A new era for female entrepreneurs in York and North Yorkshire

UNIVERSITY of York

Enterprise Works

RETHINKING BUSINESS SUPPORT FOR WOMEN ENTREPRENEURS

3. FINANCE, FUNDING, MONEY

CONTENTS

ENABLING FEMALE ENTREPRENEURSHIP

Supporting female entrepreneurs is not only a matter of fairness; it is a major economic opportunity. Women remain underrepresented in entrepreneurship, yet unlocking this potential drives business creation, innovation and inclusive growth. In regions like York and North Yorkshire, where micro and small businesses dominate, enabling more women to start and scale businesses strengthens local resilience and prosperity.

This research shows that women face additional structural and societal barriers; from gendered expectations and caring responsibilities to confidence gaps and the under-recognition of their skills.

Without intentional change in how support is designed and delivered, these barriers will continue to limit both individual and regional potential.

Who are these guides for?

These Guides are for practitioners, policymakers, business support organisations, educators and ecosystem builders who support and shape environments for female entrepreneurs. Created from the *New Era for Female Entrepreneurship in York & North Yorkshire* research, they draw directly on the lived experiences, challenges and ideas for change shared by women entrepreneurs across the region, translating those insights into practical, place-based guidance to help business support organisations better understand and respond to their needs.

How to use the guides

Use each guide as a practical and reflective tool:

- **Read with intent** – focus on lived experiences, not just key findings.
- **Challenge assumptions** – identify where existing support may reinforce barriers.
- **Adapt your practice** – apply insights to programme design, delivery and communication.
- **Embed change** – integrate inclusive approaches at both operational and strategic levels.

The guides highlight key themes such as confidence, visibility, networks and systemic bias, offering practical starting points for discussion, programme development and policy design.

RECOMMENDATIONS

3. FINANCE, FUNDING AND MONEY

- Many described funding as “not for people like me” or something you had to be “very confident” to access
  - ➔ **Action:** Make funding more accessible by clearly showing who it is for, with real examples and transparent criteria
- Some felt they needed to be “over-prepared” to be taken seriously when applying for funding
  - ➔ **Action:** Review criteria and processes to ensure they do not unintentionally favour certain communication styles or business models
- A common frustration was being offered advice or mentoring instead of actual funding
  - ➔ **Action:** Ensure finance is a core part of support, not replaced with advisory provision
- Many were running small, sustainable businesses that didn’t fit traditional funding expectations
  - ➔ **Action:** Provide flexible, small-scale and staged funding options aligned to microbusiness models
- Confidence around money was often described as developing through experience, not training
  - ➔ **Action:** Embed practical financial support (pricing, cashflow, applications) within delivery

3. FINANCE, FUNDING, MONEY

Despite their substantial potential to bolster both local and national economies, women entrepreneurs confront distinct obstacles when securing the financial support needed for their businesses. Navigating the already complex landscape of funding is compounded by biases against women entrepreneurs and doubts about their capacity to handle funding. Additionally, perceptions of sectors traditionally dominated by women, coupled with geographical challenges in accessing funding within their region, adds further barriers. Other challenges present on the price of their service or product, especially within the YNY context where difficulties in customer acquisition and retention are observed.

FUNDING FOR GROWTH

Our survey of women entrepreneurs in YNY demonstrate the predominant use of personal savings to set-up businesses (60%), whilst almost 1 in 4 (24%) did not use any funding and just 8% received a grant/award to set up their business.[1] This echoes OECD findings that women entrepreneurs are more likely to rely on informal financing compared to men.[2] This implies that women take on more personal risk and stress. This continues into finance and funding available for growth opportunities, where women describe many barriers to accessing finance. As women entrepreneurs progress in their business, they need funding support to grow.

Women come up against eligibility walls where they are no longer in the start-up phase, and they find less funding available for sole traders. This research has demonstrated that half (49%) of respondents are sole traders. But our survey data has demonstrated repeated concerns that **"access to funding as a self-employed sole trader"**[3] is a barrier to growth. It is difficult to acquire funded support when there are no employees within the business.

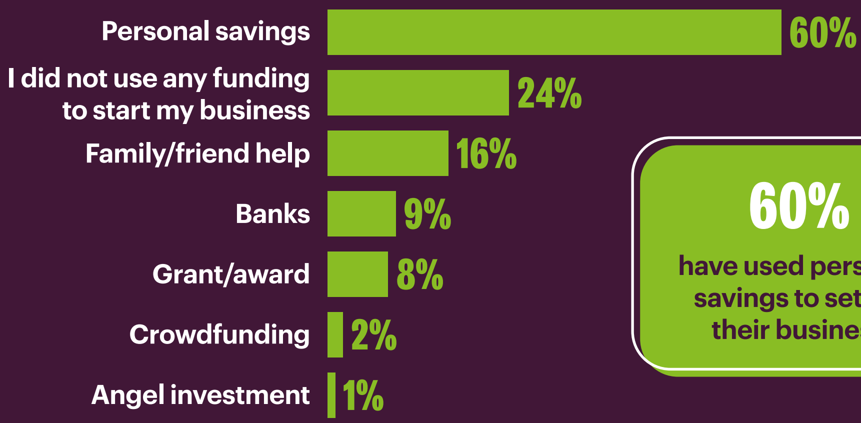
1 From survey for this research. Q. What funding, if any, did you use to set up your business?

2 OECD, 'Women Enterprise Policy and COVID-19: Towards a Gender Sensitive Response', 2020.

3 From survey for this research. Q. When thinking specifically about growth and scaling your business(es), what barriers, if any, have you experienced?

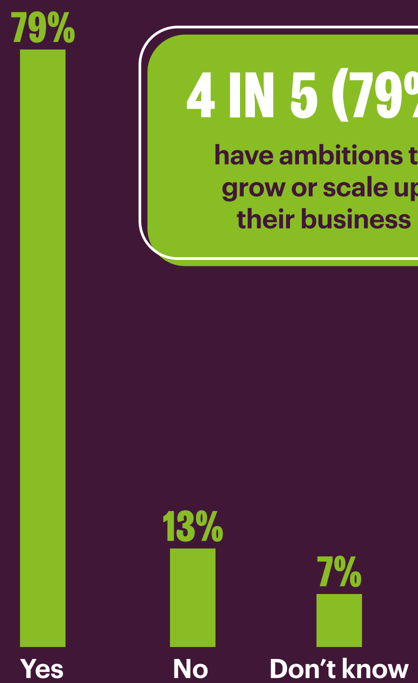
OUR SURVEY FINDINGS

Set-up



60%
have used personal savings to set-up their business

Scaling up



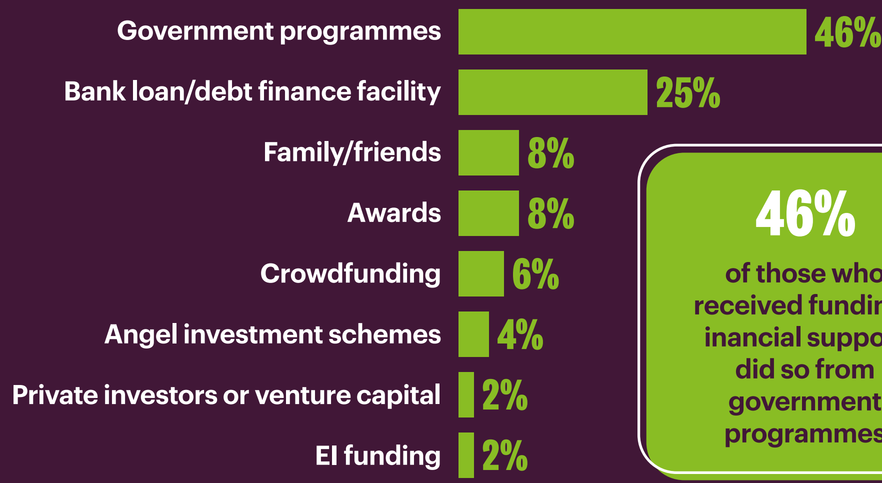
4 IN 5 (79%)
have ambitions to grow or scale up their business

33%
have sought financial support to scale up their business

25%
of those have received funding/financial support to scale up their business

RETHINKING BUSINESS SUPPORT FOR WOMEN ENTREPRENEURS: 3. Finance, Funding, Money

Funding/financial support received



46%
of those who received funding/ inancial support did so from government programmes

Access and concerns

31%
do not have access to or know where to look for finance

27%
are concerned about funding and investment

> *Lack of funded support available as I have no employees and my first business is over 3years so now I'm ready to scale there is no support."*[4]

> *There is a lot of council support for start ups, but sole traders who don't wish to employ anyone are often excluded from any future funding. But we are still contributing to our local economy."*[5]

In 2023, 72.1% of all businesses in Yorkshire and the Humber do not have employees.[6] Indeed, in our community consultations women raised concerns that funders ask specifically for innovative businesses with high-growth potential, but this is not in line with many women-led businesses and their business aspirations. They face additional barriers that while many businesses do have the potential to be high-growth, there is no funding to support putting a team in place to achieve high-growth status.

> *They're asking for innovative things, and they're looking for high-growth businesses. Not everyone has a rapidly growing business, and a lot of us do have businesses that could actually be high growth, but we do not have the team support in place."* **CITY ENTREPRENEUR**

This exemplifies calls for funding for bringing staff into a business and for team building with realistic monitors for return on investment. To encourage more women into this type of work, sustained investment is needed that reflects the businesses within the region and their funding needs.

Other avenues for funding and investment opportunities for women are angel investments. This has been successfully achieved through initiatives such as Fund Her North.[7] However, this can also come with unique challenges. While there are some women-only investment opportunities, this excludes women who have business partners who are not women, underscoring further difficulties that some women have in accessing investment.

4 ibid

5 ibid

6 'Business Population Estimates 2023', GOV.UK, accessed 21 May 2024.

7 Jon Robinson, 'Female Angel Syndicate Helps Northern Founders Raise Almost £2.5m in First Year', Business Live, 20 June 2022.

RETHINKING BUSINESS SUPPORT FOR WOMEN ENTREPRENEURS: 3. Finance, Funding, Money

> *As my business partner is a man, I was excluded from an Angel investor pitch as they wanted 100% female owned. Whilst I understand why, I feel my barrier is that I'm in a tricky situation of being a female entrepreneur but then penalised for having a male business partner."*[8]

This is not to say that women-only investment opportunities should not exist but reflects the intersectional hurdles that some face. It may be useful to think about other ways to include businesses with mixed-gender ownership so these women are not excluded from investment opportunities. Similar challenges are presented for the investment teams themselves. This comes on the back of concerns from the women-led high-growth entreprise taskforce that diversity is poor in investment teams and there is a need to measure or track the proportion of women.[9]

A route to growth and scaling business is through collaborative work with other businesses, but there is also limited **"Funding to get collaborative projects off the ground"**.[10]

> *With a lot of finance options, grants, that kind of stuff, they tend to be geared more towards male-dominated industries. You look at all the grants and stuff that have come out recently, they're all for plant and machinery – so manufacturing-type things – which are predominantly male-dominated industries."*[11]

But there are also discrepancies noted when looking at the health and wellness sector, traditionally dominated by women. Despite many women working within this space, men are still perceived to be given more of the finances that are available.

8 From survey for this research. Q. When thinking specifically about growth and scaling your business(es), what barriers, if any, have you experienced?

9 Government Equalities Office and Equality Hub, 'Women-Led High-Growth Enterprise Taskforce Meeting Minutes: 13 September 2023', GOV.UK, 2023.

10 ibid

11 ibid

> *More and more things around health and wellness are being privatised, so that is a key industry to be in. If Amy*[12] *was a man they'd have been chucking money at her.*" **RURAL ENTREPRENEUR**

If there is less funding available for women and women-dominated sectors, this incurs that women are more likely to rely on personal savings and private finance to sustain and scale their businesses.

> *There isn't really anything for women. We have to be much more self-resilient, much more self-funding.*" **RURAL ENTREPRENEUR**

We see an additional challenge here for sole traders as banks are risk adverse and may not offer "Finance at a reasonable rate".[13]

> *Lack of business finance available for sole traders to invest in support such as website/seo/google social media ads etc banks are very risk averse so you have to use private finance.*"[14]

This risk aversion in tandem with additional administrative hurdles and time constraints has stopped other companies from having overdrafts and in sustaining their growth momentum.

> *So we have a half a million turnover but can't even get an overdraft as we are the unknown/ need to first lot of accounts to companies house.*"[15]

Additional difficulties present when reviewing the monitoring systems of investments made into businesses.

12 Amy is a made up name

13 From survey for this research. Q. When thinking specifically about growth and scaling your business(es), what barriers, if any, have you experienced?

14 ibid

15 ibid

RETHINKING BUSINESS SUPPORT FOR WOMEN ENTREPRENEURS: 3. Finance, Funding, Money

> *The trouble is, the measures that they use to monitor the return on the investment of the funding are so ridiculous, and so prohibitive, and so archaic, and unrealistic.*" **COASTAL ENTREPRENEUR**

Measures on returns can be problematic where they do not align with aspirations of women-led businesses and where perceptions of words such as 'growth' may exclude many women-led businesses.

Other research has demonstrated that just over 3 in 5 (63%) think that banks can do more to support businesses.[16]

These challenges are compounded by perception of the women entrepreneur also plays a role in applying for finance or funding. It is difficult to be taken seriously as a woman entrepreneur who is capable of handling money when pre-existing attitudes and biases dictate otherwise.

> *So, I am mentored to death. Everyone I meet wants to mentor me. No one wants to fund me. If I was a bloke they would.*

> *How come no one's funding this? I don't need mentoring, actually.*"
> **CITY ENTREPRENEUR**

> *I think one of the biggest issues is being taken seriously as a woman. My background is finance and accountancy but presenting decision-makers, male decision-makers, with business plans, balance sheets, all written up, I was questioned at a far greater level of scrutiny than I would have been had I been a man. What could I possibly know about finance and business as a woman? I'm nearly 60. I've been around a long time, I've done a lot of stuff, but being taken seriously was a really hard task. Getting someone to invest in me has been a monumental task.*"
> **RURAL ENTREPRENEUR**

16 Jake Palenicek, 'SMEs Want Banks to Do More to Support Business | YouGov', 2017.

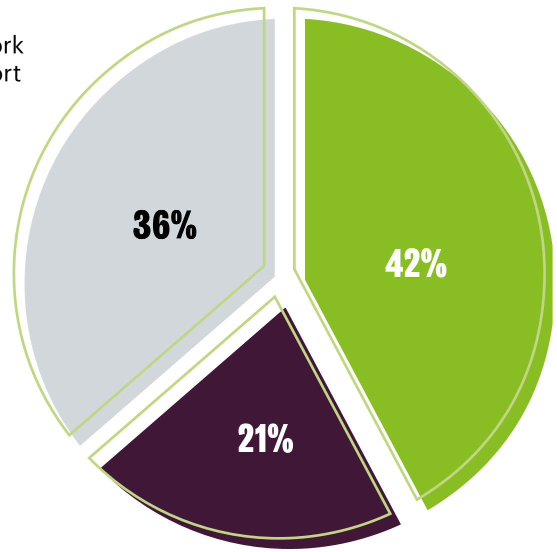
APPLYING

The process of navigating grants and applications poses another hurdle, with many women lacking the time and resources to identify and apply for funding opportunities.

> *"There's never been any financial help. I've never seen any grants. To be fair, I've not had a lot of time to look. I think you just kind of get on with it, don't you?"* **RURAL ENTREPRENEUR**

Although 4 in 5 (79%) women surveyed have ambitions to grow or scale up their business[17], almost 1 in 3 (31%) do not have access to or know where to look for finance.[18] Others **"assume I don't qualify for anything or any kind of support."**[19]

Figure 8: Level of agreement with: I spend too much time on admin work to source or identify financial support
Source: Survey conducted as part of this research



- Agree
- Disagree
- Neither agree nor disagree

Due to rounding, numbers may not always total 100

17 From survey for this research. Q. Do you, or did you, have ambitions to grow or scale up your business?

18 From survey for this research: Q. Which challenges, if any, have you faced in your entrepreneurial journey?

19 From survey for this research. Q. When thinking specifically about growth and scaling your business(es), what barriers, if any, have you experienced?

When asked for their level of agreement with the statement of 'I spend too much time on admin work to source or identify financial support', just over 2 in 5 (42%) agree.[20]

While there may be a myriad of opportunities, they are often not lined up and require the entrepreneurs to have multiple different applications for very similar funding opportunities. Confusion over where to search and apply for funding is also exacerbated when there is exclusion from networking opportunities that may explore such opportunities.

> *"There's less now, but there was lots of funding and lots of money out there for various things, but it's just, the landscape is so confusing and, you know, where do you look, you know, who do you talk to?"* **CITY ENTREPRENEUR**

Women entrepreneurs experience that investors are more difficult to secure in the north of England, making their sustainability in YNY difficult.

> *"Most of my business interests are in London especially when looking into finance, investors in the north are very risk adverse."*[21]

FINANCE

We asked women to reflect on finance as a key theme. Finance repeatedly presented itself as a challenge to women both in our prior qualitative data collection and in our survey results. The financial landscape, the opportunities and supports available, are in large part dependent on the local landscape.

Women in the workshop identified that they had no schooling on finance. They are uncertain on the different ways that one can receive funding or finance, what it entails and where to look.

This ties with applications. Applications can be lengthy processes that take up a lot of time that women entrepreneurs need to juggle with their

20 From survey for this research Q. Please select your level of agreement with the following statements: I spend too much time on admin work to source or identify financial support.

21 From survey for this research When thinking specifically about growth and scaling your business(es), what barriers, if any, have you experienced?

many competing demands. They can be time consuming, especially for those who do not have English as their first language or those who have dyslexia or similar processing difficulties. There is no clarity on what a strong application is.

When pursing finance from banks, there are several barriers identified. This is evident in difficulties in accessing match funding where there are difficulties in raising the amount of capital necessary to be able to access other funding opportunities. This is particularly difficult when there is a need to raise large amounts of money. Women ask sincere questions on where they are going to get this money from?

> *"But if you want something more, you have to raise some yourself. Now that's adding more stress to you."* **CITY ENTREPRENEUR**

Other barriers include the greater risks incurred by sole traders, the greater expense and the roller-coaster of paying loans back when income can be irregular. This research has demonstrated the abundance of sole traders and the primary use of personal funding to set up, sustain and grow businesses. This speaks to the commonality of such challenges to access finance/funding.

This has meant that many women entrepreneurs cannot aim high enough when looking to grow their business. There are also concerns that women do not focus on income generation, which interlinks and impacts many of the root causes of accessing finance/funding. Interviewees express some regret over not previously considering the impact that money and in understanding the importance of money to their business.

This also corresponds with the business stage of the entrepreneur. The research has previously demonstrated that aspirations for a business can fluctuate with the life stage of both the entrepreneur and business. When establishing a business, there may be a more immediate concern in securing work and in establishing themselves in the industry. This transition to financial awareness may come about for some after they have established themselves in their business. Indeed, this is reflective of findings from the research that demonstrate some women later increase their businesses prices once they have established their expertise and business identity.

> *"Had I been taught money is empowering and actually earn a lot, you can do a lot more with it."* **COASTAL ENTREPRENEUR**

> *"I do sit there with my accountant now and I have those conversations, but when I first started I didn't. I sat there and went, I need to try and get some jobs, I need to try and see what I can do. My reasons for doing it were not to make money."* **COASTAL ENTREPRENEUR**

Consequences are evident through personal stress. Lack of access to finance means that there are negative consequences for the individual's mental health. This manifests through sleepless nights and negative mindset. It also has monetary consequences where the women have smaller amounts of income and can come into difficulty with paying their bills, including mortgage repayments. Additionally, we see that a higher proportion of men who are self-employed (54%) compared to women who are self-employed (46%) succeeded in their mortgage application.[22] This all exists around a perception that women have lower success with money and profit.

COSTS AND PRICING

Pricing with a woman's lens

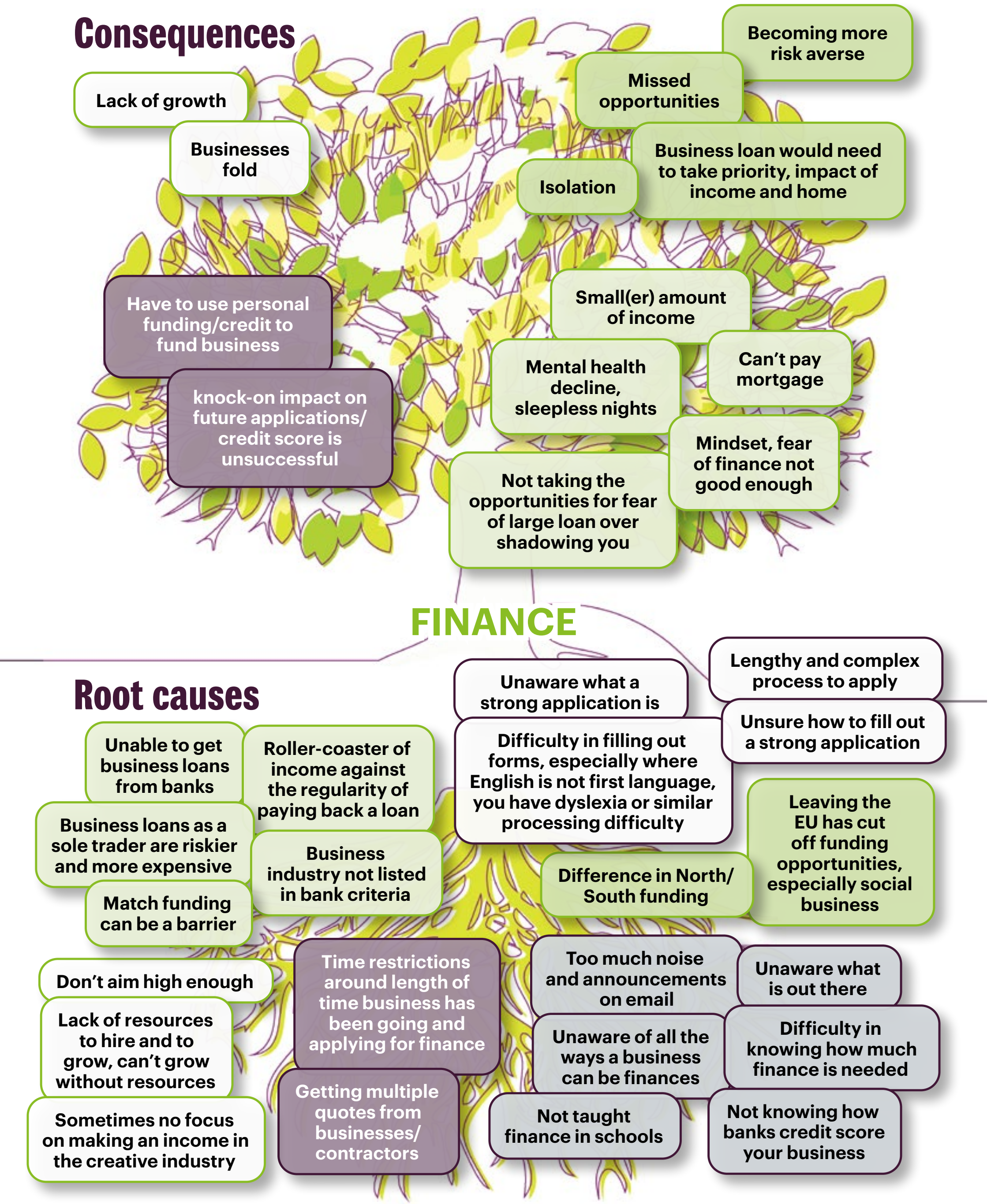
Pricing and pricing competitively are important in any business model. Businesses need money to grow and to support themselves and their owners. Compounded by the complexities of the market of YNY is the intersectionality of being a woman. Culture and perception of self play a determining role in the price that women put on their business and ultimately, themselves.

> *"It's really difficult to do that self-worth valuation, especially for us as women raised in a certain way, where we have certain opportunities and not all the other."* **CITY ENTREPRENEUR**

Many of the women interviewed wrestled over how much they should charge for their business services or products. Just over 1 in 4 (27%) surveyed have difficulty in costing their service or product.[23] This can leave women entrepreneurs disadvantaged when it comes to disparity in pricing relative to qualifications and value offered. Some women interviewed expresses an

22 IPSE, 'Women in Self-Employment', IPSE, accessed 21 May 2024, https://www.ipse.co.uk/policy/research/women-in-self-employment/women-in-self-employment.html.

23 From survey for this research. Q. Which challenges, if any, have you faced in your entrepreneurial journey?



> *"I would compare myself to other female coaches in my area and disregard the male ones because they did have in my mind different attributes. They had different networks, they had different clients, they were doing different work."* **CITY ENTREPRENEUR**

Women interviewed noted that the initial standard for pricing may be lower, leading to an undervaluation of the industry and of the services provided. There is a cyclical undervaluation effect that becomes perpetuated by the industry's norms and expectations. As a result, women working within this sector may struggle to get fair compensation and price accordingly for their services or product. It highlights the need to reassess and elevate prices to ensure that services are appropriately valued, and women receive fair recognition.

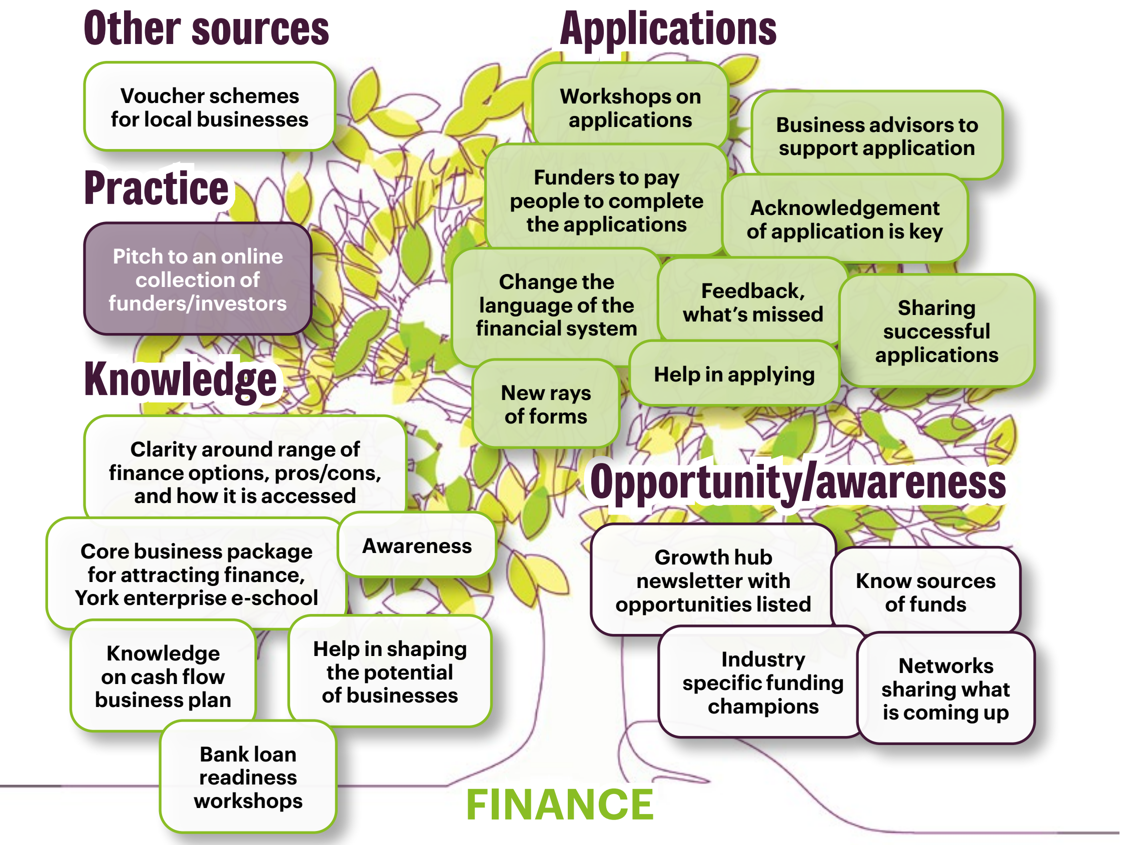
> *"I think it can also be tricky in more female-dominated industries because the bar is set very low to start with, and then that becomes the industry standard, but the industry standard is set at something that devalues the service."* **CITY ENTREPRENEUR**

This is contextualised in the gender pay gap disparity in self-employment, which is at 43%. Men charge an average £65 more than women per day.[24] Other research finds that wage equality has increased marginally for women globally. They earn 2% more on average than they did in 2021 while men earn 1.8% less.[25]

Work that involves emotions or is often associated with qualities traditionally perceived as feminine, such as caring responsibilities, tends to be labelled as "female." These so-called "soft skills" are seen as advantageous, yet historically, they have been regarded as uncompensated labour. This perception extends to businesses that prioritize these softer skills, which are typically found in industries dominated by women. The historical expectation of women providing free labour has led to resistance when these services are commercialised. Care-related services, often viewed as altruistic, are undervalued. Recognizing the economic value of care-related work is crucial. Without such recognition, those providing these services will struggle to sustain themselves financially, despite their significant contributions to their communities.

24 IPSE, 'Women in Self-Employment'

25 World Economic Forum, 'Here's What Women's Entrepreneurship Looks like around the World', 20 July 2022.



initial undervaluation due to the idea that their men counterparts have higher levels of expertise and connectivity.

> *"I think it's the imposter syndrome. I worry that I charge too much, but my partner always says that's way too cheap. For what I offer I am quite cheap compared to everyone else … The first trainer we had, he was really expensive and he doesn't even have any qualifications, whereas I've got specialist qualifications for stuff … He's probably £40 more expensive than me."* **RURAL ENTREPRENEUR**

There is a comparison of women and men coaches and the role that gender has on perceptions of expertise and worth. Women may solely compare themselves to other women within their sector, in doing so, devaluing women's work.

> *"I think as well, this whole thing of the types of services we're providing that are caring, kind, compassionate, nurturing, the voluntary sector tries to fill as many gaps as it can, so people are used to seeing it for zero or minimal cost."* **CITY ENTREPRENEUR**

Beyond the very real issue of self-worth, there is a greater question around sustainability. Where women devalue their own work and, in some cases, do not take a wage. This places extra financial pressure on themselves. Some of the women interviewed acknowledge that their ability to run a business as only feasible through the financial support of their family or spouses.

> *"We were going through getting her a home, and I said, 'Well, how much do you pay yourself out of... What is your hourly rate?' She said, 'I don't pay myself.' She hadn't even realised her own worth."* **RURAL ENTREPRENEUR**

Pricing in YNY

Many of the women interviewed discussed the difficulties of pricing their service or product accurately in the YNY landscape.

Disparity in the cost of services between entrepreneurs in London and those outside of London implies that where there may be an industry standard, this standard cannot be universally applied across different regions.

There is a perception that the higher charging rates in London are appropriate for the level of service provided, but this not necessarily in line with the qualifications or experience of the those who provide the same services in YNY. Our survey demonstrated that 50% of those surveyed have certified skills or formal qualifications. But women in YNY still feel that they cannot charge comparable to their southern counterparts, perhaps in a similar way that they feel they could not charge a similar or higher service fee compared to their men counterparts.

> *"There was kind of an industry standard, but it was quite old. And even when I started, it hadn't been updated for years ... it was quite London centric in that in a way you sort of ramped up the costs. You'd probably get away with that in London, but you wouldn't outside."*
> **CITY ENTREPRENEUR**

> *"But when she goes to London, they laugh at her because she charges the same amount, and they say to her, she goes into a big banking business and they say we would be charging you out for like 20 grand, and you're charging five."* **CITY ENTREPRENEUR**

Pricing in the YNY landscape is complicated due to a varied marketplace and the spending capacity of local residents and other businesses. Where many of the businesses around you also cater to the same marketplace, reflected in the price of the product or services, this continues to decrease pricing and value of the work that women do.

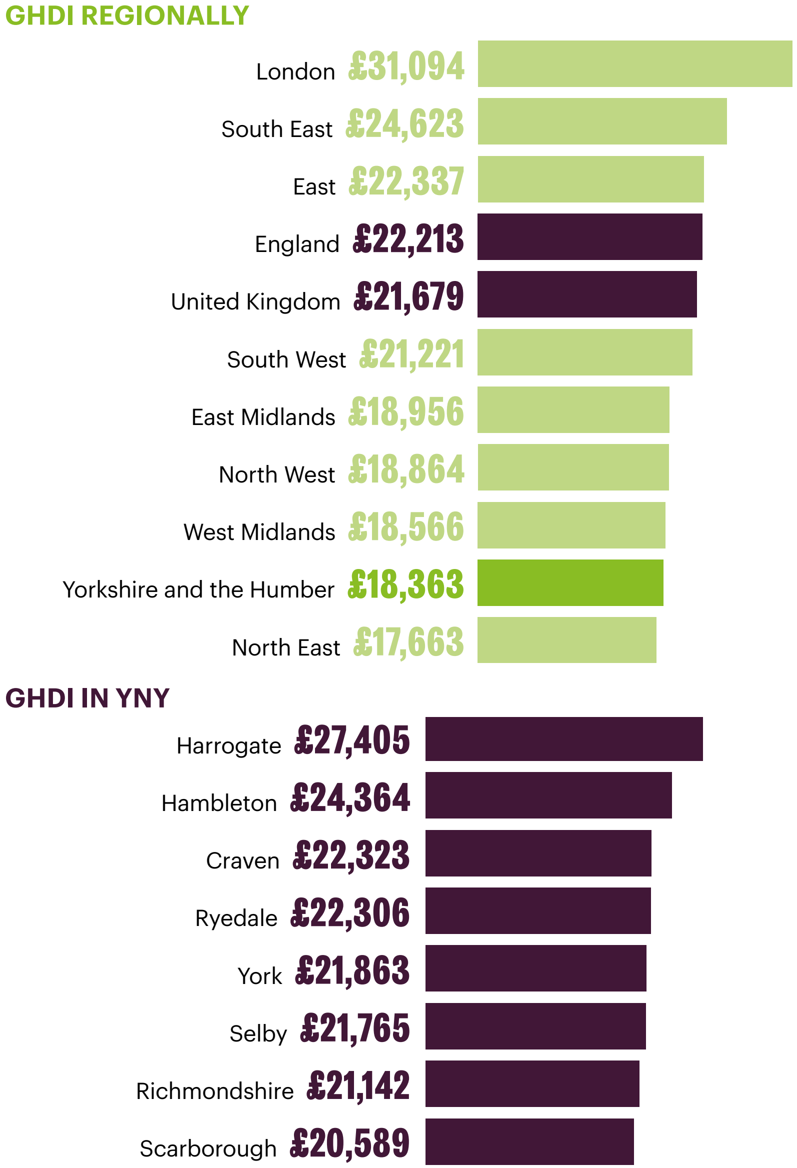
> *"You have to be networking ... around people who can afford your product. So there's a whole issue then, which comes to pricing."*
> **CITY ENTREPRENEUR**

There may be the obvious nod to consistent industry standards as a way to combat deflation of prices in areas such as YNY compared to the south of England, but where there are greater costs on products and services in London, this is, in part, reflective of a greater gross disposable household income (GDHI) in this area. Where the average household in London has £31,094 in GDHI, this is lower at £18,363 for Yorkshire and The Humber.[26] It is not realistic to simply raise all prices in YNY to that of their London counterparts to ensure that there is a consistent industry standard.

26 'Regional Gross Disposable Household Income: All ITL Level Regions – Office for National Statistics', accessed 21 May 2024.

RETHINKING BUSINESS SUPPORT FOR WOMEN ENTREPRENEURS: 3. Finance, Funding, Money

Figure 9: GDHI in UK and YNY
Source: ONS. (2023). Regional gross disposable household income Gross Disposable Household income
Source: ONS (2024). England's International Territorial level 1 (ITL1) regions



Breaking this down further to focus on YNY, we can see that there is a disparity within the YNY combined authority. While Harrogate has a GDHI of £27,405, the same figure is £20,589 for Scarborough.[27] This disparity can impact customer retention and acquisition in areas with lower levels of GDHI. We see a concerted need to address disparity of income in YNY which may manifest in additional supports for coastal and rural areas.

Concerns about the amount of disposable income that residents have are reflected in interviews with the women entrepreneurs. This comes through in concerns over increasing prices impacting existing customers and in difficulties acquiring new customers. 3 in 5 (61%) of those surveyed have concerns over finding new customers, while 1 in 5 (22%) have concerns over retaining customers.[28]

Interestingly, we did see that accessing customers or knowing where to look for customers is identified as a relatively greater challenge for our respondents from York and York Outer (29%) compared to their North Yorkshire counterparts (20%).[29] This may reflect a greater sense of community experienced in the North Yorkshire community consultations that may be lost in a city or other urban area.

There are further concerns that customer retention will be impacted if there are price increases on products or services that the entrepreneurs are providing.

> *I think I'm more concerned right now that people are broke. So I've been open five years, but I haven't put my prices up at all in five years. It's the same price as when I opened, but you think, well, people are struggling. If I put my prices up, am I going to lose clients, so you just keep them..."* **RURAL ENTREPRENEUR**

1 in 3 (33%) respondents from York and York Outer have identified costing as a challenge compared to 1 in 4 (25%) of those in North Yorkshire.

> *1:1 support defining my customer acquisition strategy ...[as]... Workshops etc are too general."*[30]

27 'England's International Territorial Level 1 (ITL1) Regions Granular Gross Disposable Household Income Estimates: 2002 to 2021 – Office for National Statistics', accessed 21 May 2024.

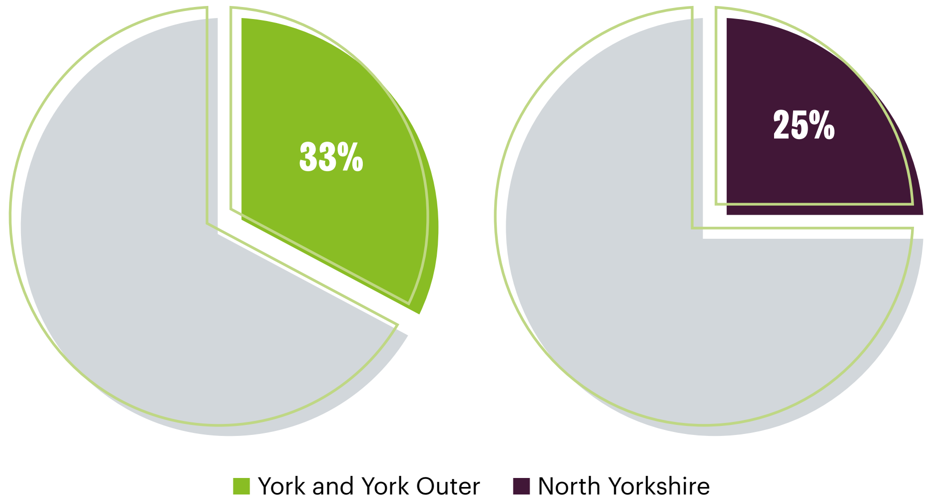
28 From survey for the research. Q. What, if any, are your biggest concerns?

29 From survey for the research. Q. Which challenges, if any, have you faced in your entrepreneurial journey? I did not have access to or know where to look for customers

30 From survey for this research. Q. When thinking specifically about growth and scaling your business(es), what barriers, if any, have you experienced?

Figure 10: Which challenges, if any, have you faced in your entrepreneurial journey? I had difficulty in costing my service/product

Source: *Survey conducted as part of this research*



However, increased costs are experienced for both customer and entrepreneur. Costs are identified as a key barrier to business growth and lack of finance or funding available adds further strain.

Costs associated with retail space is identified as a repeated barrier as "rent is too expensive"[31] and there is a lack of **"adequate and affordable venues"**.[32]

> *Finding a shop for retail is expensive so haven't been able to take that plunge."*[33]

This challenge reflects the YNY landscape in highlighting concerns on the lack of infrastructure available. Costs associated with the product or services themselves are rising, meaning that sustaining the business becomes difficult.

> *When you have to make the make the product, and with soaring costs it can be challenging."*[34]

31 From survey for this research When thinking specifically about growth and scaling your business(es), what barriers, if any, have you experienced?

32 ibid

33 ibid

34 ibid

Delivering the product or service is just one aspect of the business. Beyond raw materials and time, costs are experienced through other business activities such as marketing. To appeal to a wider customer base, there needs to be a significant pay-off when investing into the business that is not always possible in YNY when competing with larger businesses that have more capital to cut through online noise.

> *"Cost of advertising is prohibitive and does not always get me any leads."*[35]

> *"Too much competition from bigger businesses who have better links to public sector contracts and marketing budgets to reach new audiences."*[36]

Beyond the direct increase of costs on the business, there are also knock-on impacts for the local economy. Businesses are less able to pay employees as there is **"Not enough business to guarantee wages"**.[37] This leads to burn-out for business owners who are fulfilling many of the businesses' jobs that may otherwise have been outsourced and benefit the local economy.

> *"Work overload and lack of farm labour, being able to afford paying another full-time role."*[38]

The fluidity of supports available to entrepreneurs and changes experienced over the past number of years, particularly in the era of Covid, has meant that businesses have difficulties in adjusting, responding, and keeping up with change. Top-down requirements such as VAT and business rates and their changing nature has incurred difficulties for business owners.

With tight profit margins, hospitality, in particular, may find it difficult to pass on the full 20% VAT to customers through higher prices. Adding this VAT can make items like coffee uncompetitive and unaffordable. The industry is also labour-intensive with high employment costs. Generally, there are

35 ibid

36 ibid

37 ibid

38 ibid

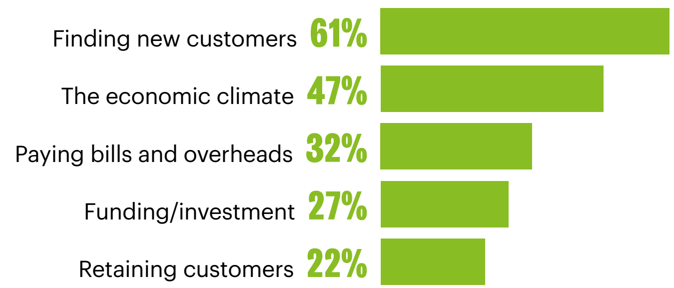
RETHINKING BUSINESS SUPPORT FOR WOMEN ENTREPRENEURS: 3. Finance, Funding, Money

also business rates applicable.[39] This difficulty in pricing is exacerbated by difficulties in responding to the cost-of-living (COL) crisis, inflation and Covid recovering amongst other challenges.

> *"There is a ceiling to how much we can charge for our products as people won't pay above a threshold for hospitality services but costs of supplies, staff, utilities etc keep growing and small businesses will fold if there isn't another aspect to the business that can withstand these issues. Business rates is an unfair tax for businesses that can only work from a premises and not a home or online as these businesses don't pay businesses rates. Also VAT does not work for hospitality industry as we can't claim hardly anything back but pay on pretty much everything but adding 20% to a coffee isn't always possible. VAT needs revising and the threshold massively increasing so that small businesses can reinvest in their businesses and teams."*[40]

Compounding challenges and the felt inability to increases costs has a knock-on effect on paying bills and overheads. 1 in 3 (32%) identify this as a concern for their business moving forward. Indeed, the top 5 concerns for businesses rest on financial viability, focusing on customers, the economic climate and covering costs.[41]

Figure 11: What, if any, are your biggest concerns?
Source: Survey conducted as part of this research



39 Business Rates', GOV.UK, accessed 21 May 2024.

40 From survey for this research. Q. When thinking specifically about growth and scaling your business(es), what barriers, if any, have you experienced?

41 From survey for this research. Q. What, if any, are your biggest concerns?

MOTIVATIONS AND MONEY

There is a growing recognition that prioritising financial success is valid. This recognition aligns with concerns that women may not sufficiently discuss or prioritise financial matters.

> *"I'm not motivated by money. That's a mistake that throughout my career."* **RURAL ENTREPRENEUR**

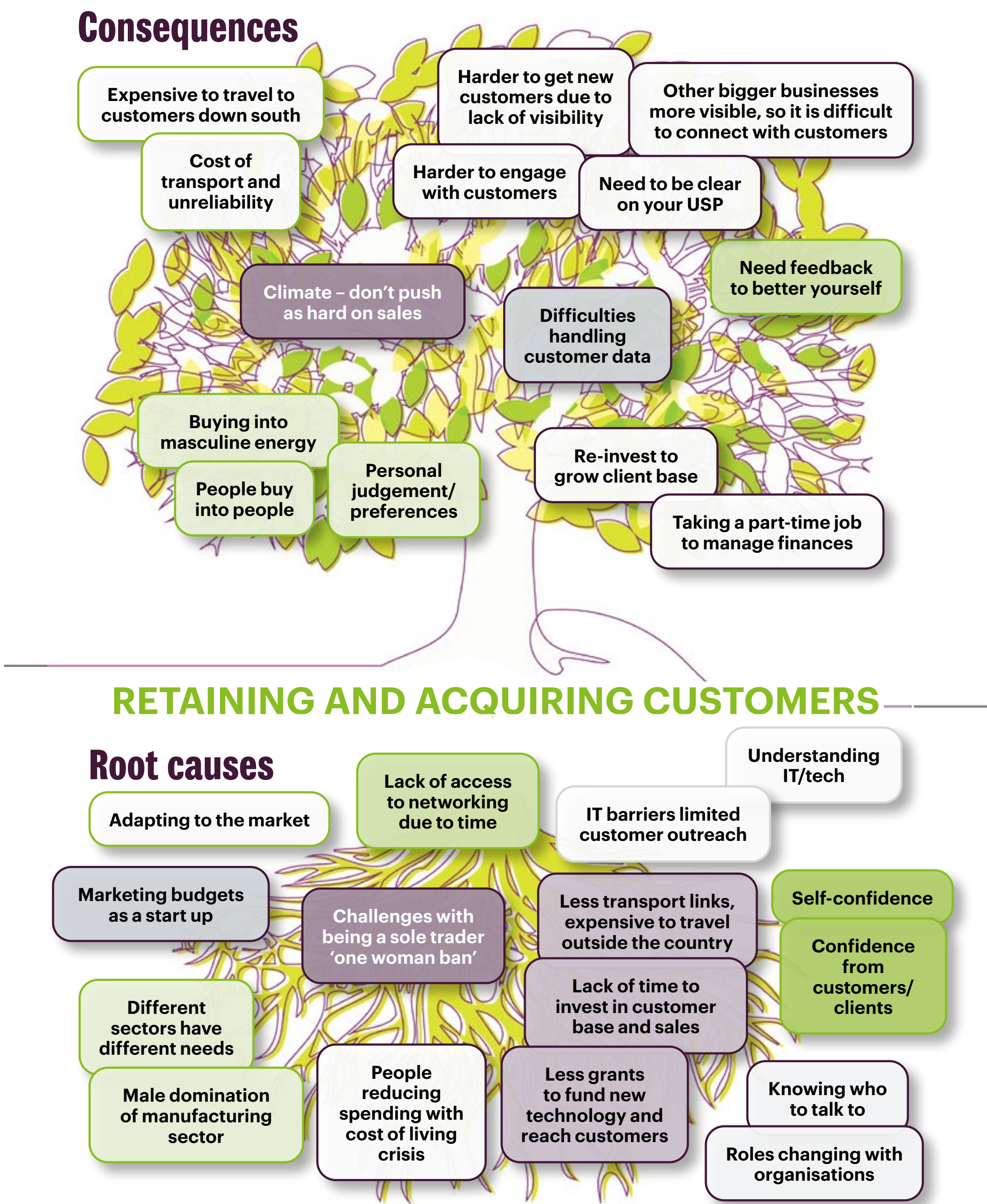
For many of the women interviewed, the motivation for having a business is not primarily driven by money. They derive satisfaction from doing what they love and are grateful to be in business. But this should not inhibit or limit their financial aspirations. Women do not need to be grateful to take on personal risk in pursuing their own business, but this aspiration for self-realisation and autonomy and the fortunate feeling to have this opportunity does present itself as a very valid and real lived experience amongst the women interviewed.

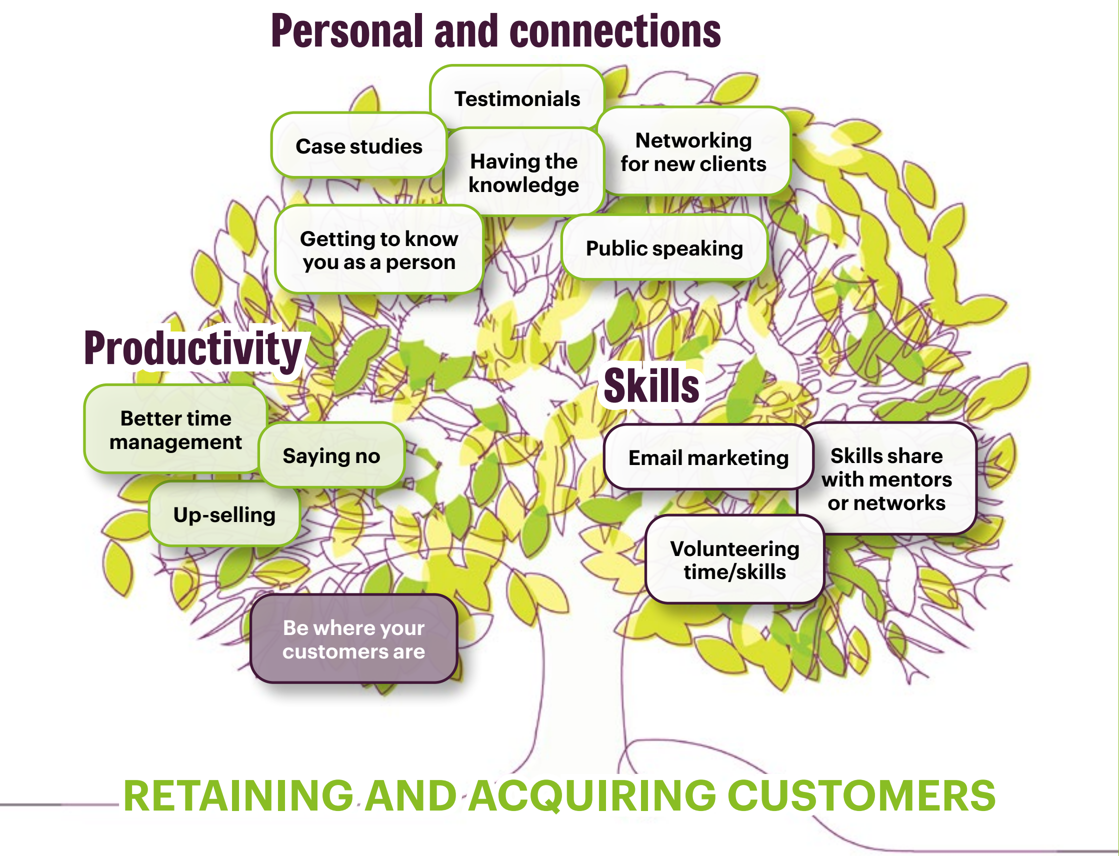
It has been demonstrated that men-led businesses are more motivated to build wealth or a high income profit generation compared to their women-led counterparts.[42] This raises questions on what success may look like for women-led businesses and how this can be achieved. Data from interviews suggests that many women are morally motivated, and success can be defined around progress or in working towards betterment in social enterprises. Other research has demonstrated that women are more likely to prioritise sustainability goals (e.g., net zero) over profit.[43]

It is important to point out that women who prioritise financial profitability do also derive personal satisfaction from their work but adopt a more strategic approach to profitability and value their time spent differently. This may be reflective of a variety of variables such as lack of other financial support, stage of the business cycle and life cycle.

There is a perception demonstrated in the below quote that the interviewee is distinct for aspiring to run a profitable business and prioritising the bottom line. The fact that the interviewee sees themselves as different, demonstrates an undercurrent that many women-led businesses are not strongly motivated by profit. It demonstrates how business profitability is frequently overshadowed or downplayed by other considerations, even

42 Global Entrepreneurship Monitor, 'GEM Global Entrepreneurship Monitor' (2023).
43 ibid





though every business needs money, at the very least, to sustain itself. It also speaks to the intrinsic value of their time and effort where their contributions should be compensated accordingly.

> *"I'm a bit different to everyone. I'm here because the bottom line to me is important… I don't do anything if I'm not making any money out of it, what's the point? I'm not stupid. Why should I do something for nothing?"* **RURAL ENTREPRENEUR**

Women entrepreneurs **"need money to live a bit like oxygen."** This stresses the importance in thinking about money from the start of the business or in encouraging a transition to thinking more concretely about profit, growth and in valuing time appropriately.

Research

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