

News story: Landmark review sparks action to boost number of female entrepreneurs

- government responds immediately, including new Code for Investing in Women to help increase female entrepreneur numbers by 600,000
- breaking down gender barriers could add billions to value of UK economy, review finds

Plans to increase the number of female entrepreneurs in Britain by 50% have been set out on International Women's Day (Friday 8 March), after research found women face too many barriers to setting up a business.

The independent review – commissioned by the Treasury and headed up by Alison Rose, Deputy CEO of NatWest – identifies these barriers and makes recommendations on what can be done to overcome them.

The Rose Review finds that only one in three entrepreneurs are women, a gender gap equivalent to over one million fewer female entrepreneurs in the UK. Businesses that are run by women are on average half the size of male-led firms and far less likely to scale up to a £1 million turnover. The review finds that closing this gap between women and men could add an additional £250 billion in GVA to the UK economy, equivalent to 4 years of economic growth.

Ms Rose sets out a number of recommendations to release this economic potential, including greater transparency in funding given to women-run businesses by investors, and more courses teaching entrepreneurship in schools and colleges.

The government has responded with the creation a new Code for Investing in Women that will see banks and other financial institutions publish the gender split of the investments they make, showing if businesses are either male or female-led. The move will encourage financial institutions to adopt a set of best practices that will benefit female business owners across the country.

Deputy CEO of NatWest, Alison Rose, said:

The UK has one of the most vibrant entrepreneurial communities in the world, but only one in three of our entrepreneurs is female – we need to be more ambitious and find ways to unlock the huge untapped potential.

The launch today of the Rose Review of Female Entrepreneurship

provides the routes for how we, business, public sector and government, can achieve this together. It is imperative that we support female entrepreneurs and capitalise on the missed opportunity which is significant, equating to more than one million missing businesses and £250 billion for the UK economy.

I am passionate about this cause, and was proud to have been asked to lead this Review. Some of the findings are stark but by shining a spotlight on the issues and outlining the barriers and opportunities, the aim is to support the full potential of every woman who has the entrepreneurial spirit and ambition to start or scale their business. Today is just the beginning.

Prime Minister Theresa May, who hosted a reception of female entrepreneurs and business leaders in Downing Street yesterday (7 March 2019) ahead of the Review, said:

I want to build a country where all women can go as far as their talents and hard work can take them. It's fantastic that we already have over a million women-led businesses, and the gender pay gap is at a record low, but the findings in this Review show there is much further to go.

Alison and her team set out an ambitious path to break this glass ceiling so that we can realise the full potential of female entrepreneurs and boost economic growth. I am committed to real change in this area, starting with our action today to encourage more companies to look at the gender split of who they choose to invest in.

The Exchequer Secretary to the Treasury, Robert Jenrick, said:

Today's businesswomen face too many barriers to setting up and scaling their enterprises. This doesn't just hold back women, but every single one of us.

That's why we will be implementing Alison's recommendation for a new Code for banks and investors to give businesswomen greater access to finance, as part of our ambition to increase the number of female entrepreneurs by 50 % over the next ten years.

Together we can fire up Britain's entrepreneurial spirit for the 21st Century and ensure no one is held back from realising their full potential.

The move is part of ambitious plans to increase the number of female entrepreneurs by 50% by 2030, matching leading major economies such as France, Canada and the US for gender equality.

Lloyds, UK Finance and UK Business Angels Association have already committed in principle to the Code and will be actively looking at the commitments over the coming months.

Ms Rose and Treasury Minister Robert Jenrick will launch the review findings and government response at NatWest's business accelerator hub in Manchester, with leading members of the female business community in attendance.

As well as establishing the Code for Investing in Women, the government today announces they will also:

- improve online advice for all aspiring entrepreneurs and businesses
- welcome industry-led initiatives to set up a female-focused investment fund
- support an industry-led task force to drive more funding to female entrepreneurs
- back efforts to increase local businesses mentors for women and promote entrepreneurship among 15-18-year-old girls in schools