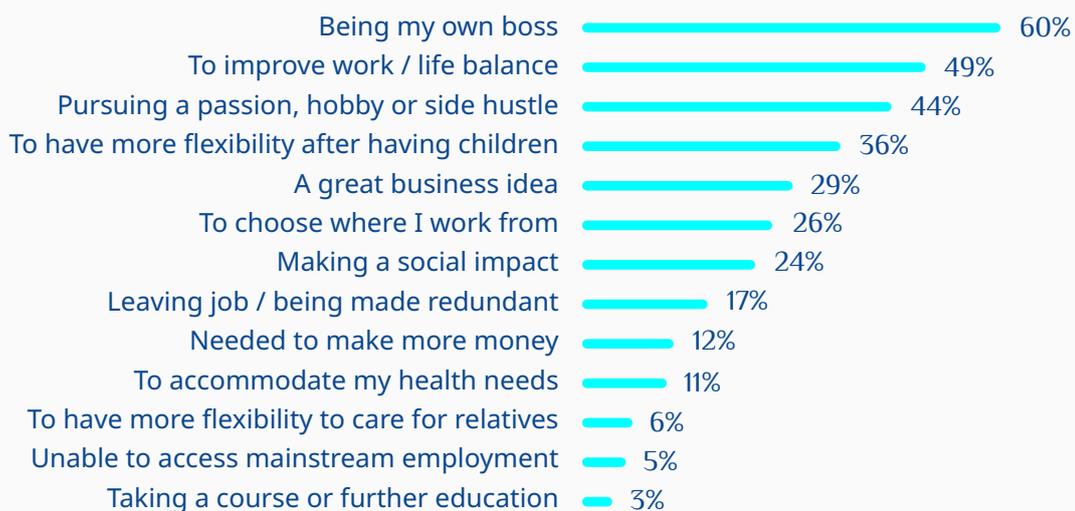
#### Primary Motivator:

60% of women start businesses to be their own boss.

The drive for independence is a key incentive for women starting a business, with 60% expressing the desire to be their own boss. Nearly half (49%) of women started their business to balance the demands of life and work, demonstrating that greater control, flexibility and freedom are at the heart of the entrepreneurial spirit for women.

Other motivations include pursuing passions or hobbies (44%), as creating a meaningful and rewarding working life is just as important as making money for a substantial number of women taking this route.

### Inspiration for female entrepreneurs starting businesses



## Confidence in Finance

### Key Findings:

**Major Barriers:** Lack of business confidence (57%) and access to finance (39%).

**Funding Sources:** Primarily personal funds (79%) and credit cards (13%).

A significant barrier to business growth that women are facing is financial confidence. Nearly three in five (57%) women report that a lack of business knowledge and confidence hinders their progress, and 39% find it difficult to secure necessary funding.

This is more prominent amongst ethnic minority female founders where there is a big gap in access to finance. 88% of these founders started their business with their own funds, with many reporting that finance is both hard to come by and often not seen as a viable option.

Women share that this lack of confidence goes back to school and often feel that this is embedded in how they see business and their motivations today.

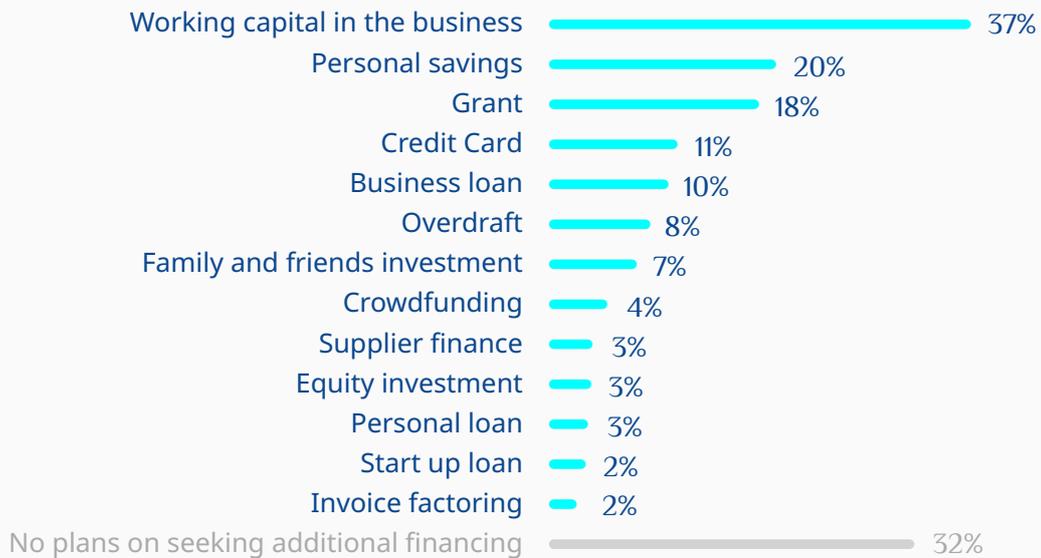
Business owners interviewed highlighted they had little to no financial education at school or during further education, and that focusing on financial growth is often seen as a culturally inappropriate thing for a woman to do.



“ I think it’s very challenging being a woman, wearing so many hats at the same time and wanting to be seen as a good, successful business owner. This has been a big challenge through the years, and it’s still something that I struggle with.”

» Promise Okoye, *D’Lux Gift Box*

## Sources of finance planned to be used in the next 12 months

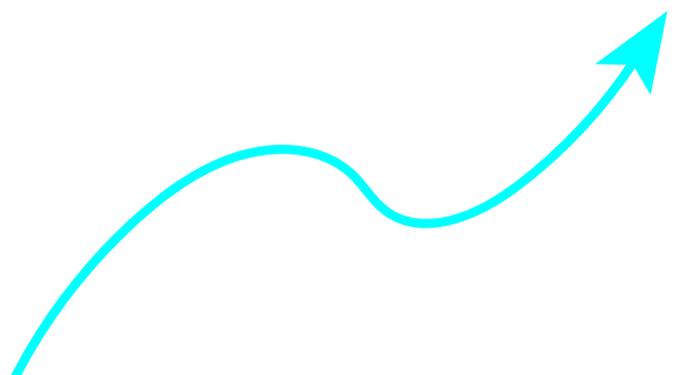


The lack of conversations around finance while growing up have led to a lot of women feeling uncomfortable discussing the topic with other businesses. The knock on effect has been a clear lack of peer-to-peer support in this area. It also means that most of the founders we spoke to are very reticent to take out debt, seeing all debt as a “bad thing”.

There is little engagement with the idea of debt being good for growth and using finance as a benefit to, rather than a burden on, the business. There is an opportunity to redress this balance with better financial training and more information, to give women greater confidence in making strong financial choices for their businesses.

“Easier access to finance would have really helped me, but as I was a start up, I didn’t know where to go or how to look for finance. Some support to access loans or even tell me what options there were would have been so helpful but because it wasn’t there, I just funded the business myself.”

» Promise Okoye, *D’Lux Gift Box*





“ My philosophy has always been that the business can't cost me any money, so I was never going to get in debt for it. I needed to contribute to the household income again after a couple of years of just being a mum. I avidly pay every invoice that comes in.

“I hate having credit. I had a bounce back loan but it sat in our bank and I paid it straight back as we were busy during Covid. I would love to expand and grow the studio, but I just don't have the guts to go for it financially and risk it all.”

» Betsy Benn, *Betsy Benn Ltd*

# Ambition for the Future: Growth Expectations and Strategic Planning

## Key Findings:

### Growth Expectations:

High optimism with 64% expecting growth.

### Strategic Focus:

Introduction of new revenue streams (62%).

There is strong optimism about future growth among female entrepreneurs, with 65% expecting their businesses to grow in the coming year. This trend is stronger amongst ethnic minority female founders at 76%. Overall, 40% of women anticipate growing their income by over 20% in the coming year.

62% of respondents said they expect this growth to largely be driven by the introduction of new revenue streams. However, there remains a gap in confidence and preparedness for engaging with more complicated financial instruments and investors to springboard additional growth. Addressing this gap could have huge positive potential for these businesses.

There is however an optimism around new technology, such as AI, with 55% currently using the technology and 21% planning on adopting AI for their business in the next year. It is primarily being used to save time (33%) and maximise marketing (37%), with huge opportunities to engage more in the future.



“ There’s not a day goes by where the team and I aren’t learning and growing digitally – whether that’s marketing, our app or our website. There’s always something to learn and AI is very much on our radar.

“ I have been going 14 years and I see no reason not to get to 20, especially after overcoming the challenges we’ve faced.”

» Jessamine Hislop, *Little Pickles Markets*

# Recommendations



## Policy Interventions



### Enhanced Training Programmes

To build confidence, focus on financial literacy and business management training.



### Access to Finance

Develop more accessible funding initiatives, specifically targeting female entrepreneurs.



## Community and Network Support



### Mentoring Programmes

Grow robust mentoring networks for guidance and support specifically targeted at women.



### Networking Opportunities

Facilitate events and platforms for sharing experiences and resources.



## Technological Adaptation



### Digital Literacy

Promote the adoption of digital tools to streamline operations.



### Innovation in AI

Encourage the use of AI through practical training and examples of use cases to enhance efficiency and marketing.

Encouraging and supporting female entrepreneurship is essential to the UK's economy; it also drives growth, innovation and community development. By addressing the specific challenges faced by women in business and supporting their independence, financial confidence and future ambitions, we have an opportunity to significantly enhance the impact and sustainability of female-led businesses for the benefit of 'UK plc'.

Small Business Britain, Square and Clearpay will continue to work with the UK's fantastic female entrepreneurs to further empower and inspire them. There are clearly great things to come from the nation's women-led businesses and we are excited about what the future holds.

# 01

## All the Women, Independent





The number of female entrepreneurs in the UK has grown since 2018, from 16.65% to 20.46% of business owners, according to UK Finance. This distinct, though not overwhelming, progress is driven principally by a need for independence.

Our research found that 60% of women started their business to be their own boss. In interviews, this is a key factor in the decision to move into running a business: the control and self-determination that comes from being the decision maker, taking charge of their own destiny.

Independence, more than making a fortune, is by far the key driver for women.

Owning a business is a relatively new phenomenon for women in the UK, and one that many are embracing, albeit often tentatively at first. The pace of change in women starting a business however is concerningly slow.

“ We were both in corporate roles with a one-year-old and looking at what the future looked like for us as a family - and it wasn't what we were doing. I wanted the flexibility to work and spend time with my child, and we both had that entrepreneurial itch, so we went from there.”

» Victoria Cozens, *Perky Blenders*



The Government-backed Rose Review created the Investing In Women Code in 2019 to encourage more women into entrepreneurship and to drive funding to female founders. Neither have seen significant success to date with the amount of investment going to female-led businesses remaining stubbornly around the 2% mark, according to the British Business Bank.

In 2024, the Prime Minister Rishi Sunak announced a new Investing In Women Taskforce to address the issue of investment, and to inspire a generation of women to start and grow their own business. This will be one to watch in the coming years for progress on these goals.

There is a strong theme of taking control from female entrepreneurs from the research for this report, often in a world where they feel that work and institutions do not best suit or accommodate their needs. For example, 49% of founders started their business for better work life balance, creating a lifestyle for themselves that they may have found lacking in a workplace.

Flexibility becomes a big factor in this. This may be flexibility around care responsibilities such as children (36%) or relatives (an additional 6%), or sometimes flexibility in location (27% of entrepreneurs).

“ I was working in higher education and I reached a certain point as a woman, and as a woman of colour, where many things were frustrating. I knew I wanted a new challenge but didn't know what it was, but I knew I wanted to take control and do what works for me. I have a hidden disability so with my business I have built a working life that suits my needs, has flexibility and I have full autonomy.”

» Nazia Anwar, *Social Blox*





“ I am a mum of two and am married to someone in the military. We move every two to three years so it was a huge challenge for me as a self-employed professional [photographer] to sustain a business, so the idea of an online business that didn't matter where I was emerged and that massively suits my lifestyle.”

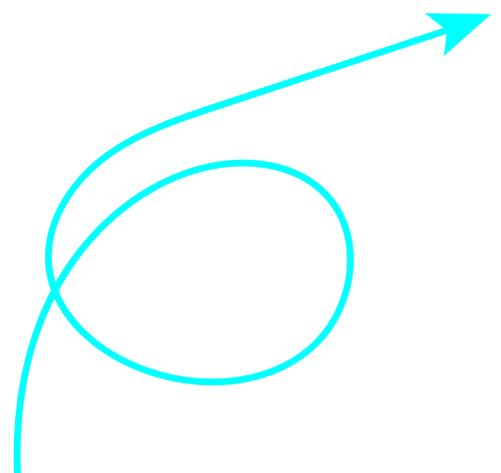
» Helen Holt, *Styled Home Studios*

Many women have shared that the push from employers for a return back to the office or to face-to-face work after the pandemic is of great concern to them. The additional flexibility of work, particularly around managing travel, care responsibilities and even fatigue, was a very welcome change for many women during the pandemic. But as employers are requiring staff to return to offices, some women are finding they can no longer make the “juggle” work, so are setting out on their own instead.

Women are inspired by their friends, family, peers and case studies of other women taking the leap into entrepreneurship and finding both financial success and personal fulfilment. Creating and telling these stories, and showing women the pathways into entrepreneurship is, and will continue to be, critical to further growing the number of female founders in the UK.

With women making up 48% of the workforce, according to the Office For National Statistics (ONS), there is clearly an opportunity for a more equitable makeup of founders in the UK.

According to the ONS, median pay for full-time employees was 7.7% less for women than for men in April 2023. Just as women are more likely to be in lower paid jobs than men, they are more likely to be running unfunded or lower earning businesses than men. Why is this? Let's move onto the money...



# 02

## Show Me the Money





The story of women and finance in the UK is a relatively short one. Women have only been able to open a bank account in their own name in the UK since 1975, a remarkably short period of time in the history of business. Prior to this, single women (without a husband to sign for them) had to get their fathers to open a bank account, apply for a credit card or apply for a loan for them.

Women have made some progress in the last 50 years towards more independence and financial control, but it is less than a complete journey. There remains a reticence in women to seek finance, and a nervousness around talking about money remains for many - though by no means all - female entrepreneurs.

When starting up, women were held back by a number of factors, including a lack of business confidence and knowledge (57%), insufficient financial literacy (27%), and an absence of access to finance (39%).

Women are not being furnished with sufficient skills and confidence to start and grow a business, a challenge that must be addressed in order to “level up” gender equality in business ownership.

Whilst independence comes up as the biggest driver to starting a business, women do still want to run financially successful businesses; they may just have different ideas about what that success should look like.

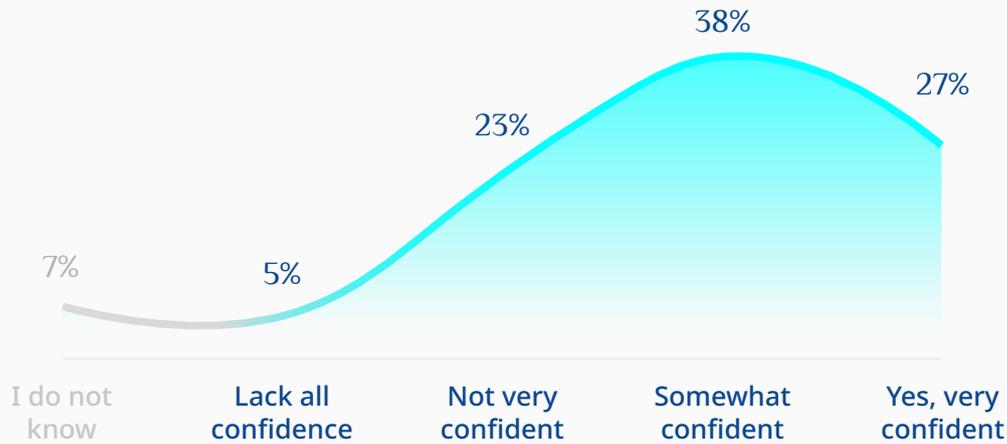


“ In my experience as a female founder, I hesitated when it came to seeking external finance. When I initially set up my business, I funded it through my salary (I was working full time) and then through my redundancy package.

“Money was incredibly tight and there were days when I sacrificed lunch! Despite this, I persisted with boot-strapping because raising external investment was completely out of my comfort zone and I felt intimidated by the finance world.”

» Janan Leo, *Cocorose London*

## Confidence from small businesses that they will grow in the next 12 months



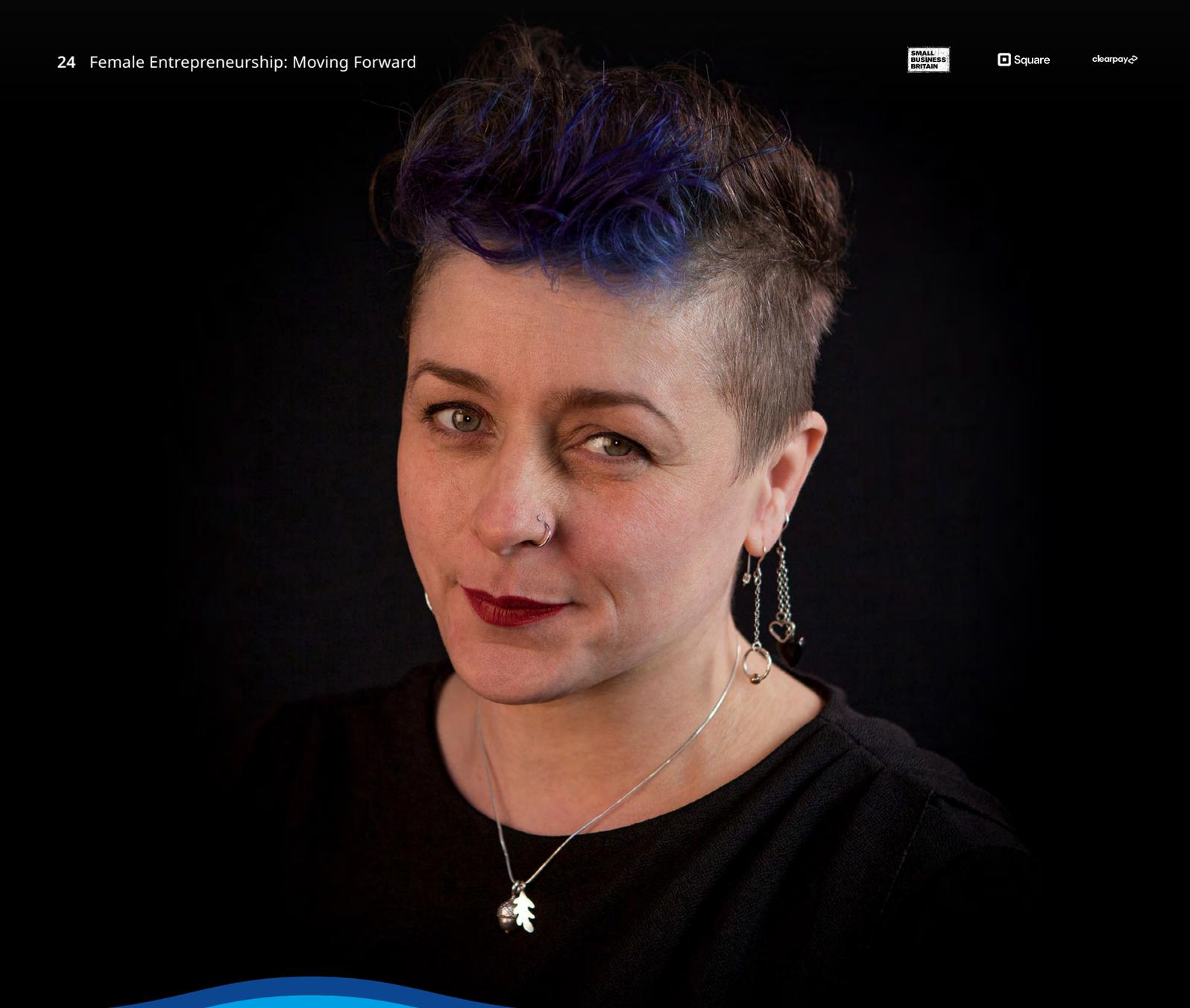
Only 12% of women in the research said they started a business to earn more money. But that does not mean there is not an ambition to make money. What seems to be holding women back is a lack of business skills and financial knowledge, rather than a desire to grow.

In fact, two thirds of business owners expect their business to grow in the next year, which is encouraging. Ethnic minority founders are even more ambitious for their business, with 76% expecting to grow in the next year. This is, however, without the benefit or support of external investment or other financing.

The most likely measure women are taking to support their business in the coming months is to bring in new revenue streams (62%). There is a big reliance on working capital (37%) in the business as a route to growth, even if that means going a bit slower than would be ideal.

When starting out, women are most likely to rely on their own funds (79% - rising to 88% for ethnic minority founders), with 58% still never having accessed any external finance at all. Overall, women often report being nervous about debt and the pressure of repayments. There is a strong message that all debt is seen as bad rather than a lever to facilitate growth. This is an opportunity for education, training and peer to peer support, to help female business owners see that (good) finance can be good for business.

Equally with equity, nearly half of all women owners do not like the idea of an investor owning part of their company. This speaks to the fundamental reason for entrepreneurship; independence is just as, if not more, important than financial success. This needs to be well understood when creating new solutions for female entrepreneurs, and when setting expectations for targets in external investment.

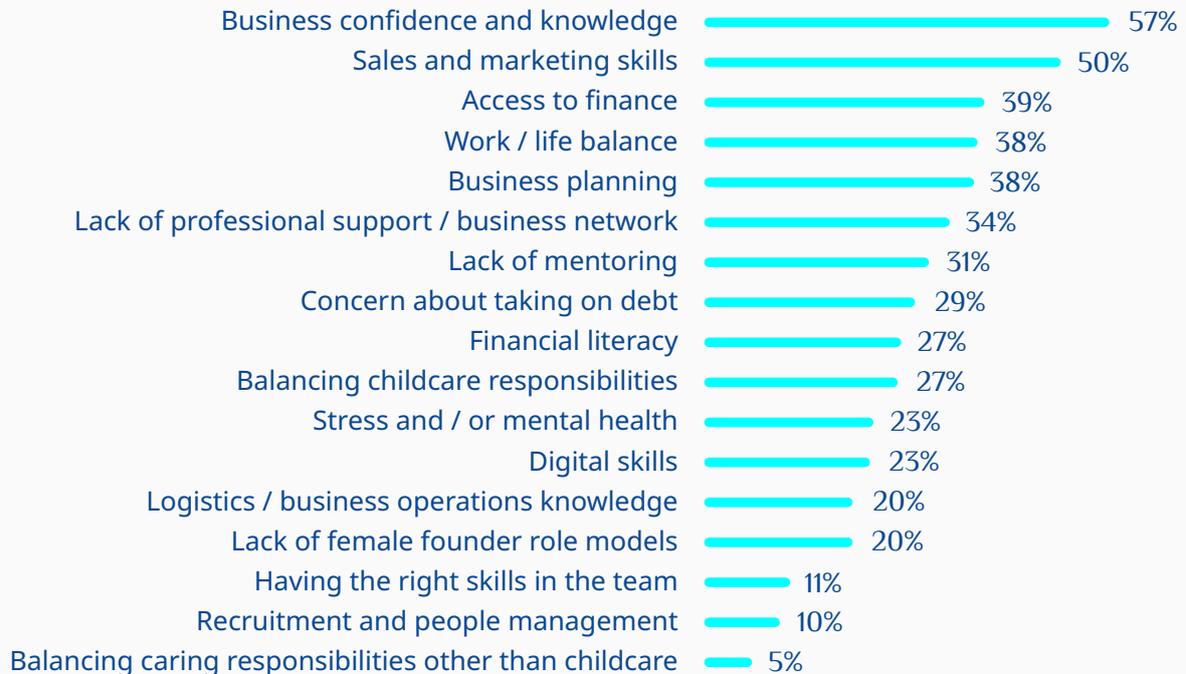


“ It would be really nice to think about whether I’m not a fan of loans because I’m not a fan of financial investment, or whether this is as a result of my cultural upbringing. I come from a working class background, I was never taught how money works. It’s only in the last 18 months I’ve realised how money actually works.

“This is helping me overcome the working class cultural legacy around getting into debt. A loan may actually help accelerate my business if used properly. Even now I have the knowledge, but I don’t have the confidence to get finance. I still need someone to sit with me and go through the process.”

» Sara Kedge, *Sara Kedge*

## Barriers facing female entrepreneurs when starting businesses



Half of the women surveyed did not understand enough about equity investment, which is a key area that can be addressed. It is not just the availability of finance that is a challenge for women, but the will to apply for it in the first place.

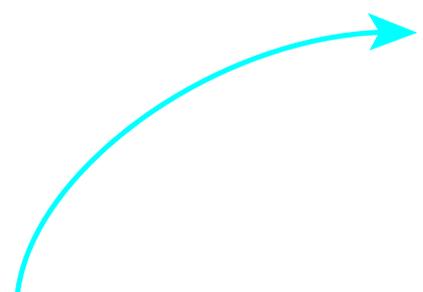
Training programmes and earlier intervention to give women the skills to start and grow a business are required. These must be geared towards the distinct needs and experiences of women, which are not necessarily about “women’s things”, such as childcare or healthcare.

Training for women has to acknowledge this need for independence, this relatively new world of female entrepreneurship, and to understand that women are far less likely to have finance for their business from the outset.

This training also needs to recognise that female owned businesses may not always be aiming for financial success as a priority goal; there may be other success factors for the business owner over and above scaling that must be considered, such as independence and flexibility.

Understanding these key drivers will allow for women to create successful businesses on their own terms, encourage the next generation of female founders, and will enable a more positive conversation about finance overall.

**We are heading for an exciting future...**



# 03

## Let's Grow

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The exciting future for female entrepreneurship is driven by a strong will to succeed and an encouraging appetite for innovation and technology.

While just 20% of entrepreneurs are female, there is clearly opportunity for growth in numbers as women overcome barriers to starting and growing a business.

Key support interventions such as skills training can make a difference to women having the confidence and opportunities to start and grow a business.

Growth might not mean scaling at a fast pace; in fact, it might not be scaling at all. In addition, it might be achieved with minimal financial investment, or with very little external finance.

Success might mean growing impact; it might mean hiring other women; it might mean critical impact in a local community; it might mean combatting climate change. The range of things that women are looking to do is incredibly broad, above and beyond financial success. When we measure success of female entrepreneurs, this needs to be considered.

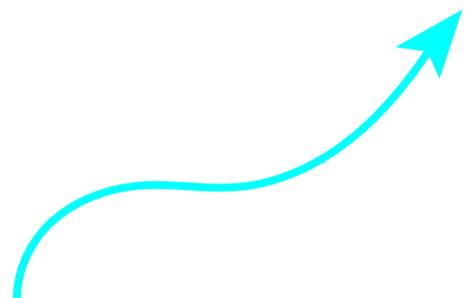
For female founders, there is a lot of excitement about growth and the majority are expecting to grow in the next year (65%, rising to 76% amongst ethnic minority founders). Many are embracing new opportunities in technology such as artificial intelligence.

There is a huge interest in AI, with 55% of founders using it; this rises to 65% for business owners based in Greater London. In fact, we have seen a strong growth in women using the technology across many areas of the business; AI is contributing to sales, marketing, digital channel growth, content creation and much more. 37% of women say AI is helping with marketing and 33% say AI is saving them time. Gaining new skills in the business is a key challenge for all entrepreneurs, but particularly for female founders.

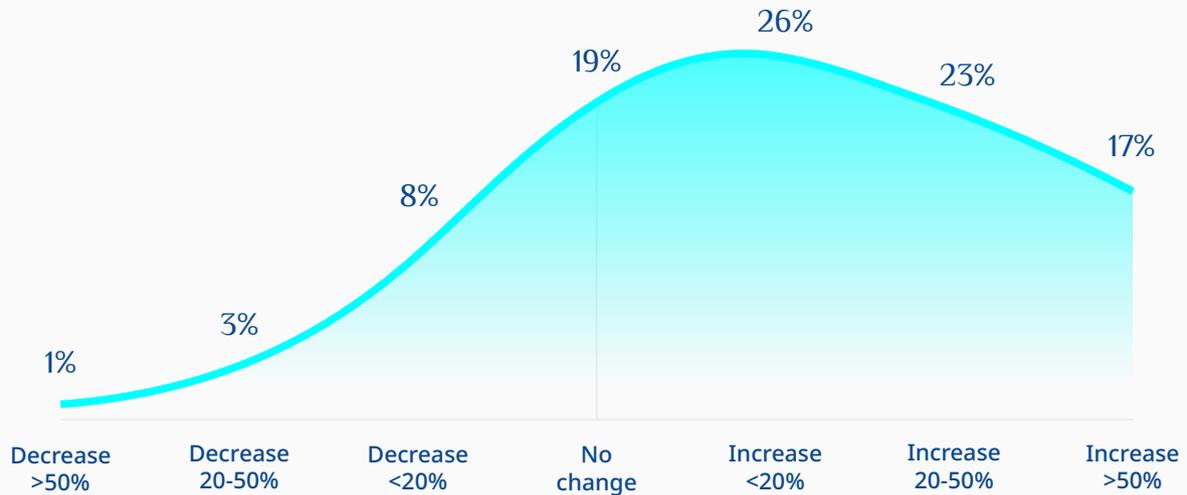
Often women report that their skills have frozen in time at the point when they started the business, which usually coincides with the moment that they left employment and the more structured training programmes that are usually offered to employees. Women are looking for more support in sales and marketing (39%), business planning (25%), overall business confidence (19%) and financial literacy (13%).

“ My brand was born out of a growing community of Muslim female entrepreneurs, and this was something that I wanted to be part of and support, which is when I started my branding business. Muslim women like me wanted their own money - to be able to travel and be present for my children. It kind of all fitted in with the lifestyle that people want to aspire to. Social media gave us the freedom to start our businesses as things seemed possible for anyone”

» Maylene Seah, *Studio Noor Anisa*



## Growth expectations for the next 12 months of female-led businesses



Prefer not to say: 3%

“ I use AI for everything now - all our copy and blogs - as it makes life so easy, helps streamline our work and saves me time, which is so appreciated.”

» Promise Okoye, *D'Lux Gift Box*



Creating flexible, accessible training specifically for female founders is critical to ensuring that entrepreneurs continue to grow and succeed.

We are seeing a huge growth in a new kind of portfolio career for women who are not just starting a business, but may also be delivering training, mentoring, teaching, writing and a whole roster of other activities. Women are starting to spread their wings and embrace possibilities, and it is exciting to see.

Empowering women with the relevant skills, technology and support in financial confidence can be transformational for the future levelling up of female-led businesses. This will lead to more growth and opportunity for female business leaders, which will contribute to the economy and society as a whole.

# Methodology

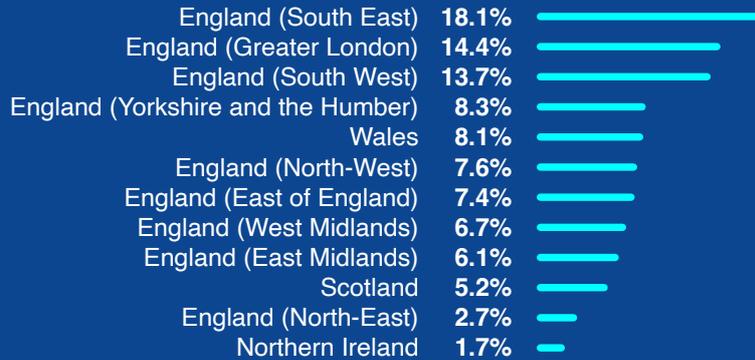
## Number of businesses surveyed

1067

## Number of businesses owners interviewed

15

### Location



### Age of business



### Sector



### Turnover



### Number of employees



Thanks to Square and Clearpay for their ongoing support for this work.

