



# RESTRICTED ACCESS:

Women-owned businesses in profile

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**THE ECONOMIC IMPORTANCE** of women's business ownership is now internationally recognised. This report provides welcome evidence that the numbers of women starting businesses in the UK are increasing relative to their male counterparts, but this is undermined by indications that while access to finance continues to be a major problem, of new concern is that women's business development is being hindered by poor engagement with new technology.

Indeed, the most disturbing finding is that women are less likely to use computer technology in their businesses, despite the greater numbers of younger women starting and growing businesses. Although we have known for some time that girls are less engaged with ICT than boys, this report provides clear evidence that this is translating into a major issue for the development of the SME sector. This is linked to stereotyped ideas of how women should engage in the economy and to continuing segregation in the labour market. Unless we tackle the entrenched cultural attitudes which still persist in the UK, progress in the concept of women as entrepreneurs and businesswomen will continue to be hindered.

The fact that women are comparatively more willing to seek assistance from their local business support services may provide a positive foundation for the future. We need to ensure women have access to a range and choice of business support, including appropriate ICT provision, of the highest quality.

Access to finance is a critical issue and it appears that women are less happy than men about the availability and cost of overdraft or loan finance. They are less likely to use bank finance and rely proportionately more on personal savings and household income which, of course, impacts on the size and growth prospects of their businesses. There is a clear opportunity for the banks here and we welcome the positive dialogue we are having with a range of financial institutions, particularly NatWest and the Royal Bank of Scotland which have supported the publication of this report.

The policy recommendations contained in this report are timely. The recent publication of the *Cross Cutting Review of Government Services for Small Business* highlights the priority the UK government attaches to encouraging more women into business. Prowess believes that a strategic and cohesive approach is needed and the report's findings and recommendations highlight the potential for economic growth if we can improve the environment in which women are starting and growing businesses.

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**THIS REPORT PRESENTS** a profile of women-owned businesses in the United Kingdom. The data is drawn from a survey undertaken by the University of Strathclyde for the Federation of Small Businesses (FSB), published in May 2002. In total, 18,561 FSB members responded to the survey, of whom 1,750 (9%) stated that their business was wholly female-owned. In comparison, nearly 44% of respondents stated that their business was wholly male-owned and 42% that their business was owned jointly by men and women. Women-owned businesses are an important element of the SME sector and, as this profile shows, the characteristics of their businesses are rather different to the majority.

**Women Owned Businesses**

- Women make a considerable contribution to the small business sector. However, businesses that are wholly owned by women constituted only 9% of respondents to this survey, compared with 44% that are wholly owned by men. A further 42% of businesses are co-owned by men and women.
- Women-owned businesses operate across a wide range of industrial sectors. Sectors in which women-owned businesses are well represented include retail, wholesale, and business services. By contrast, there are few women-owned businesses in sectors such as manufacturing, construction and transport.
- Women-owned businesses are generally younger than those which are male-owned or co-owned by men and women. Women-owned businesses are also more likely to be registered as sole-traders and less likely to be registered for VAT.
- Although the sources of business finance used by women and men are similar, fewer women use institutional finance such as bank loans and overdrafts to finance their business. Women-owned businesses are more likely to use informal sources such as family savings, household income, inheritance, grants and friends as sources of business finance.
- Women-owned firms are more likely to record a lower sales turnover than other businesses. In total, 40% of women-owned firms had an annual turnover of less than £50,000 and only 2% had an annual turnover of between £1 million and £5 million.
- The total employment created by the 1750 women-owned businesses was 7592, an average of 4.3 employees per business. This compares with wholly male-owned businesses where employment averaged 5.9 and co-owned businesses where employment averaged was 8.8. Women-owned businesses were also slightly more likely to report static employment levels within the previous twelve months.

**Women As Entrepreneurs**

- Women entrepreneurs are more likely to be younger than their male counterparts. They are also more likely to manage their businesses without the involvement and assistance of family members.
- Most women entrepreneurs depend on their business as their only or main source of income. However, they are less likely than men to own more than one business and are twice as likely to have part-time employment in addition to owning their enterprise.
- Most women-owned businesses reported that their five-year objective was to grow - either moderately or substantially. Very few differences in growth objective were apparent by gender, neither were there many observable differences in the methods they intended to use to achieve their growth ambitions.
- Of the factors considered important to the future success of their business, three-quarters stated that the main factor was their own business's capabilities. In comparison with men, women entrepreneurs gave a slightly higher priority to external factors such as government funded business support services, finance and banking, business advice and education and training.

**Supporting Women Owned Businesses**

- In comparison to other firms, women-owned businesses are less likely to use information and communication technologies (ICT) in their businesses, are less satisfied with their understanding of new technology and are less likely to use the internet for business transactions.
- Most women-owned firms use computers, but are less likely than other firms to have more than one computer, a local area network, or to access the internet via modem or ISDN.
- Women-owned businesses are less likely to use the internet or online services to communicate by email, gather information or conduct research, transfer files and documents, conduct e-commerce transactions or showcase their products or services.
- The constraints on ICT for women-owned businesses are associated with cost and training factors. It was less likely that government regulations, security of transactions or lack of broadband connections were cited as constraints.
- Some of the most distinctive gender differences relate to issues of business finance and attitudes towards the banking sector. Women-owned business respondents reported lower levels of satisfaction with regard to the availability and cost of bank finance.
- Women-owned businesses were slightly more likely to report that bank branch closures, reduced choice of banks, more IT and telephone banking and difficulty in changing banks had a negative effect on their business.
- Few gender-related differences could be discerned in the type of business advice sought. Most business owners use professional sources of external assistance, although women-owned businesses were slightly less likely to do so.
- Women-owned businesses were more likely to use local public sector advice, but were less likely to use regional and central government sources, such as Regional Development Agencies, DTI, Inland Revenue, Customs and Excise etc.
- Women-owned businesses reported similar or slightly higher levels of satisfaction across all the sources of business advice, apart from accountants and consultants. In contrast, they reported higher levels of satisfaction with business advice received from their families.

**Policy Implications**

The data presented in this report strengthens and reinforces the findings of previous research on women entrepreneurs. The key issues of finance, business support, ICT and barriers to growth are all highlighted – but perhaps the most significant message is that of untapped potential. In stark terms, the survey showed that 86% of businesses had male owners or co-owners, compared to 51% of businesses owned or co-owned by women. Even starker is the comparison in sole ownership – 44% of businesses owned solely by men compared to 9% of businesses owned by women. (The equivalent statistic for women-owned business in the United States is 28%.) So although we are evidently seeing greater numbers of women starting businesses in the UK, the continuing gap between male and female business ownership represents a clear opportunity: if we can target and support women in a more effective way, we can achieve significant increases over the next few years.

We know something about the obstacles which are still preventing women in the UK starting and growing businesses in numbers – including access to finance, cultural/social attitudes, lack of appropriate business support services and childcare issues. And we can now add access to ICT.

The policy implications are evident and the challenge now is to successfully engage the Government, regional agencies, banks, business organisations, the community sector and others, in coordinated and strategic support for women's business ownership.

To this end, based on the survey findings, the report's authors make the following policy recommendations:

**1. Business Support - Development of Strategic Framework**

A cohesive strategic framework for women's business development should be developed. With leadership from the Department of Trade and Industry, Small Business Service and equivalent bodies in Wales, N Ireland and Scotland, the framework should provide guidelines and quality standards for effective business support provision in the public, private and community sectors.

**2. Access to finance**

Current loans, grants and equity programmes, including the Small Firms Loan Guarantee Scheme, should be re-evaluated in relation to take-up by women. More innovative approaches, such as microcredit and mutual lending schemes, should be developed.

Additionally, the Bank of England has undertaken several studies on finance for small business – it is recommended that a new report on finance for women-owned businesses should be commissioned.

**3. Improved access to ICT**

A concerted effort is needed to ensure that women benefit from the advantages of information and communication technologies (ICT) for their businesses. A lead role in ensuring improved access should be taken by UK Online for Business and other agencies involved in providing training and awareness for businesses in ICT. Particular attention should be paid to the involvement of girls and young women in education IT initiatives.

**4. Office for women's business ownership – a coordinated approach within government**

More cohesion is required within government in relation to women's business ownership. An office similar to that based in the Small Business Administration in the US should be established within the DTI.

**5. Role of Prowess**

Prowess has established itself as the UK membership association for women's enterprise support. It should continue to develop its advocacy and policy development roles, along with effective dissemination of good practice and strategic cohesion.

**Industrial Sector**

Women-owned businesses operate across a wide range of industrial sectors. Nevertheless, the sectors in which women most commonly start businesses reflect traditional gender based industrial divisions. Table 1 shows that women-owned firms are well represented in the retail, repairs and wholesale, business services and other services sectors. Women-owned firms are also strongly represented in health and social work and education. By contrast, women-owned businesses are under-represented in sectors such as manufacturing, construction, transport and agriculture.

**Age of Business**

Women-owned businesses are generally younger than those which are male-owned or co-owned by men and women. Table 2 shows that women-owned firms were over-represented in the younger business age bands (under 5 years old). In total, 50% of women-owned businesses had been established within the previous five years, with 34% being less than three years old. This suggests that many women are new to enterprise ownership and, if this is a continuing trend, a large proportion of future firms may be women-owned.

**Legal Status of Business**

Businesses owned by women take a variety of legal forms. However, some legal forms are more popular with women-owned businesses than others as shown in table 3. They are much more likely to be registered as sole-traders and much less likely to be registered as either limited companies or partnerships. Given that the legal status of a business often reflects its size and growth ambitions, it is clear that women-owned businesses are smaller and are more often owned and managed by a single person.

**TABLE 2 AGE OF BUSINESS BY GENDER OF OWNERSHIP**

	0-3	4-5	6-10	11-20	21-30	31+
WHOLLY MALE	21%	13%	20%	23%	14%	8%
WHOLLY FEMALE	34%	16%	19%	21%	6%	3%
OF MIXED GENDER	19%	13%	19%	27%	13%	9%
<b>TOTAL</b>	<b>21%</b>	<b>12%</b>	<b>18%</b>	<b>23%</b>	<b>12%</b>	<b>7%</b>

**TABLE 3 LEGAL STATUS OF BUSINESS BY GENDER OF OWNERSHIP**

	LIMITED COMPANY	FRANCHISED OPERATION	LIMITED LIABILITY PARTNERSHIP	PARTNERSHIP	SOLE TRADER
WHOLLY MALE	29%	1%	0%	12%	57%
WHOLLY FEMALE	18%	1%	1%	9%	71%
OF MIXED GENDER	46%	1%	1%	44%	8%
<b>TOTAL</b>	<b>34%</b>	<b>1%</b>	<b>1%</b>	<b>25%</b>	<b>35%</b>

**TABLE 1 BUSINESS SECTOR BY GENDER OF OWNERSHIP**

	NONE	AGRICULTURE	MANUFACTURING	ENERGY & WATER	CONSTRUCTION	RETAIL/ REPAIRS/ WHOLESALE	HOTELS/ RESTAURANTS/ PUBS	TECHNOLOGY	TRANSPORT	FINANCIAL SERVICES	BUSINESS SERVICES	OTHER SERVICES	EDUCATION	HEALTH/ SOCIAL WORK	OTHER
NONE	17%	3%	13%	1%	8%	19%	6%	2%	5%	2%	7%	5%	2%	2%	9%
WHOLLY MALE	1%	3%	12%	1%	12%	21%	4%	5%	6%	4%	8%	9%	1%	2%	12%
WHOLLY FEMALE	2%	1%	4%	0%	1%	26%	7%	2%	1%	3%	12%	11%	5%	7%	17%
OF MIXED GENDER	1%	4%	12%	1%	7%	22%	10%	5%	5%	2%	7%	8%	1%	3%	12%
<b>TOTAL</b>	<b>2%</b>	<b>3%</b>	<b>11%</b>	<b>1%</b>	<b>8%</b>	<b>22%</b>	<b>7%</b>	<b>5%</b>	<b>5%</b>	<b>3%</b>	<b>8%</b>	<b>9%</b>	<b>1%</b>	<b>3%</b>	<b>12%</b>

VAT Registration

Women-owned businesses are much less likely to be registered for VAT than male-owned businesses or those that are co-owned by men and women as Table 4 shows. Only 58% of women-owned businesses were registered for VAT, compared with 76% across the total sample. Given that VAT registration (at the time of survey) was compulsory in most businesses with an annual turnover in excess of £54,000, and can be voluntarily acquired by businesses with a lower annual turnover, VAT registration can be seen as a basic indicator of business scale and growth ambition. These figures also suggest that women-owned businesses operate at a lower scale than those that are either male-owned or co-owned by men and women.

Sources of Business Finance

The sources of business finance used by women and men are similar, with most relying on a combination of bank overdrafts, bank loans and personal savings to start and sustain their businesses. The relative use of finance sources, however, does differ according to the gender of business ownership as shown in table 5. Half of all women-owned businesses used personal savings to finance their business, a slightly higher proportion than was seen across the total sample. Nearly half of women-owned businesses used a bank overdraft, while bank loans were the third most frequently used source of finance. However, the proportion of women-owned businesses using these forms of finance was lower than for the total sample.

Compared with male-owned businesses and those co-owned by men and women, women-owned businesses were more likely to use informal sources of finance to start and sustain their business. More women-owned businesses, for example, used family savings, household income, inheritance, grants and friends as sources of business finance. By contrast, women-owned firms were less likely to use second mortgages, factoring, supplier credit or pensions as sources of business finance. Retained profit was also used less by women-owned businesses, perhaps indicating the smaller size and turnover levels found within their businesses.

TABLE 4 VAT REGISTRATION BY GENDER OF OWNERSHIP

	YES	NO	EXEMPT
WHOLLY MALE	80%	18%	2%
WHOLLY FEMALE	58%	36%	5%
OF MIXED GENDER	86%	11%	3%
<b>TOTAL</b>	<b>76%</b>	<b>16%</b>	<b>2%</b>

TABLE 5 SOURCES OF BUSINESS FINANCE BY GENDER OF OWNERSHIP

	BANK OVERDRAFT	FACTORING	SECOND MORTGAGE	VENTURE CAPITAL	CREDIT CARDS	SELLING EQUITY	GRANT	FRIENDS	INHERITANCE	LOAN GUARANTEE SCHEME	FAMILY	BANK LOAN	PENSIONS	SUPPLIER CREDIT	OWN SAVINGS	HOUSEHOLD INCOME	OTHER BUSINESS EMPLOYMENT	RETAINED PROFIT	PUBLIC SECTOR/LOW INTEREST LOAN	EU FUNDING	REDUNDANCY	NON-TICKET
WHOLLY MALE	58%	3%	9%	1%	19%	2%	5%	3%	3%	2%	12%	42%	3%	15%	44%	4%	3%	25%	1%	1%	6%	4%
WHOLLY FEMALE	46%	2%	8%	1%	18%	2%	7%	4%	6%	2%	19%	38%	2%	9%	50%	7%	4%	17%	1%	1%	4%	5%
OF MIXED GENDER	60%	4%	12%	1%	17%	3%	5%	3%	4%	3%	12%	46%	4%	14%	44%	4%	4%	28%	1%	1%	6%	3%
<b>TOTAL</b>	<b>57%</b>	<b>4%</b>	<b>10%</b>	<b>1%</b>	<b>18%</b>	<b>3%</b>	<b>5%</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>	<b>13%</b>	<b>44%</b>	<b>3%</b>	<b>14%</b>	<b>45%</b>	<b>4%</b>	<b>4%</b>	<b>26%</b>	<b>1%</b>	<b>1%</b>	<b>6%</b>	<b>4%</b>

Sales Turnover and Trends

Table 6 shows distinct differences in sales turnover levels achieved by women-owned firms compared with other businesses. Annual sales turnover was measured in size bands ranging from 'less than £50,000' at the lowest level to 'more than £5 million' at the highest. Women-owned firms were disproportionately over represented in the lowest turnover category and under-represented in the higher turnover categories. In total, 40% of women-owned firms had an annual turnover of less than £50,000, compared with 19% across the total sample. At the highest levels, only 4% of women-owned businesses had an annual turnover of between £500,000 and £1 million and only 2% had an annual turnover of between £1 million and £5 million, compared with 11% and 8% respectively of the total sample.

Few differences were apparent with regard to the overall trend in sales volume over the previous year. Most women-owned firms stated that their sales volume had either gone up (42%) or gone up considerably (9%) compared with 39% and 9% respectively for the total sample. Of the remainder, 24% of women-owned businesses reported that the past year's sales volume had stayed the same, 15% reported that it had gone down and 5% stated it had gone down considerably. These results are on a par with those of the total sample.

TABLE 6 TURNOVER IN PAST FINANCIAL YEAR BY GENDER OF OWNERSHIP

	LESS THAN £50,000	£50,001 TO £100,000	£100,001 TO £500,000	£500,001 TO £1 MILLION	£1 MILLION TO £5 MILLION	MORE THAN £5 MILLION
WHOLLY MALE	23%	21%	36%	10%	7%	1%
WHOLLY FEMALE	40%	23%	28%	4%	2%	0%
OF MIXED GENDER	12%	17%	43%	14%	10%	1%
<b>TOTAL</b>	<b>19%</b>	<b>18%</b>	<b>36%</b>	<b>11%</b>	<b>8%</b>	<b>1%</b>

TABLE 7 FULL TIME EMPLOYMENT SIZE BANDS BY GENDER OF OWNERSHIP

	0	1-4	5-9	10-49	50-99	100+
WHOLLY MALE	.2%	60.7%	14.8%	12.3%	.5%	.1%
WHOLLY FEMALE	.1%	62.7%	8.7%	5.4%	.3%	.1%
OF MIXED GENDER	.1%	53.7%	20.2%	17.4%	1.0%	.4%
<b>TOTAL</b>	<b>.1%</b>	<b>54.8%</b>	<b>15.7%</b>	<b>13.1%</b>	<b>.7%</b>	<b>.2%</b>

Employment Size and Trends

The total employment (full-time equivalents) created by the 1,750 women-owned businesses responding to the survey was 7,592. The mean number of employees per women-owned business was 4.3. While these figures demonstrate the capacity of women-owned businesses to create employment, their firms were slightly smaller than those either wholly male-owned (mean employment 5.9) or co-owned by men and women (mean employment 8.8).

Employment levels are an important indicator of firm size. Most women-owned businesses were in the smallest size with regard to full-time employment levels (1-4 employees), a higher proportion than was seen across the total sample. Relatively few women-owned businesses reported higher employment levels. Only 9% of women-owned businesses had 5-9 full-time employees, 5% had 10-49 full-time employees and less than 1% had more than 50 full-time employees. This compares with the total sample where 16% had 5-9 full-time employees and 13% had 10-49 full-time employees. As Table 7 shows, businesses that were co-owned by men and women reported the highest levels of full-time employment.

Most businesses reported that employment levels had remained static over the past year. Women-owned businesses were slightly more likely to report static employment levels and were slightly less likely to report that employment had decreased. In contrast, businesses that were co-owned by men and women were both more likely to report employment increases and employment decreases over the past year.

**Age of Owner**

Table 8 presents details of the age of the business owner and highlights the relative youthfulness of women entrepreneurs. Women were disproportionately over-represented in the 22 - 34 age band and, to a lesser extent, the 35 - 44 age band. Conversely, relatively few women business owners came into the age bands of 55 and above. This can be contrasted with male-owned business respondents and those with co-owned firms.

**Family Involvement**

Most women-owned businesses are owned and managed without the assistance of other family members as Table 9 shows. In total, 76% of women-owned firms have no family involvement in ownership and management, compared with 69% of male-owned firms and 44% across the total sample. Only 13% of women-owned businesses reported that their spouse shared in the management of their enterprise, compared with 19% of male-owned firms and 45% across the total sample. Women-owned businesses were also less likely to have children, parents, siblings and other family members participate in their enterprise.

**Business Entry**

In most cases, women started their firms from scratch (76%). Of the remainder, 17% bought a going concern and 4% inherited their firm. Very few entered business through either a management buy-out or franchising. These figures are very similar to that seen across the total sample.

**Additional Business Activities and Income**

Most women-owned businesses reported this as their only or main source of income, 7% reported that they owned more than one business, 4% reported that they were self-employed in another capacity. In addition, 10% had other income from grants, shares or pensions, 6% also had part-time employment and 3% also had full-time employment.

This profile of additional income generation and business ownership was similar to that seen across the total sample. However, some distinct differences could be observed. Respondents from women-owned businesses were much less likely to own more than one business, but were twice as likely to have part-time employment.

TABLE 8 AGE OF OWNER BY GENDER OF OWNERSHIP

	UNDER 21	22 TO 34	35 TO 44	45 TO 54	55 TO 64	65 OR OLDER
WHOLLY MALE	1%	10%	24%	34%	26%	5%
WHOLLY FEMALE	1%	15%	26%	35%	18%	4%
OF MIXED GENDER	1%	8%	22%	36%	28%	6%
TOTAL	1%	9%	23%	35%	25%	5%

TABLE 9 FAMILY INVOLVEMENT BY GENDER OF OWNERSHIP

	SPOUSE	CHILDREN	PARENTS	BROTHER /SISTER	OTHER RELATIVES	NONE TICKED
WHOLLY MALE	19%	3%	2%	7%	4%	69%
WHOLLY FEMALE	13%	4%	2%	7%	2%	76%
OF MIXED GENDER	80%	6%	3%	14%	4%	11%
TOTAL	45%	5%	2%	10%	4%	44%

**Growth objectives**

The five-year objective of most women-owned businesses was to grow moderately (55%) or substantially (13%). Of the remainder, 13% wanted to stay the same size and 12% wanted to sell the business. Very few differences in growth objective were apparent by gender, although it is perhaps notable that male-owned businesses were slightly more likely to want to stay the same size, while businesses wholly owned by women were more likely to want moderate growth. These gender differences were modest, however.

The methods that women-owned businesses intend to use to achieve growth are also very closely matched with the total sample. The most favoured methods were to increase turnover, increase profits, improve marketing, take on more employees and engage in new ventures or new products. The least favoured methods of achieving growth were to start exporting and to increase R&D expenditure, cited by only 3% of women-owned businesses. Compared with the total sample, women-owned businesses were slightly less likely to cite increased profits, more employees or purchasing new equipment as favoured growth mechanisms. Whether this is a function of gender or simply the result of other differences, for example business sector, remains unclear.

**Factors Contributing to Business Survival and Growth**

Table 10 presents details of respondents' opinions regarding the factors they believe are most important to their business' survival and growth. The most important factor, cited by 75% of women-owned business respondents was their own business' capabilities. This was followed by finance and banking; the ability to employ staff; business advice; education and training; legislation; and transport. The remaining items – government funded business support, public services and EU funding and funded programmes – scored lower importance ratings.

Compared with the total sample, women-owned businesses awarded greater importance to several other factors. These included: government funded business support services; public services; finance and banking; education and training; business advice; and EU funding and funded programmes. This may reflect the sectors in which women own businesses. For example, more respondents from the education and health and social work sectors, where a larger proportion of women-owned businesses operate, believed education and training to be more important.

TABLE 10 FACTORS CONTRIBUTING TO BUSINESS SURVIVAL AND GROWTH

	GOVERNMENT FUNDED BUSINESS SUPPORT	PUBLIC SERVICES	FINANCE AND BANKING	EDUCATION AND TRAINING	ABILITY TO EMPLOY STAFF	TRANSPORT	LEGISLATION	YOUR BUSINESS' CAPABILITIES	BUSINESS ADVICE	EU FUNDING & FUNDED PROGRAMMES
WHOLLY MALE	26%	23%	53%	38%	51%	45%	44%	75%	45%	19%
WHOLLY FEMALE	32%	31%	57%	44%	55%	41%	43%	75%	53%	22%
OF MIXED GENDER	28%	9%	57%	42%	59%	47%	49%	79%	47%	22%
TOTAL	27%	27%	55%	40%	55%	45%	46%	77%	47%	20%

**Technology Use in Women Owned Businesses**

In comparison to other firms, women-owned businesses were less likely to use information and communication technologies (ICT) in their businesses, were less satisfied with their understanding of new technology and were less likely to use the internet for business transactions.

Table 11 shows that although most women-owned firms use computers in their businesses, most restrict their computer usage to a single desktop or stand-alone computer. In comparison with the total sample, women-owned firms were more likely to report that they do not use technology in their businesses. This is an interesting finding, given that ICT usage was strongly related to the age of the business owner. As women-owned respondents were over-represented among the youngest age groups, it would be expected that their ICT usage would be higher than across the total sample, not lower. It appears that factors other than age influence the decision to use ICT within a business. While these results point to a gender dimension in business ICT usage, it may be that sector, business size and profitability also have an influence.

Not only were fewer women-owned businesses connected to the internet, their usage of the internet for business related functions was lower across every cited category as Table 12 shows. Most businesses used on-line services to communicate by email, gather information and conduct research, and transfer files and documents, but fewer women-owned businesses engaged in these

activities. Less than half of all respondents used the internet to showcase their products or services, and even fewer women-owned businesses engaged in this activity. Only 20% of women-owned businesses used the internet for e-commerce transactions, compared with 26% across the total sample, and only 17% of women-owned businesses used the internet to review business opportunities and make bids for contracts, compared with 21% across the total sample.

When asked about the factors that constrained their use of ICT and computer technology, women-owned businesses were most likely to report cost and training factors but were less likely to cite government regulations, security of transactions or lack of broadband connections.

**Finance and Banking**

Some of the most important gender differences emerge from the issue of business finance and attitudes towards the banking sector. Earlier in this report, it was seen that women-owned businesses have a slightly different funding profile to other firms, being less likely to use institutional and bank finance and more likely to rely on personal and family savings. Gender-based differences emerged again in response to questions regarding levels of satisfaction with finance and banking issues.

Table 13 shows that across a range of different issues relating to finance and banking, women-owned business respondents reported lower levels of satisfaction. Women-owned businesses were less satisfied with interest rates as a borrower, the availability and cost of overdraft finance

TABLE 11 IT / COMPUTER USAGE BY GENDER OF OWNERSHIP

	WE DO NOT USE COMPUTERS	SINGLE DESKTOP/ PERSONAL COMPUTERS	SEVERAL STAND-ALONE COMPUTERS	SEVERAL COMPUTERS SHARING PRINTERS	LOCAL AREA NETWORK	INTERNET VIA MODEM	INTERNET VIA ISDN	NONE TICKED
WHOLLY MALE	15%	50%	20%	16%	21%	54%	14%	2%
WHOLLY FEMALE	21%	52%	14%	10%	14%	48%	8%	3%
OF MIXED GENDER	12%	47%	24%	19%	24%	57%	16%	2%
TOTAL	15%	49%	21%	17%	22%	55%	14%	2%

TABLE 12 USE OF ON-LINE SERVICES BY GENDER OF OWNERSHIP

	TO REVIEW BUSINESS OPPORTUNITIES AND MAKE BIDS FOR CONTRACTS	TO GATHER INFORMATION/ CONDUCT RESEARCH	TO COMMUNICATE/ SEND E-MAIL	TO TRANSFER FILES AND DOCUMENTS	TO SHOWCASE YOUR PRODUCTS AND SERVICES	FOR E-COMMERCE TRANSACTIONS	TO PURCHASE PRODUCTS AND SERVICES FOR YOUR BUSINESS	TO PROVIDE AFTER SALES SUPPORT
WHOLLY MALE	20%	63%	70%	49%	42%	24%	48%	22%
WHOLLY FEMALE	17%	59%	65%	44%	39%	20%	44%	20%
OF MIXED GENDER	23%	65%	75%	52%	49%	28%	52%	25%
TOTAL	21%	64%	72%	50%	45%	26%	49%	23%

and the availability and cost of loan finance. In only two out of eight finance and banking issues were levels of satisfaction on a par with the total sample: interest rates on credit balances and bank charges.

Respondents were also asked to indicate whether recent changes in banking had an effect on their businesses. Changes in the banking sector included branch closures, less choice of banks, greater usage of IT and telephone banking and the perceived difficulties in changing banks. Analysed by gender of ownership, there were few discernible differences. Women-owned businesses were more likely to report that bank branch closures, less choice of banks, more IT and telephone banking and difficulty in changing banks had a negative effect on their business. The differences, however, were very slight.

**Business Advice and Services**

External business advice is an important resource for small businesses, and businesses have a range of options available to them when seeking business advice. The type of business issue on which they seek external advice and the advisory sources that are used are common to all small business, irrespective of gender of ownership.

Businesses responding to this survey had sought external advice most often on accountancy matters, business planning and access to finance. Few gender-related differences could be discerned in the type of advice being sought by business owners. When seeking external advice, most business owners use professionals (solicitors and accountants). Table 14 shows that, in total,

77% of respondents reported that they sought the advice of professionals, although women-owned businesses (and also those that were wholly male-owned) were slightly less likely to do so.

Women-owned businesses were more likely than other firms to report that they use public sector advice that is available locally, for example, Business Link. However, they were less likely than other firms to use regional and central government sources of advice (Regional Development Agencies, DTI, Inland Revenue, Customs and Excise, Health and Safety). While these differences should not be over-interpreted, they are unlikely to be solely the result of gender but more likely explained by differences in business size and sector. Women-owned businesses being generally younger, smaller and dominated by the retailing and services sectors are unlikely to require or even qualify for the type of large-scale assistance available, for example, to mature manufacturing firms and administered at a regional level.

Businesses owned by women reported similar or slightly higher levels of satisfaction across all the sources of business advice, with the exception of accountants and consultants. Women-owned businesses (and also those that were wholly male-owned) were slightly less satisfied than co-owned firms with accountants and consultants. In contrast, women-owned businesses were more satisfied with business advice received from their families.

TABLE 13 SATISFACTION WITH FINANCE AND BANKING BY GENDER OF OWNERSHIP

	BANK SUPPORT FOR YOUR BUSINESS	INTEREST RATES AS A BANK BORROWER	INTEREST RATES ON CREDIT BALANCES	BANK CHARGES	AVAILABILITY OF OVERDRAFT FINANCE	COST OF OVERDRAFT FINANCE	AVAILABILITY OF BANK LOAN FINANCE	COST OF LOAN FINANCE
WHOLLY MALE	44%	18%	7%	11%	43%	14%	34%	13%
WHOLLY FEMALE	44%	13%	7%	12%	38%	11%	31%	10%
OF MIXED GENDER	49%	21%	8%	12%	45%	14%	37%	13%
TOTAL	46%	19%	7%	12%	44%	14%	35%	13%

TABLE 14 SOURCES OF BUSINESS ADVICE BY GENDER OF OWNERSHIP

	A PROFESSIONAL (E.G. ACCOUNTANT OR SOLICITOR)	BUSINESS LINK/ CONNECT SHOP/ LEDU/ LEC	CENTRAL GOVERNMENT (E.G. RDA, DTI, IR, CBE, H&S)	INDEPENDENT CONSULTANCY	ENTERPRISE AGENCY/ TRUST	LOCAL GOVERNMENT	NONE TICKED
WHOLLY MALE	74%	10%	13%	7%	16%	6%	18%
WHOLLY FEMALE	74%	16%	12%	8%	19%	9%	15%
OF MIXED GENDER	82%	11%	17%	8%	19%	8%	12%
TOTAL	77%	11%	15%	7%	18%	7%	15%