

# A Manifesto for Women in Business

## An environment where women in business can flourish

### Executive Summary

**In the run-up to General Election 2015, political parties need to take heed of the fastest growing group in the economy: women who run their own business.**

There has been a revolution in women's business ownership. Since 2008 there has been a 30% increase in female self-employment, compared to 7% for men<sup>i</sup>. Women are, for the first time, starting more new enterprises than men; together they delivered most of the new jobs in the UK from 2008 to 2013. Leading commentators, including the Bank of England<sup>ii</sup>, believe that this isn't just a recessionary blip, but more likely a long-term trend in our economy.

This new generation of women business owners is ambitious, socially motivated and digitally engaged. Where there is a level playing field, women-owned firms perform better than those led by men<sup>iii</sup>. But lower levels of investment, start-up resources and confidence hold back that potential. **To make sure that this new enterprise majority survive, thrive and that more become future wealth creators and employers, women's business group [Prowess Connect](#) is calling on political parties to commit to creating an environment where women in businesses can flourish.**

Based on consultation and experience with thousands of female start-ups and business owners, Prowess Connect are calling on the political parties to shape meaningful policies in five areas:

1. **Leadership** – Bold steps to improve the gender balance of business and political leadership.
2. **Skills** – Tailored training and support to take the brakes off women's enterprise.
3. **Childcare** - A full review of maternity and childcare support for self-employed parents.
4. **Social security** - An enabling social security safety net for the self-employed.
5. **Investment and funding** – A fair share of government supported business investment.

Prowess Connect is a group of organisations and businesses that have come together to campaign and collaborate for a better deal for women in business. It is coordinated by [Prowess](#), the UK centre for women in business.

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## 1. Leadership

Our leaders set the tone, aspirations and priorities in business and society. Yet in the UK today few women are represented around the tables of power and influence. Just 22% of our MPs are women and an even smaller proportion of the Cabinet. The gender wedge gets thinner still when we look at the corporate, media and legal domains.

More women in leadership roles isn't just about equality, gender-balance delivers better outcomes for everyone. Businesses where women make-up at least 30% of the leaders have better financial results.<sup>iv</sup> Decisions about the economy have a particular impact on women. It is more important than ever, during times of economic change, that women's interests and experiences both inform and shape economic decision making.

**What's needed: Bold steps to improve the gender-balance of business and political leadership.**

## 2. Skills to close the start-up gender gap

Women's businesses that become established do just as well as their male counterparts, but they grow more slowly and are more likely to close in the early days. Too many are held back by lower levels of funding and resources<sup>v</sup> and consequent lower levels of self-confidence at start-up.

Training helps to close the start-up gender gap. Enterprise training doubles women's chances of starting a business, and triples their level of confidence in their abilities<sup>vi</sup>. Women are significantly more likely to participate in training that is targeted specifically to their needs.<sup>vii</sup> Enterprise support shouldn't be delivered by wage-holders, those who support the self-employed need to really understand the reality of working for yourself.

**What's needed: Tailored training and support to take the brakes off women's enterprise.**

## 3. Childcare and maternity

Women-led businesses close for 'personal reasons' much more often than 'business failure'. And the peak years for those closures are aged 25-34. Personal pressures, are the greatest break on women's businesses at every age. Caring for children, or older family members, is undoubtedly a factor<sup>viii</sup>.

Self-employed women return to work a lot more quickly after having children, receive less maternity pay and usually have little maternity cover<sup>x</sup>. Those factors clearly contribute to the haemorrhage of female-led companies during peak child-bearing years and the subsequent loss of potential growth to the UK economy. The pressures are amplified for single parents.

The Tax Free Childcare scheme has been extended to self-employed women – a step in the right direction. But it needs further adjustments to work effectively as part of Universal Credit and to enable women with atypical working hours to grow businesses to scale<sup>x</sup>.

**What's needed: A full review of maternity and childcare support for women business owners.**

#### **4. Social security for the flexible.**

UK social security was designed for employment. It needs reform, but current plans for Universal Credit are set to have a severe impact on the self-employed, particularly women, and to disincentivise self-employment as an option<sup>xi</sup>. There is an historic opportunity for the next government to create a ‘trampoline style’ safety net that better integrates and enables those who work for themselves.

The resilience and flexibility of the self-employed has been essential for economic recovery. One in five self-employed people – including a disproportionate number of women – currently rely on in-work benefits. Women are three times more likely to move into self-employment from unemployment than men are<sup>xii</sup>. Many balance part-time self-employment with care for children, elderly or sick relatives or their own poor health, thus supporting other arms of government policy<sup>xiii</sup>.

**What’s needed: An enabling social security safety net for the self-employed.**

#### **5. A fair share of investment and funding**

Government spending cuts have hit women hardest<sup>xiv</sup>. And the investments being made to recalibrate the economy overwhelmingly support male-dominated business sectors and larger businesses.

**SET:** Science, Engineering and Technology developments have social not just technical impacts. Diversity matters and delivers better results. SET investments need to include measures to support women’s enterprise and employment in those sectors.

**Social and care economy:** Support for physical infrastructure projects needs to be balanced by investment in the social and care infrastructure, and social enterprise, where women’s businesses dominate and which provide the foundations of a well-functioning society and economy.

**Micro business:** 95% of all businesses are micro businesses and growing numbers of those are home-based, including most female-led businesses. Government needs to do more to open up public procurement to micro business, to ensure that its big business suppliers treat their small business supply chains fairly<sup>xv</sup> and to encourage local economic development measures that benefit women-led businesses.

**Access to finance:** Women in the UK start businesses with much lower levels of funding – across every size and sector of business. This undercapitalisation, not gender, means that women’s businesses are less likely to grow. The causes are complex, but what we know is that lower levels of fall-back resources mean women often have more cautious aspirations. Funding initiatives that combine training and support can help close the gap. Gender imbalances on funding and investment committees are also linked to underinvestment in women.

**What’s needed: A fair share of government supported business investment and funding – including representation of more women in economic decision making and gender impact assessment of investment decisions.**

## Get Involved

If you are a woman business owner, network or supporter, you can use the Manifesto to lobby your local MP and candidates. Find contact details for your MP here: [theyworkforyou.com/](http://theyworkforyou.com/)

The Manifesto can also be used to stimulate debate in the media and through social media networks.

## More information

The Manifesto for Women in Business has been issued by Prowess Connect, a group of organisations and businesses that have come together to campaign and collaborate for a better deal for women in business.

[Prowess Connect](#) is coordinated by [Prowess](#), the UK centre for women in business. Prowess believes that an environment where women in business can flourish benefits everyone. We help women and professional advisers gain the knowledge and tools to get there.

If you'd like to talk to someone about the Manifesto for Women in Business, please send an email to: [manifesto@prowess.org.uk](mailto:manifesto@prowess.org.uk)

## REFERENCES

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<sup>i</sup> ONS Labour Force Statistics analysis by the Women's Budget Group in 'The impact on women of Budget 2014.'

<sup>ii</sup> <http://www.bankofengland.co.uk/publications/minutes/Documents/mpc/pdf/2014/mpc1404.pdf>

<sup>iii</sup> [Women in Enterprise: A Different Perspective, RBS Group 2013](#)

<sup>iv</sup> The Davies Review 'Women on Boards', 2011.

<sup>v</sup> [Women in Enterprise: A Different Perspective, RBS Group 2013](#)

<sup>vi</sup> GEM Special Report: A Global Perspective on Entrepreneurship Education and Training, 2010

<sup>vii</sup> [www.prowess.org.uk/facts](http://www.prowess.org.uk/facts) 'Business Support, skills and training' section.

<sup>viii</sup> [Women in Enterprise: A Different Perspective, RBS Group 2013](#)

<sup>ix</sup> Hayley Limmer, Self-Employed Women in England and Wales; the Employment Trajectories and Outcomes of Women Who Are Self-Employed During Pregnancy (Unpublished PhD Theses, 2012).

<sup>x</sup> Women's Budget Group 'The impact on women of Budget 2014.'

<sup>xi</sup> [www.prowess.org.uk/universal-credit-self-employed](http://www.prowess.org.uk/universal-credit-self-employed)

<sup>xii</sup> 'Promoting Female Entrepreneurship' DTI 2005

<sup>xiii</sup> <https://www.gov.uk/government/publications/self-employment-tax-credits-and-the-move-to-universal-credit-rr829>

<sup>xiv</sup> [www.wbg.org.uk](http://www.wbg.org.uk)

<sup>xv</sup> In 'Small Business: GREAT Ambition' 2013 the government committed to opening up all public procurement to small business and mandating prompt payment all the way down a public procurement supply chains.