

# Female entrepreneurship

Written evidence submission to  
the UK Parliament's Commons  
Select Committee on Women  
and Equalities

# Authors

## **Professor Ute Stephan**

Professor Ute Stephan is a Professor of Entrepreneurship at King's Business School, King's College London.

# Acknowledgements

I would like to thank the [Center for Sustainable Business](#) at King's College London for their support in creating this report.

# Notes

The call for evidence can be found on the UK Parliament website: [committees.parliament.uk/work/8897/female-entrepreneurship](https://committees.parliament.uk/work/8897/female-entrepreneurship)

## **Permission to share**

This document is published under the [Creative Commons Attribution Non Commercial No Derivatives 3.0 England and Wales Licence](#). This allows anyone to download, reuse, reprint, distribute, and/or copy the Policy Institute publications without written permission subject to the conditions set out in the Creative Commons Licence. For commercial use, please contact: [giwl@kcl.ac.uk](mailto:giwl@kcl.ac.uk)

# Introduction

This submission is based on my expertise as a researcher and Professor of Entrepreneurship at King's Business School, King's College London, Affiliate at the Global Institute for Women's Leadership and the Center for Business Sustainability<sup>1</sup>. I draw on my own collaborative research and that of others on women entrepreneurs. I organize the discussion of relevant evidence along the questions posed in the call for evidence. Key themes are summarized in an infographic included at the end of this document.

## What are the barriers facing women, including specific groups of women such as those from an ethnic minority background, seeking to start and grow successful businesses in the UK?

### Summary

There are many specific barriers for women to start and grow businesses in the UK, three underlying systemic drivers of these barriers relate to: (1) the 'think entrepreneur, think male' stereotype, (2) gender-unequal division of care work and homework which culminate mid-life (the midlife mountain) at a time when business creation rates peak for all genders, and as a consequence (3) women do not derive the same (psychological) returns from running a business in the UK compared to men.

### 1 "Think Entrepreneur, think Male": Gender stereotypes in entrepreneurship and social business as a "workaround"

It is well documented that women are less likely than men to start and grow businesses because entrepreneurship is a stereotypical male career associated with the aggressive and competitive pursuit of profit<sup>2</sup>. Notably, **gender gaps in start-up rates are much smaller for**

**social enterprises, which prioritize social and environmental goals and creating positive social change, and which are often marked by collaboration<sup>3</sup>.** Starting and growing social enterprises often also aligns better with women's values and career aims such as seeking purpose and to make a positive contribution to society<sup>4</sup>. Women are estimated to lead half (1 in 2) social enterprises worldwide compared to 1 in 5 conventional enterprises<sup>5</sup>. Figures are similar for the UK though they vary depending on the data source<sup>6</sup>. For example, Social Enterprise UK in its survey of member organizations concludes "More social enterprises are led by women and people from ethnic minority backgrounds than is the case for the wider business community."<sup>7</sup> Social enterprises are economically important for the UK economy. Our analyses based on the UK Longitudinal Small Business Survey (LSBS) show that social enterprises innovate at a higher rate than their conventional counterparts.<sup>8</sup> This is in addition to making significant contributions to creating employment and jobs.<sup>3</sup>

## **2 Gender unequal distribution of care work and homework: The midlife mountain**

Analysing nationally representative samples of over 5,000 entrepreneurs across 44 countries (drawn from the Global Entrepreneurship Monitor)<sup>4</sup> reveals evidence of a '**midlife mountain**'. Midlife (roughly the age period starting in the middle 30ies to middle 40ies) is the **time at which business creation commonly peaks for all genders**. We find that this is also the life period when women are forced to disengage from creating social businesses, because demands on their time and income peak. Time and money need to be devoted to caring demands, both childcare and elderly care. Similarly, household work still falls to a greater degree to women including in developed economies like the UK. In combination these demands create significant time and financial constraints for women creating barriers for them to start and run especially social businesses which tend to be more complex and demanding than conventional businesses.

### 3 More limited returns from running a business for women compared to men.

A less obvious and frequently overlooked barrier for women to start and grow businesses is that **women do not experience the same psychological returns from running a business in the UK compared to men<sup>10</sup>**. A well-replicated finding is that entrepreneurs run businesses for a range of reasons and seek returns that are “more than money” including autonomy, fulfilment, and well-being (see Department of Business, Innovation and Skills ‘Motivation for Entrepreneurship’ study of over 1,000 UK entrepreneurs<sup>11</sup>). Yet we find that only men, not women, experienced enhanced wellbeing after entering entrepreneurship in the UK. This analysis used a representative longitudinal sample from the *Understanding Society Survey*, the largest Household Longitudinal Study in the UK. It followed individuals for four years and we accounted for self-selection effects.

**How can women best be supported to overcome the challenges they face in securing funding to start and grow their businesses?**

**and**

**What steps should the Government take to help support the development of female-led high growth enterprises?**

#### **Rationale & Summary**

On the one hand, there is a role for targeted support to help women to start businesses, access funding, and finally to grow their businesses. On the other hand, it is equally valuable to draw attention to support measures that can benefit all businesses and quasi as a “side effect” will enhance opportunities for women entrepreneurs such as (1) the start-up loan scheme, (2) the promotion of social enterprises, and (3) efforts to ‘humanize entrepreneurship’ (especially to recognize the

toll entrepreneurship takes on entrepreneurs' mental health including burnout). At the same time, (4) policies to enhance access and affordability of childcare and elderly care can help lower barriers for women entrepreneurs. While these measures are not necessary targeting growth, note that our research for the Department of Business illustrated that small business growth is rarely planned for, nor is it linear<sup>12</sup>. Therefore, it is important to remove barriers for women to enter and start a business, to increase the potential for subsequent growth.

## **1 Maintain the start-up loan scheme.**

Recent work analysing the impact of the UK start up loan scheme provides an example of how a general policy can – as a side effect – help enhance gender representation and representation of minorities in entrepreneurship. The start-up loan scheme does so by providing access to start-up loans (up to £25,000) in combination with mentor support.<sup>13</sup> The scheme is effective in lowering the barriers for entry for all entrepreneurs which in turn benefits women and minority entrepreneurs.

## **2 Encourage diverse forms of business such as social enterprises to enhance gender-inclusion in all types of entrepreneurship.**

As noted earlier, there is good evidence for the economic and social value that social enterprises bring to the UK economy.<sup>3,8</sup> Equally there is evidence for greater gender parity at the top of social businesses.<sup>4,5</sup> However, social enterprises/businesses are more complex and difficult to operate because of the integration of social/environmental activities alongside revenue generation. By creating further funding, support, and attention to social enterprises, the government could facilitate higher entry of women into all entrepreneurship. This is because, research across 47 countries indicates that once women have started a social enterprise, they are subsequently more likely to start both

another social and another conventional enterprise<sup>14</sup>, thereby creating a funnel for enhanced gender representation in all types of enterprises. These patterns are likely to generalize to ethnic minorities which are also relatively more likely to engage in social than commercial entrepreneurship.

### **3 “Humanize” entrepreneurship to lower barriers to entry and growth for women**

While starting, running and growing a business can offer much personal fulfilment, it also comes with intense stress, a high risk of burnout and can lead to poor mental health and even suicide<sup>15,16</sup>. It is difficult for entrepreneurs to find tailored support to address their well-being challenges and there is still great stigma attached to mental health. Entrepreneurs are frequently depicted as particularly resilient and stress-resistant individuals, who work excessive hours on their business and allegedly do not “need” work-life balance. This makes it difficult for those entrepreneurs who suffer stress and poor mental health to seek help. It also means that many talented individuals including women never attempt to start or grow a business, assuming (wrongly) that they “don’t have what it takes” to be an entrepreneur and/or because they are not willing and able to sacrifice their private and family life. Thus, entrepreneurship can be made more (gender) inclusive by humanizing entrepreneurship. This includes destigmatizing conversations about stress and entrepreneurs’ mental health and working towards healthier models of entrepreneurship that legitimize self-care and work-life balance to help safeguard the well-being of the entrepreneur as a critical asset of the business.<sup>16</sup>

## 4 Lower barriers for women to engage in enterprise in midlife by enhancing access to, and the affordability of, child and elderly care.

There is a need to tackle the systemic constraints that women face, and which arise from the low availability and high cost of childcare and elderly care. In this sense social policy to enhance care provision is good economic policy as it helps to unlock the potential of women's entrepreneurship. Why is the cost and availability of child and elderly care important? Care work in households still falls predominantly to women, the high cost and limited availability of care disproportionately holds women back. For instance, in international comparisons, the cost of childcare in the UK is well above the average cost of childcare across OECD countries (a group of largely rich countries)<sup>17</sup>. In 2022, in the UK, 17% of a couple's net household income was spent on childcare, compared to 10% at the OECD average, or 4% in Sweden and 6% in Norway countries which are considered more gender egalitarian.

### What data exists or is required to track success and monitor progress in female entrepreneurship?

- **The Global Entrepreneurship Monitor** is a yearly population representative survey of the UK adult population to identify early stage, start-up, and established entrepreneurs. Because it is an individual survey, it can help monitor rate of female entrepreneurs. Survey questions about more specific gender-related challenges as well as regular question on social business could be added, resources permitting, and would be helpful to monitor progress.
- **The UK Longitudinal Small Business Survey (LSBS)** is another valuable survey source. Its unit of analysis is the business rather than the individual, it therefore allows to identify women-led business (where there is a women majority on the management team or businesses that are controlled by a single women).



# THE MIDLIFE MOUNTAIN

## WHY WOMEN STRUGGLE TO START SOCIAL BUSINESSES

Globally, women lead **half** of all social enterprises.



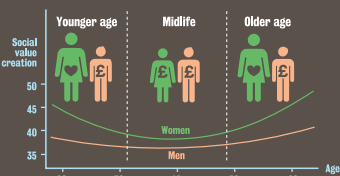
FOR-PROFIT SOCIALLY-DRIVEN



And they are **three times** more likely to start socially-driven businesses than for-profit ones.

**So what's stopping them?**

## MIDLIFE WOMEN ARE HELD BACK



A global study\* of over 5,000 entrepreneurs reveals **women in their peak entrepreneurial age (late 30s)** are least likely to create socially responsible businesses.

## WHY IS THIS HAPPENING?



Household and caregiving duties disproportionately hinder women's ability to focus on social impact. **These demands peak during midlife**, forcing many to prioritise profit over purpose.

## THE POWER OF SOCIAL ENTERPRISES



**1 in 3**

**UK businesses** are social enterprises.  
Supporting **4.8 million** jobs.

Compared to profit-focused firms, social enterprises play a critical role in the competitiveness of economies, through:

- **Economic output**
- **Job creation**
- **Greater innovation**

## HOW TO OVERCOME BARRIERS FOR WOMEN

To unlock women's potential in social entrepreneurship, **systemic changes** are needed.

**Key solutions include:**



**Affordable childcare**



**Eldercare support**



**Rebalancing household responsibilities**

## A CALL TO ACTION FOR POLICYMAKERS

By removing these barriers, governments can **grow more inclusive economies, nurture innovation, and boost social impact. It's a win-win!**



INCLUSIVE  
SUSTAINABILITY

\*This **Bitesize Research** has been drawn from the publication 'Entrepreneurship, age, and social value creation: A constraint-based individual perspective' by Professor Ute Stephan and co-authors Brigitte Hoogendoorn, Lorraine Uhlirer and Peter van der Zwan, and is part of the Centre for Sustainable Business's **Inclusive Sustainability 2025** campaign. Data on social enterprises globally from [initiatives.ifoforum.org/global-alliance-for-social-entrepreneurship/state-of-the-sector](https://initiatives.ifoforum.org/global-alliance-for-social-entrepreneurship/state-of-the-sector)  
Find out more on our webpage: [kcl.ac.uk/inclusive-sustainability](https://kcl.ac.uk/inclusive-sustainability)

This infographic was produced as part of the [Centre for Sustainable Business' Inclusive Sustainability campaign.](#)

# References

1. [www.kcl.ac.uk/people/ute-stephan](http://www.kcl.ac.uk/people/ute-stephan)
2. Gupta, V. K., Turban, D. B., Wasti, S. A., & Sikdar, A. (2009). The role of gender stereotypes in perceptions of entrepreneurs and intentions to become an entrepreneur. *Entrepreneurship Theory and Practice*, 33(2), 397–417.
3. Social enterprises are enterprises that earn at least 50% of their income from trading/commercial activities, pursue social and environmental goals and have rules or restrictions in place to principally use their surpluses/profits to further their social or environmental goals. Taken from: Department for Digital, Culture, Media and Sport (DCMS) and the Department for Business, Energy and Industrial Strategy (BEIS), 2017, Social Enterprise: Market Trends <https://www.gov.uk/government/publications/social-enterprise-market-trends-2017>
4. Hoogendoorn, B., Uhlaner, L., van der Zwan, P., & Stephan, U. 2024. Entrepreneurship, age, and social value creation: A constraint-based individual perspective. *Journal of Small Business Management*, 62(3): 1286–1322. [https://kclpure.kcl.ac.uk/ws/portalfiles/portal/181800850/Hoogendoorn\\_et\\_al\\_age\\_social\\_entrepreneurship\\_JSBM\\_2022\\_accepted\\_version..pdf](https://kclpure.kcl.ac.uk/ws/portalfiles/portal/181800850/Hoogendoorn_et_al_age_social_entrepreneurship_JSBM_2022_accepted_version..pdf)
5. World Economic Forum, 2025, The State of Social Enterprise. <https://initiatives.weforum.org/global-alliance-for-social-entrepreneurship/state-of-the-sector>
6. Folmer, E., Stephan, U., & Huysentruyt, M. (2016). SEFORIS Country Report - Social Enterprises in the United Kingdom. Sefors. [https://kclpure.kcl.ac.uk/ws/portalfiles/portal/102015240/Country\\_Report\\_UK\\_FINAL.pdf](https://kclpure.kcl.ac.uk/ws/portalfiles/portal/102015240/Country_Report_UK_FINAL.pdf)
7. Diversity at work: Leadership demographics and outcomes in social enterprise, 2025, <https://www.socialenterprise.org.uk/app/uploads/2025/01/Diversity-at-work-report-January-2025.pdf>
8. Boulton, I. A., Estrin, S., Rebmman, A., & Stephan, U. 2023. *Mapping Schumpeterian Outcomes in the UK Small Business Population over Time—The Effect of Social and Environmental Orientation on Innovation, Exporting & Growth*. Birmingham: Enterprise Research Centre. <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2023/07/ERC-ResPap104-Mapping-Schumpeterian-Outcomes-in-the-UK-Small-Business-Population-over-Time.pdf>
10. Stephan, U., Li, J., & Qu, J. 2020. A fresh look at self-employment, stress and health: accounting for self-selection, time and gender. *International Journal of Entrepreneurial Behavior & Research*, 26(5): 1133–1177. [https://kclpure.kcl.ac.uk/ws/portalfiles/portal/129704096/Stephan\\_Li\\_Qu\\_2020\\_stress\\_health\\_self\\_selection\\_time\\_gender.pdf](https://kclpure.kcl.ac.uk/ws/portalfiles/portal/129704096/Stephan_Li_Qu_2020_stress_health_self_selection_time_gender.pdf)
11. Stephan, U., Hart, M., Mickiewicz, T., Drews, C.-C., IFF research, 2015, Understanding Motivations for Entrepreneurship, 2015, Department of Business, Innovation and Skills (BIS research paper no. 212) [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/408432/bis-15-132-understanding-motivations-for-entrepreneurship.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/408432/bis-15-132-understanding-motivations-for-entrepreneurship.pdf)

12. Theodorakopoulos, N., Hart, M., Burke, G., Stephan, U., Braidford, P., Allinson, G., Houston, M., & Jones, S. (2015). *Sociology of Enterprise*, 2015, Department of Business, Innovation & Skills (BIS research paper no. 238) <https://assets.publishing.service.gov.uk/media/5a74e36440f0b65c0e8454c3/BIS-15-482-sociology-of-enterprise.pdf>
13. Cowling, M., & Dvouletý, O. 2024. When a non-gendered start-up policy delivers for female entrepreneurs: Evidence from the UK start-up loan scheme. *International Entrepreneurship and Management Journal*, 20(2): 1089–1109. **and** evaluation commissioned by the British Business Bank <https://www.british-business-bank.co.uk/news-and-events/news/smaller-businesses-backed-by-the-start-up-loans-programme-have-higher-survival-rates>
14. Estrin, S., Mickiewicz, T., & Stephan, U. 2013. Entrepreneurship, Social Capital, and Institutions: Social and Commercial Entrepreneurship Across Nations. *Entrepreneurship Theory and Practice*, 37: 479–504.
15. This section draws on research on mental health and well-being in entrepreneurship (for a summary: Stephan, U. 2018. Entrepreneurs’ mental health and well-being: A review and research agenda. *Academy of Management Perspectives*, 32(3), 290-322. [https://kclpure.kcl.ac.uk/ws/portalfiles/portal/142416290/AMP\\_stephan\\_review\\_mental\\_health\\_WB.pdf](https://kclpure.kcl.ac.uk/ws/portalfiles/portal/142416290/AMP_stephan_review_mental_health_WB.pdf)
16. A summary including policy recommendation is available in this OECD blog “The dilemma of an entrepreneur: Balancing passion and well-being”, 2025, J. Wiklund & U. Stephan <https://oecdcoigito.blog/2025/01/30/the-dilemma-of-an-entrepreneur-balancing-passion-and-well-being/>
17. Net cost of childcare as a share of net household income for couples in selected countries worldwide in 2022 <https://www.statista.com/statistics/1124321/net-cost-childcare-share-average-wage-couples-worldwide/>



# King's Global Institute for Women's Leadership

The King's Global Institute for Women's Leadership works towards a world in which women of all backgrounds have fair and equal access to leadership.

Chaired by Julia Gillard, the only woman to have served as Prime Minister of Australia, the institute brings together rigorous research, practice and advocacy to break down the barriers to women becoming leaders, while challenging ideas of what leadership looks like.

**Connect with us**

🐘 [kcl.ac.uk/giwl](https://kcl.ac.uk/giwl)