

# Speech: Exchequer Secretary speech: Royal Bank of Scotland

Good morning.

Thank you RBS for hosting us. It's great to be back in Manchester and wonderful to see the buildings and the cranes and the sense of energy.

International Women's Day is a chance for us to celebrate the brilliant women who have shaped the modern world.

And it makes sense to mark the occasion in Manchester.

This, after all, is the home of Emmeline Pankhurst, Marie Stopes, Elizabeth Gaskell...

And today, some of our best businesswomen – Carol Kane of Boohoo, Angela Spindler of N Brown, Anastasia Kenyon, who, at just 24, founded Palette, the app that helps you find a make-up artist.

But it's also a Day to think about where we need to keep improving.

And business and entrepreneurship is one of those areas.

The UK is one of the best places to start and grow a business.

We have the lowest corporation tax in the G20, an encouraging regulatory environment, and the strong capital markets of our financial services industry – not just in London, but in cities like Manchester also.

Today, there are nearly six million businesses in the UK, a 25% increase since 2010. A new one is created every 75 seconds.

But women are not playing an equal role in this success story.

In the North West, the spiritual home of female empowerment, women make up just over a quarter of those starting businesses.

And across the country, only one-fifth of businesses are run by women.

That's despite the fact that there are almost one million more women than men living in the UK.

A report we commissioned from the British Business Bank last year revealed some shocking findings.

89% of UK VC deals involved founding teams with no women.

And for every £1 of VC investment in the UK, all-female founder teams get less than 1p.

This is a lost opportunity for those women. And having run businesses I know what an empowering and hugely rewarding life an entrepreneurial path is.

It is also a great lost opportunity for the economy.

The best estimates suggest we may be missing out on more than a million new enterprises and billions of pounds of economic activity...

...not to mention new inventions and innovations that would improve our lives.

And if anyone remotely thinks the economy is a zero-sum game, where you can only have so many enterprises...

We have to remind them that people said the same thing when women started entering male-dominated workplaces in the early 20th century.

In fact, it is a hundred years since my great grandmother became deputy manager of the Robertson jam factory here in Droylsden. She took a man's job during the war and turns out she was better than him.

The effect across the economy back then was simply to increase wages and productivity for everyone, in just the same way, increasing the number of female entrepreneurs will be a rising tide that lifts all boats.

But progress will not happen automatically. We must take positive action.

That's why we commissioned Alison Rose – CEO of commercial and private banking at the Royal Bank of Scotland – to lead a review into the challenges that women face in starting and growing their own business.

Alison's work will help us understand how we can assist women in all sectors and all parts of the country to realise their dream of becoming an entrepreneur.

She's found obstacles at all stages of the entrepreneurial journey.

- women have less of an appetite for risk, and less confidence in skills and ideas
- they have less time, with women setting aside 60% more of their day on childcare than men
- they have lower access to finance, with women's average starting capital 50% lower than men's
- finally, they have a lack of connections and role models, with fewer women than men knowing an entrepreneur

Alison's report has shown that each of these is a barrier to progress.

But while each is a reason for concern, we need to work across the private and public sector to address them.

I'm proud to say that the Treasury will play a leading role in this.

We're working with UK Finance to establish a new Treasury code, called

Investing in Women, which asks banks, VC and other organisations to report – for our annual publication – the gender split of their investment.

I encourage all relevant financial institutions to sign up, so that we can all track annually how we are doing, benchmark themselves against the best in the business, and work out how to improve funding for female entrepreneurs.

I want this to be a mark that all want to have and entrepreneurs look out for.

I'm also going to be supporting a taskforce of private investors that will seek to drive more funding to female entrepreneurs.

If we had just a 50% increase in the number of female entrepreneurs, we would have an additional 600,000 female businesswomen, each bringing new ideas and energy to old markets.

And so today the PM has set that as our government ambition. Of course, it's stretching – but then the size of the prize ahead of us is huge.

And to grab it, all of us here have a role to play to make Britain more enterprising, innovative and prosperous.

Thank you Alison for your contribution.