



WOMEN'S
ENTERPRISE SCOTLAND

STUDY OF WOMEN IN ENTERPRISE

2025



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EXECUTIVE SUMMARY

This report analyses the current economic landscape and conditions facing women in enterprise in Scotland, proposing targeted recommendations to unlock meaningful change, advance women's entrepreneurship and deliver vital economic growth with social benefits.

Scotland's start-up landscape has seen increasing numbers of women choose business creation as a career option, and today more women are starting up businesses than men.¹ While this demonstrates positive progress, proportionately few women-led businesses are making it through the post-start-up phase to establish and grow. There is a high attrition rate after initial start-up. The number of women-led employer businesses is declining.² Tackling this declining trend and improving current outcomes for start-up businesses has the potential to unlock an estimated £17bn for the Scottish economy.

Challenges to business growth requiring attention include access to funding, a misalignment between mainstream mixed-sex business support and the needs of women-led businesses, access to digital technology support and access to mentoring and role models. Despite these conditions, Scotland's women-led businesses have growth aspirations for the future. Creating conditions more conducive to business growth and longevity would cultivate many benefits. From significant economic contributions to other important areas of Government priority, such as gender equality and sustainable growth, there is vast potential for positive change – but only once the mismatch between ambitions and actions is addressed.

This research is funded by the Scottish Government.

KEY FINDINGS

Current Context

- Women-led business start-ups now comprise 54% of all start-ups in Scotland (2025). However, the post-start-up pipeline has a high attrition rate of 61% (2023-24), and women-led employer businesses have dropped to 20% of all employer businesses. This declining trend in Scotland is at odds with the global increase in established women-led businesses.³

1 Women in Enterprise Cross-Party Group (26th February 2025) and Statistics provided by Business Gateway National Unit (March 2025)

2 Small Business Survey Scotland (2023 – 2024)

3 Global Economic Monitor Women's Report (2024)

- Business creation is an important work route for many women including those with a disability or health condition, particularly in cases where mainstream employment is no longer a viable option.
- The cost-of-business crisis continues to take a toll. 78% of women-led businesses say they have not been able to recover all their increased costs and 41% report being unable to recover any of the cost increases they have experienced. The sustained pressures on profitability have implications for ongoing business viability.
- Role models were identified as a source of inspiration, motivation and help when approaching challenges. 41% of respondents said they had a role model. Role models were also cited as a source of resilience - a critical factor given the challenges of the current business and economic landscape for women-led businesses.
- Optimism and ambition are evident, with 62% of respondents anticipating some turnover growth in the next twelve months. However, this remains substantially below previous studies, where 92% of respondents anticipated growth (over three years) in 2019, before the pandemic.
- One third of survey respondents regarded Scotland's policy environment as somewhat supportive, however 27% were uncertain. Areas for improvement included growth support, women-centric support, financial support, visible role models and a greater appreciation of how micro-businesses contribute to local economies.
- There is a lack of available gender-disaggregated data to measure the impact of policy and overall progress against stated Scottish Government objectives and commitments. Without comprehensive data, the ability to target investment in women's business support, assess return on investment and identify best practice is constrained.

Business Support Services

- 81% of women seeking business support would recommend business support services to others - up from 72% in the 2023 survey. There were, however, still some areas disconnected from user needs. The majority (58%) said mainstream mixed-sex business support did not meet their business requirements, up from 51% in 2023.
- Start-up support was expected by 27% of survey respondents, whereas just 17% said they received this support; post start-up, 27% expected support to establish/embed their business but only 10% reported receiving this support; 42% expected support to achieve their business aspirations but just 16% reported receiving this support. Similarly, support to grow and scale was expected by 47% but only 19% reported receiving this support.
- The need for specialist, women-centric support continues, with 64% stating a Women's Business Centre would help their business (up from 51% in 2019). A total of 71% of respondents said business advice and services specifically designed for women were necessary and they would use such services.

- The importance of tailoring specialist women-centric support to individuals was key. Many commented on the need for support services which reflected their experiences and intersecting identities with factors including rurality, race, health conditions, gender identity and age.
- While 36% of survey respondents said that support with developing and protecting their Intellectual Property (IP) rights could benefit their business, 38% said they had not been able to access IP support for their business, leaving a large potential source of business value untapped.

Financial Support and Investment

- Adequate business capitalisation for everyday operations and for growth was a notable challenge. The majority were using their own savings to capitalise their business, 32% were bootstrapping and 21% were using a credit card. Reflecting the structural inequalities in equity funding, just 2% reported accessing angel investment and a further 2% had accessed private equity or venture capital. Comments point to operating at the edge of financial viability with an increased vulnerability to any further economic pressures.

Technology and Environmental Factors

- While 78% confirmed investing in digital, technology and/or artificial intelligence would benefit their business, just 15% said they had been able to access this funding with 56% highlighting lack of awareness as the primary reason. 50% also reported requiring support to develop a digital, technology or artificial intelligence strategy, while 58% said they were unaware such support was available.
- Awareness and time to consider carbon capture emerged as issues for achieving net zero goals and a Just Transition. The majority said they had not accessed support to act on business emissions, 23% said this question was not applicable to them and only 2% had applied for net zero funding, a drop from the already low 4% highlighted in 2023.

Structural Inequalities and Discrimination

- The compounding economic conditions of austerity, COVID-19 and the cost-of-business crisis have disproportionately impacted women-led businesses. For example, the inequitable distribution of business relief funds.⁴ As a result, business financial resilience is reduced, and correction remains unaddressed. A lack of gender-disaggregated data means the threat of future inequitable treatment continues.
- Structural inequalities prevail in areas such as unpaid care, equity investment and grant funding, constraining business growth opportunities.

⁴ WES, mnAI. (Aug 2021). 3657 businesses across Scotland benefited from £145.3m of grants through these funds. Of these, 70% were identified as Ltd companies. The mnAI platform enabled gender analysis of those identified as Limited Companies.

- Experiences of discrimination have doubled since 2016, with 68% of those recently surveyed reporting they had experienced discrimination as a woman business owner from colleagues, suppliers, funders, clients and potential clients. Comments on not being taken seriously, patronised, and being devalued due to caring commitments were common, along with references to unwanted sexist comments and sexual advances.

Health and Wellbeing

- 74% of survey respondents said their level of stress had increased during their time as a business owner. Causes included funding challenges, responsibility for employees, societal pressure to raise a family and run a home in addition to pursuing business goals.

Pensions

- There is a concerning lack of pension provision for women business owners. 52% of respondents report they are currently making no pension provision, and 49% say they have made no pension provision during the running of their business. 55% also say they are using their own savings to fund their business. This depletion of personal finances increases the threat of pension poverty.

Examples of the International Landscape

- The United States (US), New Zealand and Canada were found to provide the best economies for fostering women's entrepreneurship. Between 2019 and 2023, women-owned businesses in the US grew to 39% of all businesses, increased revenue by \$579.6bn and added 1.4 million jobs to the economy. Achieving the same percentage of women-led businesses in Scotland as in the US would add £17bn to the economy every year, boosting productivity and tackling gender inequality.

RECOMMENDATIONS

1

Creating a More Sustainable Entrepreneurial Pipeline for Women

- Develop a comprehensive Women's Business Centre model: learn from the sustained economic growth achieved in nations such as the US and Canada.

Provide specialist, women-centric support from ideation to start-up and through to growth, reflecting the varying needs of different women.

Establish five Women's Business Centres across Scotland by 2028 with at least two outside the Central Belt⁵ all undertaking continuous evaluation, sharing best practice and feeding data to an autonomous women's organisation responsible for co-ordination, management, annual impact reports and the development of a financial strategy to build income for example from corporate partnerships, paid-for services, a membership model and local sponsorships/partnerships.

Recruit advisers with lived experience of business start-up and growth to provide individualised support and coaching, train and certify advisers in the provision of women-centric business support and operate a continuous professional development approach.

Supply multi-year funding for at least 10 years to enable a consistent, strategic approach to support delivery including development of impact measures such as attrition, longevity, profit, employment provision and community contribution.

Develop a collaborative approach working with specialist women-centric organisations and networks to deliver a blend of in-person and digital support programmes and events from the pre-start stage through to business growth, including programmes catering for cultural-specific needs reflecting local demographics and/or industries, to reduce high rates of post-start-up attrition, improve access to growth support, address the mismatch of mainstream mixed-sex support and increase business longevity and economic contribution.

Establish reciprocal links between the Women's Business Centres, economic development agencies and organisations providing mainstream mixed-sex business support services to ensure business resources are optimised and women-led businesses can access wider networks and opportunities. Build links with schools, colleges, and universities. Review progress in 2029 and set a five-year development plan from 2030 to 2035. Considering the Scottish Government £50m commitment to a Women's Business Centre, an initial 5-year budget of £32m to 2030 is recommended for this element of Women's Business Centre support.⁶ Further recommendations follow on the application

⁵ The area with the highest population density in Scotland, stretching from the Firth of Clyde in the West to the Firth of Forth in the East

⁶ Programme for Government (2021 – 2022)

of the total £50m commitment by 2030, including a recommended pledge of further strategic funding to be put in place until 2035.

- Support for women with a long-term health condition or disability: develop and launch a targeted programme providing women-centric business support, increasing business creation among women with health conditions or disabilities. Use digital channels to increase accessibility to support and resources. Aim to reach 100 women with a pilot programme by 2026, evaluate, apply learnings and embed the programme delivery across the five Women's Business Centres aiming to engage 1000 women by 2028.
- Implement structured mentorship and role model programmes: pair 300 women-led businesses with business owners and business leaders. Offer a choice of mentors trained in the provision of women-centric mentoring, check progress quarterly and evaluate annually. Engage 100 women-led businesses as role models, reflecting different business stages, sectors and locations to ensure relatability across the wide spectrum of women-led businesses and potential businesses in Scotland. Provide profiles of each role model and build awareness of the role models working with national and local media, event organisers and business support organisations. Set annual targets for awareness such as a media reach, representation at business events and representation at Women's Business Centre events and programmes. Through these mentorship and role model programmes increase resilience of women-led businesses and boost access to peer support.
- Address the high attrition rates of post-start-up women-led businesses in Scotland: implement all the recommendations in this report to improve outcomes for women creating their own businesses. Aim to reduce the post-start-up attrition rate from c60% currently to 45% by 2030 and to 30% by 2035.
- Set a national target for women-led business growth: Scotland should aim to double women-led employer businesses to 40% by 2035 through targeted policies and initiatives such as establishing Women's Business Centres, launching a dedicated fund for women-led businesses, providing accessible micro-grants and loans and increasing access to support with digital and intellectual property, and to mentors and role models.

2

Strengthening Financial Support and Investment Access

- Strengthen funding frameworks: conduct robust equality impact assessment on 100% of public funding programmes by June 2026 with quarterly progress reviews and published results to ensure proportionate and equitable funding distribution.
- Monitor equity investment schemes and launch a dedicated fund for women: launch a dedicated equity fund for majority women-led businesses by January 2026. Provide £10m for the fund with the aim of leveraging in a further £10m (for example via angels, venture capitalists and Scottish Co-Investment Fund) to give a £20m fund with a goal of supporting up to 50 women-led businesses in the first 24 months to tackle the serious inequalities in access to equity investment. Increase the amount of investment received by women-led businesses through a focus on published gender-disaggregated data and reporting.

- Increase diversity on investment committees: achieve a minimum 40% women representation on all public investment committees and on all investment committees of organisations in receipt of public funds by 2026 to strengthen access to diverse perspectives and equity investment.
- Provide investor and investee communication tools: provide women-led businesses and men and women investors with training on effective communication, including materials such as case studies and communication frameworks, for example the PAC model of Transactional Analysis. Measure pre and post training confidence levels, communication effectiveness ratings and stress ratings. Strengthen communication to increase productivity and return on investment, and to reduce the potential for miscommunication and stress. Encourage investor organisations to sign the Investing in Women Code and encourage more women to join women-centric and mixed sex business angel syndicates.⁷
- Provide education on the range of business capitalisation options: identify and communicate the relevant financial options and how they vary by factors such as business stage, industry, location, risk appetite and structural barriers to aid option selection, improve success rates, boost individual business growth, reducing pressure on personal savings. Aim to engage 200 businesses by 2026. Measure confidence to identify the optimal funding option pre and post training and monitor successful funding and business growth outcomes.
- Significantly increase accessible funding for women-led start-ups and growth-stage businesses: expand micro-grants such as the South of Scotland Enterprise start-up micro-grant⁸ and small loan schemes such as DSL Business Finance Start-up and Business Growth Loans⁹; pilot reward and donation crowdfunding and create 100 crowdfunding micro-grants of up to £5,000 each. Aim to provide a £2m fund with a mix of micro-grants, small loans and crowdfunding grants by 2026 running to 2030, ultimately improving financial resilience, growth prospects and business longevity, reducing pressure on personal savings.
- Develop more alternative finance mechanisms: promote social investment, revenue-based financing, specialist schemes such as Intellectual Property financing and community-backed funding to aid growth. Work with providers to run awareness campaigns targeted at women-led businesses.

3

Reforming Business Support Services

- Provide more needs-based support: adjust recruitment processes to focus on hiring business advisers with lived experience and provide specialist training to mainstream business support providers to improve

⁷ Investing in Women Code, Rose Review (2019)

⁸ South of Scotland Enterprise New Pilot (2024)

⁹ DSL Business Finance Start-up and Business Growth Loans

understanding of specific challenges faced by women-led businesses by December 2025.

- Increase support for mid-stage businesses: develop a joined-up pipeline of support between mainstream business support organisations and specialist women-centric support organisations providing growth programmes. Supply £500,000 funding to pilot a range of growth programmes delivered by specialist women-centric support organisations in collaboration with Women's Business Centres and provide a dedicated grant fund of £2m. This will address the "missing middle" – where businesses are too big for start-up support but too small for scale-up support and related funding.
- Improve accessibility of specialist women-centric business services: ensure Women's Business Centre support plans reach beyond the Central Belt¹⁰, providing nationwide coverage through digital and hybrid models. Build relationships between this specialist support model, associated women's organisations and mainstream mixed-sex business support providers.
- Expand enterprise education in schools, colleges, and universities: provide enterprise education in 75% of secondary schools including a women-centric module for girls by December 2027. Build relationships between local schools, colleges and universities and Women's Business Centres including access to a business creation programme for young women. Aim to engage 500 girls and young women in business creation through Women's Business Centres by December 2027, evaluate and apply learnings to programme delivery.
- Tackle perceptions of division from the provision of women-centric business support: increase awareness of the significant economic and social benefits from increasing economic contribution through women-centric business support.

4

Enhancing Social Support and Work-Life Balance

- Provide care support: introduce childcare and eldercare subsidies for caregiving women business owners.
- Offer retirement planning support: provide education on the importance of retirement planning and pension provision; implement automatic pension enrolment for the self-employed; provide accessible financial planning support for retirement including financial incentives for those making no pension provision; encourage the development of flexible retirement plans which reflect the unpredictability of entrepreneurial income. Address the threat of starting a business resulting in a loss of personal savings and inadequate pension provision in retirement. Start implementing this programme of actions by 2026 and aim to engage 2,000 women business owners in the first 12 months.

¹⁰ The area with the highest population density in Scotland, stretching from the Firth of Clyde in the West to the Firth of Forth in the East

- Offer flexible funding repayment options: structure loan repayments around business revenue cycles to reduce financial strain for women navigating caregiving and business demands. Pilot approaches with existing lenders such as DSL Business Finance.¹¹
- Promote wellbeing programmes for women business founders: address burnout and stress through peer mentoring, business coaching, and mental/physical health resources. Develop programmes as part of Women's Business Centre activities and aim to launch a digital programme by 2026 with in-person support following as Women's Business Centres open.
- Promote digital tools and training which aid productivity: increase awareness of digital resources that can help streamline tasks, providing more time to manage both personal and professional responsibilities. Work with existing digital support providers to engage women-led businesses and develop women-centric support through Women's Business Centre activities.

5

Integrating Health to Long-Term Business Sustainability Considerations

- Integrate wellbeing metrics into business support assessments: ensure that growth ambitions are balanced with personal and team wellbeing. Incorporate metrics such as stress ratings into 100% of Scottish Government funded business support programmes by 2026 and continue this approach through Women's Business Centre activities.
- Destigmatise burnout by integrating discussions about mental health into entrepreneurial support programs. Incorporate this approach into 100% of Scottish Government funded business support programmes by 2026 and continue through Women's Business Centre activities.
- Redefine success beyond financial metrics: challenge the notion that entrepreneurial success requires constant growth. Update support programmes and digital content by 2026 to promote sustainable models that prioritise long-term resilience and employee wellbeing, highlighting case studies and linking to tools such as those provided by Business in the Community.¹²

6

Boosting Digital and Net Zero Adoption for Women-Led Businesses

- Increase awareness of digital and artificial intelligence funding: develop outreach programmes working with specialist women-centric organisations to target women-led businesses and improve the application process by 2026. Build reciprocal relationships between funder organisations and Women's Business Centres going forward.
- Bespoke digital literacy programme: develop specialist targeted digital literacy and strategy development training which meet the needs of women-led businesses to bridge the gap between perception and

¹¹ DSL Business Finance

¹² Business in the Community: Health and Wellbeing

practical application. Aim to engage 200 women-led businesses by 2026 and continue this work through Women's Business Centres as they open.

- Enhance support for net zero business transitions: promote sustainability funding using targeted incentives and raise awareness through communication channels direct to women-led businesses. Aim to achieve 20% of funding to go to women-led businesses by 2027 increasing to 50% by 2030. Provide specialist needs-based training to encourage adoption, working with climate organisations and government and building reciprocal relationships as Women's Business Centres open.

7

Addressing Structural Inequalities and Discrimination

- Mandate gender-disaggregated data collection for 100% of publicly funded business grants and investment: improve transparency in general funding allocation by government through mandatory equality impact assessment and gender-disaggregated data collection, by December 2025 ensuring fair access to resources.
- Improve access to investment: set clear gender balance outcomes for all equity investment funding. Train investors and funders to address gender bias in decision-making. Implement this approach by 2026 and monitor outcomes from post-training funding decisions.
- Tackle discrimination in business: establish a business discrimination reporting mechanism accessible to women-led businesses with quarterly analysis of cases and outcomes. Apply data insights to inform future policy development, as required. Set clear guidelines on behavioural expectations and spread awareness through mainstream mixed-sex business support agencies and government funded business support organisations. Implement these measures by December 2025.
- Improve understanding of the benefits of women's participation in enterprise: demonstrate that increased participation is not a zero-sum game and does not disadvantage men. Highlight economic uplift opportunities that provide widespread benefits.
- Enhance policy development: recruit women with lived experience of starting and scaling a business in Scotland to policy roles.

8

Undertaking Further Research

- Expand research on women's post-start-up business experiences in Scotland: conduct trend analysis to investigate the experiences of businesses which have not made it through to the post-start-up phase of business, to enhance the evidence base for policymakers.
- Improve understanding of how health and wellbeing interact with business ownership: undertake research to inform the development of policies which tackle wellbeing at the point of impact, minimise adverse mental and physical health outcomes and boost business sustainability and growth.
- Update research on the economic contribution of women-led

businesses: existing research was undertaken in 2018. Update analysis of monetary contribution, the provision of employment, the economic impact from greater innovation (as more women-led businesses provide greater diversity of thought to unlock radical innovation¹³) to improve the evidence base and to benchmark against other industry and sociodemographic economic contributions.

- Expand gender-disaggregated data: expand the provision of gender-disaggregated data on women's business experiences including longitudinal data on the rates of sole trader (non-employed) women-led businesses in Scotland; the application rates for publicly provided funding such as grants and investment and loan funds and the relevant success rates; the usage rates for all government funded business services including economic development agencies, and specialist support such as digital and net zero and industry-specific support.

13 Cristina Díaz-García, Angela González-Moreno, Francisco Jose Sáez-Martínez. Gender diversity within R&D teams: Its impact on radicalness of innovation. *Innovation: Management, Policy & Practice*, 2013; 15 (2): 149 DOI: 10.5172/impp.2013.15.2.149

AIMS OF THE STUDY

This study was funded by the Scottish Government and seeks to understand how conditions in Scotland are affecting the prospects of women-led businesses.

It considers the social, economic, business and policy conditions in Scotland against international comparators. It also examines the business support landscape, the models enabling women-led businesses to develop beyond start-up and the major constraints that women face. The study provides a practical resource for policymakers and the wider business support landscape to close the ongoing gender gap in enterprise participation.

METHODOLOGY

The research employed a mixed-methods approach, integrating desk research, survey research, individual interviews and a focus group to gather comprehensive insights.

An online survey of women in enterprise was conducted between January and March 2025, distributed through multiple channels to reach different groups of women-led businesses. For example, those at different business stages, operating in different industries, based in different locations and with founders from different backgrounds and ethnicities. This approach ensured inclusivity and representation across the survey sample, with an overall 268 participants providing both quantitative and qualitative data.

In addition, 10 individual interviews were held to provide deeper insights into personal experiences, perceptions, and motivations. A focus group with five women business owners was also held to explore collective experiences of health and wellbeing, bringing the total number of participants in this study to 283. The women involved in the qualitative research were selected to represent the diverse characteristics of women entrepreneurs, considering factors such as sector, business age, location, stage of business, entrepreneur age and ethnicity.

Through desk research, evidence from over 40 other studies is used to provide comparison, context, and deeper understanding of the survey, interview and focus group data from this research. The desk research includes longitudinal business data, but it should be noted that its scope is limited, reflecting the lack of comprehensive gender-disaggregated data available. Academics and experts from different communities have worked together on this study, offering diverse perspectives to enhance analysis, reporting, and recommendations.

This report is targeted towards policymakers, academics, educators, and business professionals to serve as a crucial resource for understanding the conditions for women-led businesses in Scotland. The research findings and recommendations will inform policy action to advance the aspirations of women-led businesses, ensuring they fully unlock their rightful contribution to economic growth and shared prosperity across Scotland.

DESK RESEARCH

BACKGROUND

Global Insights

Globally, there has been a marked uplift in women's entrepreneurial activity over the past couple of decades. Start-up trends for women from 2001-2023 showed an increase in women's start-up activity from 6.1% to 10.4% on average. Established businesses owned by women also increased from 4.2% to 5.9% during this period, and although this increase was more modest than the start-up rates, the trend indicates a global improvement in women's business sustainability.¹⁴

The US, New Zealand and Canada have been found to provide the best environments for fostering women's entrepreneurship. Specific attributes of those environments include a high quality of governance, positive cultural and social attitude, and vibrant entrepreneurial dynamism.¹⁵

Occupying the top place on the list, the US has a framework for women's entrepreneurship which has remained broadly stable through successive governments. Identified attributes were strong, supportive conditions such as the availability of both venture capital and SME operational financing.¹⁶ The UK makes the list at ninth place, although the gap is widening between the percentage of women-led businesses in the US and the UK.

UK Insights

A decreasing trend is evidenced for women-led businesses in the UK. Data shows a growing gap between the percentages of established male-led businesses and established women-led businesses. The data indicates UK women-led businesses may have a lower transition rate from early-stage entrepreneurial activity to established business ownership in comparison to men.¹⁷ The longitudinal UK Small Business Survey reveals a marked drop in the percentage of women-led employer businesses, down from 19% in 2021 to 15% in 2023.¹⁸

Scotland Insights

In Scotland, data points to a similar trend of lower sustainability rates for women-led businesses compared to male-led businesses. Business Gateway data reveals women-led business start-ups attained more than parity, forming 54% of start-ups in 2024 – 2025: a notable achievement.¹⁹

14 Global Economic Monitor Women's Report (2024)

15 The Mastercard Index of Women Entrepreneurs (2022)

16 Ibid

17 Global Entrepreneurship Monitor Report (2023)

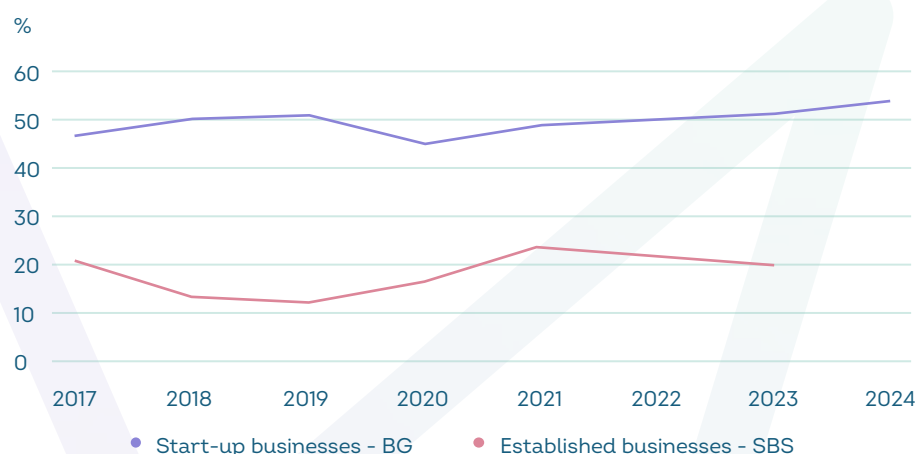
18 Small Business Survey: SME Employers, UK Government (2023)

19 Women in Enterprise Cross-Party Group (26th February 2025) and Statistics provided by Business Gateway National Unit (March 2025)

The Global Entrepreneurship Monitor data for Scotland released in 2024, also shows female total early-stage economic activity increasing to a record level of 8.6% and very close to the male rate of 9.8%. While there is a positive trend of increasing early-stage business activity, it contrasts with the declining trend among already established women-led businesses.

In Scotland, Small Business Survey data demonstrate the percentage of women-led employer businesses fell from 23% in 2021 to 22% in 2022 and to 20% in 2023 - 2024 (latest available data).²⁰ The 2025 Gender Index found women-led companies with more than ten employees dropped from 7.4% of all companies with more than ten employees in 2023 to 4.5% in 2024.²¹ The declining trend of established (employer) women-led business in Scotland is at odds with years of start-up businesses being around and even above parity.

Start-ups vs established businesses: the leaky pipeline



Understanding the factors driving this continued disconnect is key to improving outcomes for women-led start-up businesses including unlocking growth potential and boosting their future sustainability rates.

Policy Development in Scotland

The history of women's entrepreneurship policy in Scotland provides important insights. One study analysed women's enterprise policies and initiatives developed during the 1990s to respond to low rates of women's business start-up and growth. The findings identified policy implementation was piecemeal and small scale, and the most significant initiative was the creation of a women's enterprise centre in Glasgow in 1996.²²

²⁰ Small Business Surveys Scotland (2021), (2022 - 2023), (2023 - 2024)

²¹ Gender Index, mnAI (2025)

²² Forsyth, F. (2000). Women's Enterprise and Business Development Lessons from targeted women's programmes in Glasgow. Local Economy, 15(1), 18-31.

This centre was the first of its kind in Scotland (and possibly the UK). It pioneered a number of innovative programmes, including a peer micro-credit model and provision of incubation units for women-led businesses. Despite support from the UK government (through Minister for Women, Baroness Jay) and the Scottish Executive, there was a reluctance to provide ongoing funding or support for a women's enterprise centre. The centre closed in 2002 and services for women were then delivered by mainstream business support agencies.²³

Many research studies have contributed to the evidence base on women's entrepreneurship policy in Scotland over the years.^{24 25 26} It is striking that gaps identified over 20 years ago - such as growth support, access to micro-grants and access to investment - continue to be identified as key gap areas today.^{27 28} Successive governments have committed to inclusive growth and women's entrepreneurship,^{29 30 31} notably since the launch of the Scottish Framework and Action Plan for Women in Enterprise in 2014.

These commitments have led to a range of Scottish Government-supported activities over the years, for example most recently in response to the Pathways Report³² with up to £2.6m released for support in 2024 to 2025³³ and at least £4m pledged for support in 2025 to 2026.³⁴ This support is based on a single-year funding model, a strategic multi-year model, such as that used for the £42m Techscaler programme³⁵, has not been activated to date.

Important policy insight is also evident in perceptions of the framework of support available to women entrepreneurs in practice across Scotland. Research indicates that support areas such as gender equality in access to markets, public procurement opportunities and financing were rated at just over 5 out of 10 for women entrepreneurs - a similar rate to entrepreneurs as a whole group. However, other support areas including enabling conditions for women entrepreneurs (such as, child-care, home services, after-school programs, care for the elderly) and a national culture that encourages women as equally as men to pursue entrepreneurship, were rated below 3 out of 10.³⁶

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- 23 National Centre for Women's Enterprise, Paisley University (2004)
 - 24 Unequal Entrepreneurs: Why female enterprise is an uphill business, Shaw, E., Carter, S. and Brierton, J. (2001)
 - 25 Strategic Framework and Action Plan on Women's Enterprise, Scottish Government and Women's Enterprise Scotland (2014),
 - 26 Women in Enterprise Report, Business Gateway, CoSLA, Highlands and Islands Enterprise, Scottish Enterprise and Women's Enterprise Scotland (2017)
 - 27 Pathways: A New Approach For Women In Entrepreneurship, Ana Stewart and Mark Logan (2023)
 - 28 Survey of Women in Enterprise, Women's Enterprise Scotland (2023)
 - 29 Programme for Government (2014 - 2015)
 - 30 Programme for Government (2017 - 2018)
 - 31 Programme for Government (2023 - 2024)
 - 32 Pathways: A New Approach For Women In Entrepreneurship, Ana Stewart and Mark Logan (2023)
 - 33 www.gov.scot/news/unlocking-fresh-business-talent
 - 34 www.gov.scot/news/unleashing-start-up-talent
 - 35 www.gov.scot/news/success-for-startups
 - 36 Global Entrepreneurship Monitor Scotland Report (2024)

Benchmarking and measurement are key to achieving change, and clarity of understanding has been found to be a critical element of goal setting.³⁷ International models, such as the US model, assists policymakers by providing successful frameworks to benchmark Scotland's progress against. The focus of policymakers is integral to progress and to realising stated Government commitments for women entrepreneurs across Scotland, such as addressing the gender gap in entrepreneurship,³⁸ making it easier for women to start and scale businesses,³⁹ and progressing the Government's commitment to a Women's Business Centre model.⁴⁰

37 Business Goal Setting, JS Callandar (2020)

38 Programme for Government (2017 – 2018)

39 Programme for Government (2023 – 2024)

40 Programme for Government (2021 – 2022) Budget Briefing, Scottish Women's Budget Group (2023)

ECONOMIC AND SOCIETAL CONDITIONS

This section examines the economic and societal conditions for women-led businesses in Scotland. Research findings are presented in the subsequent sections of the report.

To gain a deeper understanding of the operating context for women-led businesses, evidence from other studies has been reviewed. This evidence includes longitudinal business data but it should be noted that its scope is limited, reflecting the lack of comprehensive gender-disaggregated data available.

Key Issue	Key Findings
Economic Conditions	Women-led businesses faced heightened challenges due to austerity, COVID-19, and the cost-of-business crisis.
Business Size & Capital	Women-led businesses are 44% smaller than male-led businesses and start with 53% less capital.
COVID-19 Impact	77% of women found managing a business stressful during COVID-19 compared to 55% of men.
COVID-19 Business Relief Funds	Only 13.3% of successful grant applicants were women-led businesses, receiving just 10.6% of funds despite making up 15.4% of businesses.
Self-Employed Income Support	Only 60% of eligible women claimed SEISS support, compared to 68% of men; women also received lower payments (£2,200 vs. £3,100).
Cost-of-Business Crisis	95% of women-led businesses experienced rising costs; only 2% recovered cost increases from revenue.
Funding Inequality	Women-led businesses start with less capital and receive less investment, impacting resilience and sustainability.
Unpaid Care Responsibilities	Women were twice as likely as men to take unpaid leave due to childcare, and 71% of female unpaid carers provided over 35 hours per week.
Discrimination Trends	Discrimination reports among women business owners rose from 34% in 2016 to 66% in 2023.
Women-Led Business Attrition	54% of start-ups are women-led, but the attrition rate is high; only 20% of employer businesses are women-led.
Data and Measurement	There is a lack of gender-disaggregated data which constrains policy impact and return on investments made.

Impact of Global Pandemic

Economic conditions triggered by austerity, COVID-19 and the cost-of-business crisis have been challenging for many, with women-led businesses experiencing heightened challenges compared to their male peers. Studies conclude that austerity measures impacted women more significantly than men between 2010 and 2018, have had longer term effects and have deepened inequalities experienced across society.^{41 42}

On average, women-led businesses are 44% of the size of male-led businesses and start-up with 53% less capital than men.⁴³ As they aspire to grow, many have limited resources and a greater vulnerability to economic crises. Furthermore, COVID-19 exposed and exacerbated existing disparities and structural inequalities. Women were more likely to spend less time working from home, and more time on unpaid household work and childcare.⁴⁴

In fact, studies found a dramatic increase in unpaid caring work.⁴⁵ Women were twice as likely as men to take unpaid leave due to school closures, or to have had to self-isolate with children.⁴⁶ The demands of sustaining a business through a pandemic and managing limited business resources (including time and being a care-giver) do not create a conducive environment for business operations. Potential health impacts were clear, with 77% per cent of women reporting they found it stressful managing a business during COVID-19 compared to 55% of men.⁴⁷

The provision of business relief grants was a key component of Scottish and UK Government COVID-19 business support frameworks. Business relief funds were targeted to sectors assessed as requiring dedicated support interventions, including tourism and hospitality. No business relief grants were targeted at women-led businesses, despite the acknowledged disproportionately adverse impacts of previous crises on women.⁴⁸ According to research on the experiences of women-led businesses during COVID-19, 43% said they did not meet the criteria for available grant funding and 94% said they were unaware of the competitive Pivotal Enterprise Relief Fund.⁴⁹

Analysis of two COVID-19 business relief funds - the Pivotal Enterprise Relief Fund and the Creative, Tourism & Hospitality Enterprises Hardship Fund - found women-led companies made up just 13.3% of successful applications,

41 Budget Briefing, Scottish Women's Budget Group (2023)

42 Statement on Visit to the United Kingdom, by Professor Philip Alston, United Nations Special Rapporteur on Extreme Poverty and Human Rights, Office of the United Nations High Commissioner for Human Rights (2018)

43 The Alison Rose Review of Female Entrepreneurship (2019)

44 Coronavirus (COVID-19) and the different effects on men and women in the UK, Office for National Statistics (March 2020 to February 2021)

45 The COVID-19 pandemic has increased the care burden of women and families, R Power (2020)

46 Women's Budget Group (2021)

47 The Alison Rose Review of Female Entrepreneurship (2021)

48 Austerity Hits Women Harder, Women's Budget Group (2018)

49 Survey of Women in Enterprise, Women's Enterprise Scotland (2023)

receiving only 10.6% of the total grant funds dispersed.⁵⁰ As women-led companies comprised 15.4% of all companies in Scotland at the time,⁵¹ the disbursement of 10.6% of grant funds is disproportionately low.

Similar findings apply to self-employed women. Studies show that fewer eligible women than men made a Self-Employed Income Support Scheme (SEISS) claim: just 60% of women claimed versus 68% of men. Women also claimed smaller amounts, at an average of £2,200 compared with £3,100 for men.⁵² While Scottish Government research identified the opportunity to address inequalities in the wake of the pandemic,⁵³ no corrective action on business relief funding was directed towards women-led businesses, and the funding inequalities evidenced remain unaddressed.

Cost-of-Living and Business Crisis

In the same way as studies highlight that cost-of-living crisis risks exacerbating issues such as economic inequality, child poverty, domestic abuse, and health inequality,⁵⁴ the cost-of-business crisis risks entrenching existing inequalities for women-led businesses. Years of gender-based inequalities during austerity and COVID-19 have been followed by the cost-of-business crisis, compounding the impact on financial resilience. The impact of the cost-of-business crisis is widespread, with just a small minority (5%) of women-led businesses saying they had not experienced any rising costs. Even less (2%) said they had fully recovered the cost increases from their revenues.⁵⁵ As businesses which start with less capital⁵⁶ and receive less investment than their male counterparts,⁵⁷ an erosion to existing sales margins is a serious threat to business resilience and sustainability.

Unpaid Care

The economic issues faced by women-led businesses such as inequitable access to funding and an erosion of margin achieved on sales are compounded by societal conditions. Women continue to be the majority of those providing unpaid care for people unable to access formal care services.⁵⁸

A recent study found 71% of female unpaid carers are caring for more than 35 hours each week. The circumstances surrounding the delivery of unpaid care were stark with 29% struggling to make ends meet, 55% saying their physical health had suffered and 81% saying they felt stressed or anxious.

50 WES, mnAI. (Aug 2021). 3657 businesses across Scotland benefited from £145.3m of grants through these funds. Of these, 70% were identified as Ltd companies. The mnAI platform enabled gender analysis of those identified as Limited Companies.

51 The Gender Index, mnAI (2022)

52 Gender Differences in Access to Coronavirus Government Support, Women's Budget Group (2021)

53 The Impacts of COVID-19 on Equality in Scotland, Scottish Government (2020)

54 The Impact of the Cost of Living on Gender Equality, Royal Society of Edinburgh (2023)

55 Survey of Women in Enterprise, Women's Enterprise Scotland (2023)

56 The Alison Rose Review of Female Entrepreneurship (2021)

57 Equity Tracker Report, British Business Bank (2023)

58 Eight Steps Towards Women's Equality in Scotland, Engender (2024) A Childcare System For All, Close The Gap (2023)

Women undertake the bulk of unpaid childcare, and this unfair distribution is a key cause of the gender pay gap.⁵⁹

COVID-19 exacerbated caring inequalities, with evidence showing that women with caring roles reduced their paid working hours substantially and by more than their male counterparts.⁶⁰ During the pandemic, women-led businesses reported a lack of awareness of business relief funds and cited concerns about achieving repayment in the context of available debt funding.⁶¹ The combination of economic conditions disproportionately disadvantaging women-led businesses, plus ongoing societal conditions for women as the majority of unpaid care givers, creates deep-rooted structural barriers to women's business growth and scale-up.

Inequality and Discrimination

Given the landscape in which women are running their businesses, it is unsurprising that reports of discrimination have risen sharply in recent years. In 2016 it was revealed that one third (34%) of women had experienced discrimination as a business owner.⁶² In 2017, another study found 46% of women business owners had experienced discrimination⁶³ and in 2023, 66% of women business owners reported experiencing discrimination.⁶⁴

Such a significant increase in experiences of discrimination may not be due to a rise in discriminatory practices alone, but due to a wider awareness of discriminatory behaviours. For example, details of discrimination and harassment have been revealed by the "Me Too" movement and other media coverage, and there has been regular media reporting on continued gender-based business funding inequalities.⁶⁵

Women and Men

Studies continue to highlight the importance of engaging men in tackling gender-based inequalities and busting the myth that advancing gender equality is a zero-sum game, where advances by one gender are directly at the expense of the other.⁶⁶ Research continues to evidence that progressing gender equality benefits everyone⁶⁷ and increasing awareness can help remove unnecessary division. Framing benefits in terms of economic gain is recommended as a key strategy to highlight improving gender equality benefits all.⁶⁸ As economies grow, so do the benefits for society as a whole.

59 Women and Unpaid Care in Scotland, Carers Scotland (2024)

60 A Childcare System For All, Close The Gap (2023)

61 Survey of Women in Enterprise, Women's Enterprise Scotland (2023)

62 Women in Enterprise: the Untapped Potential, Federation of Small Businesses (2016)

63 Survey of Women Business Owners, Women's Enterprise Scotland (2017)

64 Survey of Women in Enterprise, Women's Enterprise Scotland (2023)

65 Female-led start-ups are increasingly starved of funding, Financial Times (March 2025); Good intentions are no help to women in business, The Sunday Times (February 2025)

66 Smith SG, Sinkford JC. Gender equality in the 21st century: Overcoming barriers to women's leadership in global health. J Dent Educ. 2022; 86: 1144-1173.

67 Allotey P, Remme M. Gender equality should not be about competing vulnerabilities (2020)

68 Gender Equality is Not Zero-Sum, Harvard Business Review (2020)

Attrition (Despite High Start-up Rates)

Overall, while increasing numbers of women are choosing to start a business, this increase in early-stage activity is not translating into an uplift in the longevity of established women-led businesses. Women-led businesses comprise 54% of start-ups currently,⁶⁹ but there is a high rate of attrition. In fact, women-led employer businesses dropped to 20% of all women-led employer businesses in 2023 – 2024 (latest available data).⁷⁰ In addition, women-led companies employing more than ten employees dropped to just 4.5% of all companies employing more than ten employees in 2024.⁷¹ Conditions for women-led businesses remain highly challenging. Many have not received a proportionate share of COVID-19 business relief funds, further weakening an already low capitalisation base, and there has been no targeted correction.

The cost-of-business crisis has served to further weaken financial resilience and the demands from unpaid caring commitments continue apace. These collective conditions of mounting pressures create an environment where economic growth is difficult to unlock. Against a backdrop of increasing constraints, it is unsurprising that attrition rates are increasing. More and more women are finding the positive achievement and momentum from starting up their own businesses deteriorating on the post-start-up phase of their journey. The detailed findings from this report are presented below to aid insight on the cause and effect of such experiences, along with recommendations to tackle the increasing gender gap in continued enterprise participation.

Data and Measurement

Since 2017, the Strategic Framework on Women in Enterprise and other studies⁷² have underscored the critical importance of data and measurement in improving policy outcomes for women-led businesses.⁷³ Eight years on there is modest improvement in the availability of gender-disaggregated data in the longitudinal Small Business Survey,⁷⁴ but wider gender-disaggregated data is not routinely provided and intersectional data remains mostly aspirational.

The lack of a data dashboard means policymakers are less informed on how or if goals are being achieved, potentially constraining return on investment. In addition, without gender-disaggregated data, women-led businesses are at risk of disadvantage, for example by the very financial strategies designed to support businesses at times of economic crisis or hardship, as evidenced earlier in this report from experiences accessing grant funding during COVID-19.

69 Women in Enterprise Cross-Party Group (26th February 2025) and Statistics provided by Business Gateway National Unit (March 2025)

70 Small Business Survey Scotland, Scottish Government (2023 – 2024)

71 Gender Index, mnAI (2025)

72 Pathways: A New Approach For Women In Entrepreneurship, Ana Stewart and Mark Logan (2023)

73 Scottish Framework and Action Plan for Women in Enterprise, Scottish Government and Women's Enterprise Scotland (2017)

74 Small Business Survey Scotland, Scottish Government (2023 – 2024) Big Small Business Survey, Federation of Small Businesses (2023)

RESEARCH FINDINGS

BUSINESS LANDSCAPE

The results from our online survey of women in enterprise across Scotland are set out below. The numerical results from the survey are augmented by comments from survey respondents, individual interviews, and participants in a focus group. This approach provides representation of the diverse characteristics of women-led businesses in Scotland and gives deeper insights and context to the survey numerical findings.

Category	Key Findings
Age of Business Owner	7% of respondents were under 30 years old, a rise from 1% in 2023. Majority (40-59 years old).
Age of Business	49% of women-led businesses are 4 years old or younger; only 14% exceed 20 years. In contrast, 17% of male-led businesses are 4 years old or younger, and 38% exceed 20 years.
Geography	36% of respondents operate their business from a rural or remote location. Cultural attitudes and access to support needed were areas of challenge.
Racially Minoritised Women	8% of respondents identified as racially minoritised, similar to Scotland's 2022 census. Challenges identified included length of time to start-up, access to support needed, a lack of visible role models and a burden of representation.
Women with a Health Condition or Disability	22% identified as having a health condition or disability. Business creation was viewed as a valuable route to sustain skills and economic contribution and women-centric support is key for success.
Gender Identity	0.75% of respondents identified as non-binary and 1.12% preferred not to answer this question. Access to a safe, welcoming environment and tailored support is vital for engagement.
Savings and Pension	55% of women entrepreneurs use personal savings for business; 52% make no pension contributions, a serious threat to adequate retirement income.
Work-Family Challenges	29% of women started businesses as a workaround to caregiving; major challenges include time constraints, work-family conflict, and limited networking opportunities.
Structural Inequalities and Discrimination	49% reported unequal treatment in business; 68% experienced discrimination in 2025, doubling from 34% in 2016.
Cost-of-Business Crisis	78% of respondents could not recover all increased costs; 41% could not recover any. Rising costs impact business sustainability.
Looking Ahead	62% anticipate turnover growth in the next 12 months, up from 57% in 2023, but still below 92% (anticipating growth in next three years) pre-COVID-19.

Demographics

Women are not a homogenous group and have many different experiences which shape their lives and their journey in enterprise. Notable points of intersectionality include business location and sector and individual characteristics such as age, race, gender identity and health.

Young Women

Out of the 268 survey respondents in this study, 7% are under 30, while the majority are between 40 and 59 years old. The percentage of young people, while low, is a marked increase on the 1% in 2023. Overall, the age distribution is similar to mixed-sex survey findings elsewhere⁷⁵ and other reports on women in business.⁷⁶

The gap in participation for young women indicates a need for business support which is more aligned to the needs of this distinct group. Research by the Young Women's Movement found 43% of young women in Scotland felt they didn't have equal access to work opportunities,⁷⁷ and another study by the Young Women's Trust found over half of young women experienced discrimination at work due to their gender in 2024.⁷⁸

The economic future of Scotland's more remote and rural communities stands to benefit from a retained pipeline of talent and skills young people can bring. Business creation and growth has a vital role to play here, and schools, colleges and universities could strengthen their offering by providing women-centric support to improve the current underrepresentation of young women.

Business Age

The business age distribution revealed by the survey shows the numbers of women-led businesses peak at four years and then decline. Almost half of respondents (49%) said their business was four years old or younger and just 14% said their business was over twenty years old.

These findings contrast with 2023 research on mixed-sex business ownership, which found that only 17% of male-led businesses were four years old or younger, while 38% had been in operation for over 20 years.⁷⁹ In comparison, women-led businesses tend to have a significantly shorter typical lifespan and are three times less likely than male-led businesses to survive for 20 years or more.

The survey findings are in line with the attrition rate of women-led businesses from being 54% of all start-ups to just 20% of all employer businesses. Identifying and addressing the circumstances contributing

75 Big Small Business Survey, Federation of Small Businesses (2023)

76 Gender Index (2025)

77 Status of Young Women in Scotland, The Young Women's Movement (2020/21)

78 A World Not Designed For Us: Annual Survey, Young Women's Trust (2024)

79 Big Small Business Survey, Federation of Small Businesses (2023)

to this leaky pipeline is key to reversing the declining trend for employer women-led businesses and improving outcomes for women starting up in business.

Rural/Island Based Women

More than one third (36%) of survey respondents said they were operating their business from a more rural or remote location. Insights from qualitative interviews highlighted the lack of large institutions in rural areas and the challenges matching individual skills sets with available work. Starting up a business is deemed to offer a way of applying skills and doing meaningful work, while navigating caring commitments can be difficult given a lack of locally available childcare.

These challenges are further compounded. Despite having experience of senior international corporate work, this respondent highlighted poor attitudes towards business ownership blended with childcare commitments:

“By the mere fact of me having children and setting up my own business, suddenly my value within this marketplace, employment marketplace, was culturally seen as inferior to anything else happening.”

The free of charge nature of mainstream business support services is welcomed, though it can be challenging when trying to access the elements of service which could best help a business progress. A Women's Business Centre model is considered more aligned to business needs, with comments from survey respondents referencing help with growth, a safe and supportive environment, and a valuable network of connections, including for island-based women.⁸⁰ Questions were raised on the travel distance to physical Women's Business Centres. The benefits of digital support were highlighted in the context of accessibility and also the value of having access to business facilities when travelling to areas where a Women's Business Centre may be located.

Racially Minoritised Women

In this study, the term “racially minoritised” has been used to indicate systemic racialisation, placing emphasis on systems and structures which perpetuate racial ‘otherness’. This is not a categorisation in reference to the identity of women or in any way an attempt to homogenise their experiences, but rather, a reference to the inequalities resulting from systemic and structural racialisation.

The majority of survey respondents in this study identified as white, with 8% selecting racially minoritised categories. These percentages are similar to Scotland's Census (2022).

80 64% said a Women's Business Centre would help their business while just 42% said mainstream mixed-sex business support met their business needs. Survey of Women in Enterprise, Women's Enterprise Scotland (January to March 2025)

Findings from the qualitative research revealed a number of challenge areas and opportunities to develop more tailored support provision for racially minoritised women. Challenges highlighted include a much longer than anticipated timeline to start up in business, through being referred to one organisation which referred on to another, which then referred back to the initial organisation. Furthermore, attempts to gain seemingly accessible support were hindered when such support was difficult to access in practice. To summarise, resilience was necessary to persist and keep seeking the support to progress.

“ **One of the biggest challenges was actually navigating a system that seems so open, yet completely closed to the few. And I hate to say this in the 21st century but that’s how I felt, that I was navigating a system that promised me a whole lot of possibilities. But actually, when I started opening or tapping on those doors, those doors were really difficult.”**

While resilience helped to make progress with access to non-financial support, accessing funding was a greater challenge with perceptions of clear bias and the effect of constraining growth.

“ **So whilst I was able to eventually access cohorts and communities, the fact that you do not have access to funding to cash to cash flow, it stifles you.”**

Participants in this study felt that it would be beneficial to tap into the experiences of other racially minoritised women to gain practical knowledge, but the lack of visible women makes progress difficult. In addition, the lack of role models increases the pressure to be visible, as racialised women in business help to pave the way for other women and girls in future, their visibility can provide encouragement to other aspiring women. This is especially important to help improve cultural understanding for those new to the Scottish business ecosystem, to understand what “good” looks like and to assist in unlocking entrepreneurial capability and aspirations.

“ **I feel like I have a burden of representation where I need this to work so that the people who come after me in my situation have that flag that I’ve not had.”**

A physical Women’s Business Centre is viewed by the authors of this report and survey participants as providing a solution to identify support requirements, improving accessibility and unlocking business growth. It is deemed very important for support to be tailored to needs, including the specific needs of racially minoritised women and the longer time it can take to grow their businesses and gain access to funding. The ability to provide mentorship and to support other women emerging in business is seen as another important attribute of this support model.

Women with a Health Condition or Disability

A study by Equate Scotland revealed a lack of accommodation for access needs is driving disabled women to leave roles in the Science, Technology, Engineering, Maths, and the Built Environment (STEM).⁸¹ Entrepreneurship provides a vital pathway for individuals to harness their talents, pursue their passions, and contribute to economic growth. However, for those with disabilities or health conditions, this journey can present distinctive challenges and opportunities. A total of 22% of survey respondents identified as having a health condition or disability. For some, their health was a factor in taking the decision to start up a businesses and the ability to work from home and tailor their working hours to aid their health were identified as benefits.

“ **I can work my own hours / suit how I am feeling to a better extent than if I was an employee.”**

Other comments highlighted the value of entrepreneurship as a route to sustain economic activity, especially where employment was no longer an option.

“ **I lost my job due to health fluctuations and can now tailor my days to my abilities.”**

Promoting and supporting business creation as a career opportunity would help ensure valuable skills are harnessed by the economy and capitalised on rather than lost. This is especially important in circumstances where employment is no longer a viable option.

Establishing specialist, accessible support (as provided by a Women's Business Centre model), is central to a successful transition from employment to business start-up and establishment. Increasing awareness of role models who have already started up a business would assist with motivation and resilience as would access to peer support networks.

Gender Identity

In the survey, 0.75% identified as non-binary and 1.12% preferred not to answer this question. The ability to tailor services to the specific needs of the individual was key, as one respondent highlighted in relation to the question of whether in selecting a mentor there is a preference for female, male or either:

“ **Female or gender-queer. I have little interest in speaking to someone that not only does not understand but has no idea about the challenges we face.”**

81 Women in the Scottish STEM Landscape, Equate Scotland (2023)

Furthermore, the importance of creating a safe and welcoming environment was underscored by remarks in connection with women-specific services:

“ I am not sure I would feel safe and welcome as non-binary, even if I was assigned female at birth.”

Older Women The majority of survey respondents were aged between 40 and 59 years. The accumulation of skills and experiences as women age boosts their capability to start, manage and grow a business. Older women bring a value beyond the skills base they harness to their own businesses. A depth of life experiences and skills provides peer support and mentorship to others, increasing wider resilience and capability. For some, turning 50 years old was a catalyst for taking the step forward to start up in business.

The Pension Gap

Women often have fewer savings and limited access to substantial occupational pensions compared to men. According to Now: Pensions, at the age of retirement, there is an average £136,000 savings gap between women and men, and women must work up to 19 years more than their male counterparts to retire with the same pension.⁸²

In Scotland, Scottish Widows have reported that the gender gap in relation to savings for retirement persists and has deteriorated due to the cost-of-living crisis and the financial impact of COVID-19.⁸³

This report's survey also identified a worrying lack of pension provision by women-led businesses. A majority (52%) report they are currently making no pension provision, and almost half (49%) say they have made no pension provision in the period they have been running their business. This lack of pension provision in the context of the growing attrition rate for women-led businesses highlights an increasing risk. There is clear potential for the outcome of business ownership being inadequate income in retirement or poverty, as opposed to an enhanced financial position in later years. As a majority (55%) also say they are using their own savings to fund their business, the threat of inadequate income in retirement is increased further.

Other studies have found women start up in business with 53% of the capital of their male peers and remain undercapitalised.⁸⁴ With all-female founder teams receiving just 2.5% of equity investment on average for the past decade,⁸⁵ women seeking to capitalise their businesses face a lack of accessible options. Unsurprisingly, women do not have the available income to make pension provision and are turning to their savings to fund growth plans.

82 Gender Pensions Gap, Now Pensions (2024)

83 Women and Retirement Report, Scottish Widows (2023)

84 Rose Review of Female Entrepreneurship (2019)

85 Equity Tracker 2023 Report, British Business Bank

These insights on pension provision, use of personal savings and the higher numbers of older women entrepreneurs, highlight an urgent need for targeted policy action on business growth funding and financial planning for later life.

Work and Family Challenges

The survey shows that over a quarter (29%) of women entrepreneurs start their business because it provides them with more flexibility around their caregiving commitments. From the qualitative interviews, further insights emerged on the challenges women entrepreneurs face and the support systems that help them navigate these difficulties.

The key challenges identified were:

- **Time Constraints:** many women struggle to dedicate sufficient time to their businesses due to unpaid caregiving responsibilities, which limits business growth.
- **Work-Family Conflict:** balancing entrepreneurship with family duties often leads to stress and emotional strain, making it harder to focus on business development.
- **Limited Business Engagement:** women with caregiving responsibilities frequently find it difficult to access networking opportunities, training, or investment, further restricting their business potential.

The research interviews illustrate that between school runs and managing daily responsibilities, there is little time for networking or business growth. This often leads to conflicting feelings on work priorities and family priorities, as women struggle to balance entrepreneurship with family commitments.

The current support available has been utilised, but gaps remain in addressing the specific challenges faced by women entrepreneurs managing business and caregiving responsibilities. Help from extended family and friends was found to be essential in easing caregiving pressures, enabling women to devote more time to their business. Additionally, despite entrepreneurship providing autonomy by allowing women to adjust their work schedules around family commitments, this flexibility alone did not eliminate challenges.

An example from a qualitative interview highlights that having extended family support can help with childcare; however, childcare still affects the time and energy that could otherwise be fully dedicated to the business. A policy focus on reducing impacts from caregiving would help create conditions more closely aligned to unlocking and sustaining entrepreneurial talent.

Structural Inequalities and Discrimination

'Structural inequality' can be defined as the lack of existing equality within societal structures. It is moulded by institutionalised conceptions of differences based on characteristics such as, gender, race, sexual orientation and disability. It is a result of power imbalances in which a single

demographic exercises greater control over society's levers of power, enacting exclusionary rules on other population groups.⁸⁶

Examples of structural inequalities evidenced by this study include unpaid care,⁸⁷ the disbursement of COVID-19 grant funds⁸⁸ and the disbursement of equity investment.⁸⁹

The question of equal treatment was posed in the survey and perceptions of inequalities were found to be conspicuous. While 42% said they had mostly been treated in an equal manner to their male peers, 49% disagreed. The greatest areas of inequitable treatment identified by survey respondents included recognition for contributions, networking opportunities, leadership opportunities and access to funding or financial support.

One survey respondent reflected similar sentiments, commenting:

“ **Societal attitudes. £1 earned by a woman appears to be worth less than a £1 earned by a man.”**

The principal areas of action to improve equality (as cited by a majority of respondents) were a greater awareness of gender bias and women-centric business support. It is worthy of note that these action areas had higher response rates than equal access to funding or resources (50%), which in the past have been the priority action areas identified in studies undertaken by Women's Enterprise Scotland. A shift is taking place - examining the trend of increased experiences of discrimination, this report aims to shed light on this change.

In 2016, the FSB reported that 34% of women business owners said they had experienced discrimination. The Women's Enterprise Scotland survey in 2023 found a significant increase, with 66% saying they had experienced discrimination. In 2025, this study found 68% of survey respondents had experienced discrimination as a woman in business, double the percentage first reported in 2016.

Reflecting on your business experiences, have you had any experiences of discrimination as a woman in business?



⁸⁶ University of Pennsylvania, 2024; Scottish Government, 2022

⁸⁷ Women and Unpaid Care in Scotland, Carers Scotland (2024)

⁸⁸ WES, mnAI. (Aug 2021). 3657 businesses across Scotland benefited from £145.3m of grants through these funds. Of these, 70% were identified as Ltd companies. The mnAI platform enabled gender analysis of those identified as Limited Companies.

⁸⁹ Equity Tracker 2023 Report, British Business Bank University of Pennsylvania, 2024; Scottish Government, 2022

Comments on not being taken seriously, being discounted, dismissed, overlooked or patronised were common. Examples were given of being devalued due to part-time working and/or caring commitments, along with references to receiving sexist comments and unwanted comments on personal appearance. Further comments highlighted experiences of unwanted sexual advances.

As one survey respondent summarised:

“**Sexism at trade shows, inappropriate comments on my appearance from distributors, funders, suppliers. Unwanted sexual advances. Lack of belief in my forecasts (which I’ve gone on to prove with a fraction of the finance to get me there).”**

While this is a stark insight on the conditions for women starting and growing businesses in Scotland, comments from survey respondents also highlighted some women do not view their business experiences through a gender lens.

Cost-of-Business Crisis

The ongoing cost-of-business crisis has seriously eroded the prosperity and financial resilience of women-led businesses in Scotland. Just 13% of survey respondents reported they had experienced no cost increases at all, with 78% saying they had not been able to recover all their increased costs. The gravity of the cost challenge is highlighted by the 41% who say they have not been able to recover any of the cost increases they have experienced.

In order of the greatest severity, the cost challenges identified were: reduced customer demand or spending; the rising cost of raw materials; high wages or labour and rising energy cost.

The pressures from the cost-of-business crisis are heightened for women-led businesses, with their financial resilience notably weakened during COVID-19. Many women-led companies and self-employed businesses did not receive a proportionate share of business relief grants and have an increased vulnerability to further economic pressures as a direct result. In addition, comments were made on not being able to reduce working hours or retire as had previously been anticipated.

“**General overwhelm: I often feel stuck not knowing where to turn for the right support, leaving the business vulnerable in this challenging time.”**

The risks posed by the cost-of-business crisis threaten a whole generation of women-led businesses. Urgent policy action is required to target financial resilience and correct the inequities from previous crises such as COVID-19. Offering dedicated funds for women-led businesses across grants, equity investment and debt financing ensures funding reaches these businesses. Significantly increasing micro-grants, small loans and crowdfunding grants improves accessible funding and financial resilience. Providing

gender-disaggregated data for all public funding disbursements enhances outcome reporting and future policy adjustments. Without such action, women-led businesses continue their greater vulnerability to the increased costs of doing business and the cycle of attrition post-start-up may well continue, with further decline in economic contribution, jobs and negative implications for productivity.

Looking Ahead

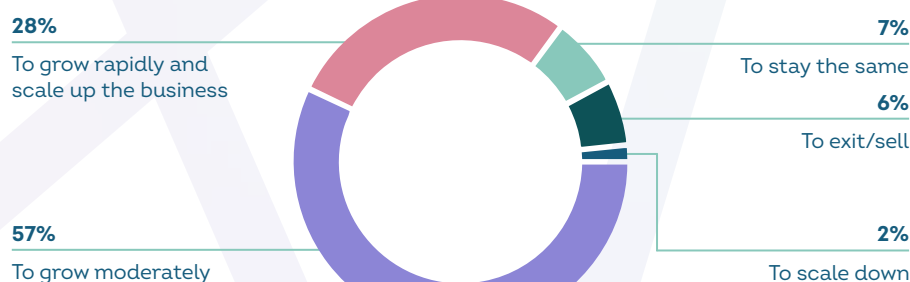
Optimism about the future is evident, with 62% saying they anticipated some turnover growth in the next 12 months and 20% anticipating turnover would remain the same. These figures are a modest increase from the 57% anticipating growth in 2023⁹⁰ which is a positive indication, although still substantially below the pre-COVID-19 level of 92% in 2019 anticipating turnover growth in the next three years.⁹¹

Comments highlighted business development and diversification as areas of future focus. Remarking on priorities one respondent stated:

“Working very hard on networking and business development.”

Ambition for the future remains with 57% of survey respondents aspiring to grow moderately and 28% aspiring to grow rapidly in the next three to five years. In this regard, strengthening the policy landscape for women entrepreneurs and creating more growth-conducive conditions would generate multiple benefits, such as reduced post-start-up attrition, a significant boost to economic growth and increased return on investment from the provision of business support services.

**Future Aspirations:
Considering the next three
to five years, what are your
business aspirations?**



⁹⁰ Women in Enterprise Survey, Women's Enterprise Scotland (2023)

⁹¹ Women in Enterprise Survey, Women's Enterprise Scotland (2019)

Policy Landscape

A study published in 2024 rated Scotland's framework of support for women entrepreneurs at just over 5 out of 10. However, enabling areas (such as childcare, care for the elderly and home services) and a national culture that encourages women as equally as men to pursue entrepreneurship, were rated below 3 out of 10.⁹²

One third of survey respondents in this study said the cultural and policy environment was somewhat supportive of women-led businesses, which may reflect the just over 5 out of 10 rating identified in the 2024 study. However, 27% said they were not sure. When asked how Scotland could better support women entrepreneurs, comments outlined gap areas including support to grow a business, women-centric support, financial support, visible role models and the wider benefits from women running micro-businesses, such as making vital contributions to local communities.

Ensuring women are engaged in policy development roles - and in particular recruiting women with lived experience of different aspects of starting and scaling a business in Scotland - will assist with meaningful and equality-focussed policy formation.

Referencing the uncertainty evident in answers to these questions, one respondent stated:

“ I think the fact that I didn't know if Scotland's cultural and policy environment is supportive of women maybe suggests that what they do isn't widely known.”

Intersecting issues such as imbalances in power were also highlighted as one respondent observed:

“ I think some men hold positions of power in business which they sadly abuse. Because of the status or influence they have, they are rarely called out. A lot of women have told me stories which highlight this and they can't complain or be too vocal as it could cost them business.”

92 Global Entrepreneurship Monitor Scotland Report (2024)

BUSINESS SUPPORT

The results from our online survey of women in enterprise across Scotland and their experience of business support are set out below. The numerical results from the survey are augmented by comments from survey respondents, individual interviews, and participants in a focus group.

Key Issue	Key Findings
Areas of Challenge	Top challenges: finding customers (58%), rising costs (50%), digital skills (47%), and lack of finance (38%). Key support needs: digital advice (49%), finance support (47%), dedicated support for women (44%), and mentoring (44%).
Business Adviser Services	69% used Business Gateway, 47% used an accountant, and 25% used Scottish Enterprise. 81% would recommend business advisory services, but 58% said mainstream support did not meet their needs. 96% wanted advisers with lived experience.
Women's Business Centre	64% said a Women's Business Centre would help their business. 71% agreed business advice specifically for women was necessary, with concerns over accessibility and assumptions about physical locations.
Funding	55% capitalised their business using personal savings; 32% through bootstrapping; and 21% via credit cards. Women-led businesses receive only 2% of equity investment, a figure largely unchanged for a decade.
IP Support	36% said IP support could benefit their business, but 36% were uncertain. 38% had no access to IP support, with cost and lack of awareness being key barriers.
Business Mentoring	59% had a business mentor, and of those 91% said mentoring made a difference. 66% had no preference for mentor gender, while 33% preferred a female mentor, valuing lived experience.
Role Models	41% had a business role model; role models provided inspiration, motivation, and resilience.

The positive trend of more and more women choosing to start up in business highlights the freely accessible nature of start-up support in Scotland. Local authorities across Scotland provide mainstream support through Business Gateway, both in person and digitally. This support is complemented by a range of business accelerators, some of which are sector agnostic while others focus on specific industries including technology, digital and renewables. In addition, regional development agencies including Scottish Enterprise, Highlands and Islands Enterprise and South of Scotland Enterprise provide support for high growth and scaling businesses.

Some women-specific programmes can be accessed although availability can be inconsistent, determined by postcode or the accessibility of funding in a given year to deliver such programmes.

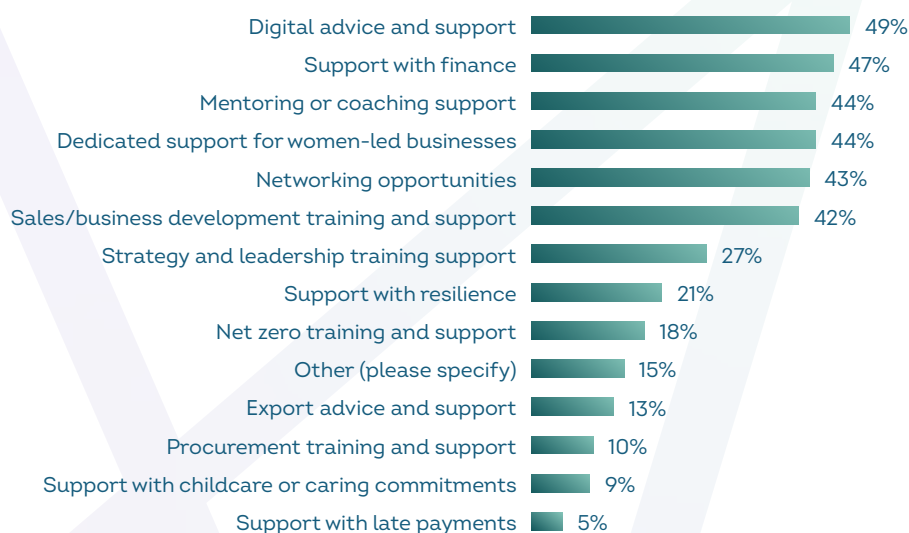
Areas of Challenge

Challenges identified by survey respondents ranged from finding customers (58%), to rising costs (50%) and making the most of digital, the internet and social media (47%). Lack of access to finance was also highlighted by 38% of respondents.

While these challenges may not be unique to women-led businesses, structural inequalities (as highlighted in the preceding section of this report) increase the intensity of other challenges for women-led businesses. For example, a lack of time due to caring commitments can constrain the ability to investigate available digital support (as explored later in this report), reducing access to digital resources that aid growth.

When asked about the support required to realise their business aspirations, the key areas pointed out were digital advice and support (49%); support with finance (47%); dedicated support for women-led businesses (44%); and mentoring and coaching (44%).

What support would assist you to achieve your business aspirations?



Business Adviser Services

Women-led businesses reported using a range of business adviser services with 69% using Business Gateway, 47% using an accountant and 25% using Scottish Enterprise.

Of those using these services, 81% would recommend them to others, up from 72% in the 2023 survey, indicating a positive trend. The quality and free of charge nature of programmes was referenced by many:

“BG was great. Excellent free training modules and high calibre of trainers.”

“Such a great free resource for anyone starting out when they don’t have funds available for upskilling.”

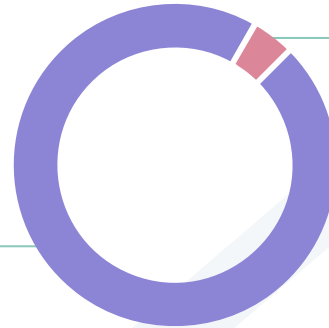
There were, however, areas of clear disappointment with business adviser services. 58% said mainstream mixed-sex business support did not meet their business needs, up from 51% in the 2023 survey.

“ Has been a waste of time - senior people’s view of the type of business support available and what is actually delivered in the ground vary massively.”

The importance of accessing advisers with lived experience was clear, with 96% saying business advisers should have lived experience. The role of training was underscored by the 87% of survey respondents saying business advisers would benefit from training in the provision of business support to women.

Should business support be delivered by people with lived experience of starting and growing their own business?

96%
Yes



4%
No

One respondent summed up the sentiment expressed by many, saying:

“ Someone who has not had real-lived experience of starting and growing their own business cannot possibly understand what is involved, and on how many levels. Someone sitting in their well-paid job with a reliable income telling us they understand how hard it is to run your own business just doesn’t cut it. They cannot understand, and so their integrity is immediately undermined, and I don’t trust they will give good information or advice.”

Examining experiences of business support found gaps appearing between expectations of business support services and the support which was received. Start-up support was expected by 27% of survey respondents, whereas just 17% said they actually received this support.

“ Support to shape the idea is an important stage. Business advisors can shy away from this. It is really important to know of all the types of help that you can tune into.”

Post-start-up, 27% expected support to establish/embed their business but just 10% reported receiving this support.

“ **Less grant funding available so little they can do to sign post or advise. Most training seems low level.”**

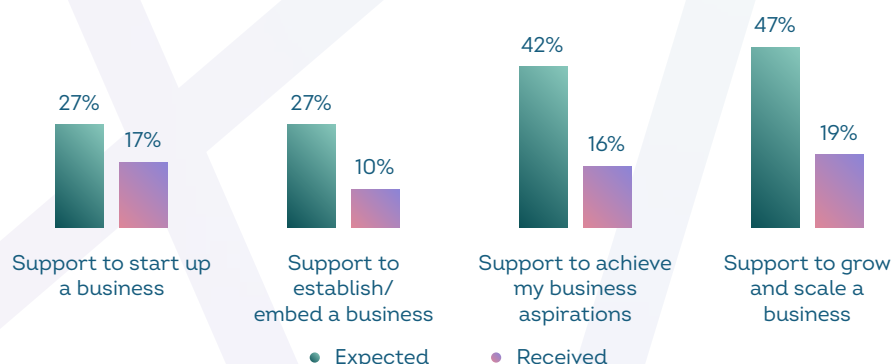
A total of 42% expected support to achieve their business aspirations, however only 16% said they received this support.

“ **Lots and lots of useful information, but limited networking opportunities and limited support to do something with the information.”**

Support to grow and scale was expected by 47% but just 19% reported receiving this support.

“ **While I have got some help to scale, I feel like there is a huge gap in this space. Start up support is good. And over £1m / 10 employees is good. But the middle bit is like no mans land! It's a really tricky place to navigate and I'm struggling in this place right now, but keep getting told to go away until I have a bigger business, but I'm asking for support to do that. It seems crazy!”**

Expected and Received Support from Business Advisers

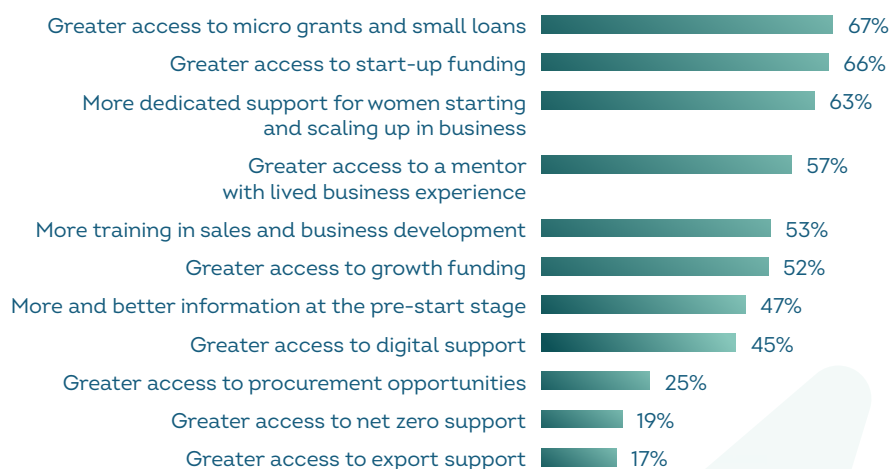


Not all survey respondents were in contact with a business adviser. Analysis of the responses on support expected and support received from business advisers revealed that 28% and 31% (respectively) said they were not in contact with a business adviser. This may be due to a preference for self-serve digital channels, although responses indicated that the services did not meet all of their needs.

When asked about the improvements needed for women to start and scale businesses, funding and dedicated support for women were the critical areas identified by survey respondents. Greater access to micro-grants and small loans was cited by 67%, followed by 66% saying greater access to

start-up funding was needed and 63% pointing to dedicated support for women starting and scaling businesses.

What improvements if any do you think are needed for women starting and growing their own business in Scotland?



As one respondent summarised,

“It’s always helpful to have support designed around the service user.”

A resounding 92% said women should have the choice of dedicated business support available to them. Benefits perceived from women-centric support included being a good source of contacts and peer support, an important supportive environment and a good source of practical support from those with lived experience.

Even those who might prefer not to have to rely on women-centric business support acknowledge that it is a required solution. As one respondent remarked:

“I honestly think it should not be required to have women specific, but it is!”

Women's Business Centre

In 2019, 51% of respondents to a Women's Enterprise Scotland survey supported the notion of a Women's Business Centre⁹³ and in 2021, the Scottish Government made a £50m commitment for a Women's Business Centre to be established.⁹⁴

⁹³ Survey of Women in Business Report, Women's Enterprise Scotland (2019)

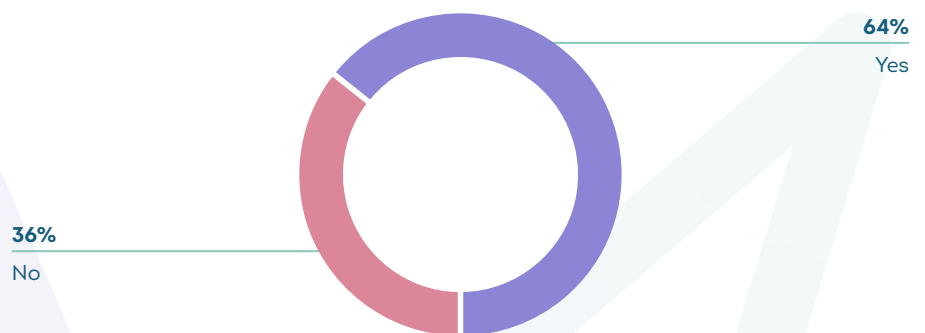
⁹⁴ Programme for Government, Scottish Government (2021 to 2022)

In this report's survey, the question was posed:

"Would access to a physical Women's Business Centre help your business? A physical Women's Business Centre is a space providing services and support designed for women such as support and coaching to shape an idea, start a business, scale up a business, access funding and procurement and develop strategic business, leadership and sales skills."

In response to this question, 64% said a Women's Business Centre would help their business. Questions were raised on location, and while some highlighted the opportunity to use digital services to help with access and to manage available time, others pointed to the need for a face-to-face service to provide more in-depth support and build more connections.

Would access to a physical women's business centre help your business?



Greater clarity on plans and design for a Women's Business Centre model of operation would assist understanding. Responses highlighted numerous assumptions, such as a single centre based in the Central Belt and not accessible to all. Another assumption was that support may be in-person only, lacking the reach of digital and hybrid models.

Practical benefits identified included access to a safe space with women-centric support, quicker access to knowledge and insight and gaining peer support from other businesswomen.

“We would not be closely located to it unless there were representatives in different areas maybe situated in the offices of other support agencies. It would be good to maybe have somewhere, equivalent to somewhere like Scotland House, in London where you knew you could access facilities when visiting Edinburgh or Glasgow (where I presume it would be located), hold meetings, access advice etc.”

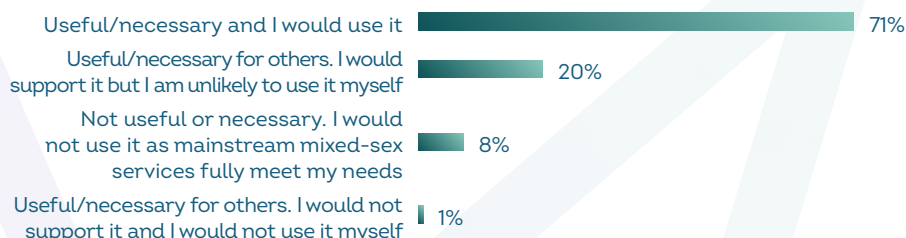
“Having a place to go, a place to belong would make a lot of difference, especially mentally.”

“A go to hub would be fantastic. And it would act as a focus point for investors/funds to access a pool of start-up opportunities too.”

“Having a physical space to go to for support would be extremely beneficial. Knowing that there is a place tailored for women in business, not only to access support but to meet other women in the small business community would be wonderful.”

The shift towards women-centric business support was clear. Even where women expressed that they themselves wouldn't use services specifically for women, there was agreement that such services were needed by others and should be provided (20%).

What is your view on the provision of business advice and support services specifically for women?



Some comments highlighted perceptions on the provision of women-centric support, emphasising the importance of clear understanding on the need and usage of such services:

“I think that sometimes women-specific services (particularly successful ones) add fuel to the fire of the men who think that life and achievements are easier for women because we have more support. I think women-specific services are necessary, brilliant and certainly benefit some people, but a lot of men don't understand why there aren't overt “men-specific” services, so we need to be careful to be clear why we need and use them.”

Clarity and understanding can be improved by tackling myths, such as gender equality being a zero-sum game, and spreading awareness of the wider economic and social benefits from specialist women-specific support models.

Funding

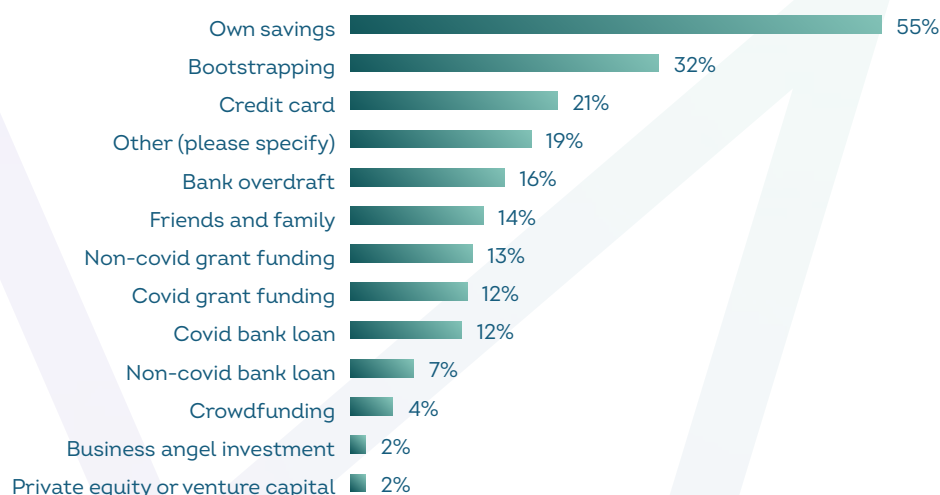
Adequate capitalisation is critical to start and scale up a business. However, studies continue to identify significant structural inequalities for women seeking business funding. Less than 2% of equity investment is received by women founded companies in the UK and companies with no women

founders received a sum of equity investment six times greater than the sum received by women-led companies.⁹⁵ Also, in the ten years between 2009 and 2019, just 0.02% of equity investment went to companies led by black women founders.⁹⁶

Analysing the three most common sources of funding accessed by women-led businesses responding to this survey revealed that a majority (55%) were using their own savings to capitalise their business, and 32% were bootstrapping. A total of 21% were using a credit card.

The legacy of the pandemic was evident with 12% having a COVID-19 related bank loan, significantly higher than the non-COVID bank loans at 7%. Reflecting the structural inequalities in equity funding, just 2% reported accessing angel investment and a further 2% had accessed private equity or venture capital.

What sources of business finance have you used in the past three years?



As highlighted earlier in this report, women start-up with 53% less capital than men.⁹⁷ As they seek to realise their growth ambitions, many women-led businesses experience limited resources and a greater vulnerability to economic crises. The compounding impacts of austerity, COVID-19 and the cost-of-business crisis have restricted business capitalisation and eroded margin on sales. The structural inequalities evidenced in the severely disproportionate access to equity investment serve to further constrain growth capability and prospects. Many businesses are now operating on the edge of financial viability with an increased vulnerability to any further economic shocks.

⁹⁵ Charles Stanley Female Founders 2024 Report, Charles Stanley and Beauhurst (2025)

⁹⁶ Diversity Beyond Gender – The State of the Nation for Diverse Entrepreneurs, Extend Ventures (2020)

⁹⁷ The Alison Rose Review of Female Entrepreneurship (2019)

One respondent commented,

“ My turnover has gone up last tax year, but profit gone down, I can’t take this much longer. Need a significant change to my financial situation.”

Unlocking new sources of funding helps growth prospects. Studies have acknowledged a gap between start-up grant funding and major capital investment, and microfinancing was found to be an important tool for women.⁹⁸ Crowdfunding has also been found to boost access to finance.⁹⁹ Women-led crowdfunding campaigns performed better in reaching their funding goals than male-led campaigns,¹⁰⁰ and the global crowdfunding market is forecast to grow by almost 500% to \$6.8 bn by 2031,¹⁰¹ driven by the increasing use of crowdfunding by entrepreneurs. There is a significant opportunity for women-led businesses to build their crowdfunding capability and access this growing source of funding.

Women-led businesses stand to benefit greatly from better access to finance and improved financial resilience, yet there is a lack of government strategy designed to deliver meaningful change. Policy has a critical role to play here in unlocking different sources of finance to aid business resilience and growth.

Intellectual Property Support

Intellectual Property (IP) such as patents, trademarks, design rights and know-how, enables businesses to protect their innovations, generate revenue through exclusive rights and licensing, enhance business value and maintain competitive advantage in the marketplace. A solid business valuation is a key factor in enabling businesses to secure investment or to exit. In addition, achieving a strong business growth or financial exit can make a vital contribution to women’s wealth during their working life or at retirement.

While 36% of survey respondents said that support with developing and protecting their IP rights could benefit their business, a further 36% were uncertain. Comments from survey participants highlighted a lack of understanding about IP and the cost of working with IP solicitors was a deterrent to investigating or progressing further. A total of 38% said they had not been able to access IP support for their business, leaving a large potential source of business value untapped.

98 Entrepreneurship Policies Through a Gender Lens, OECD (2021)

99 Hasnan Baber, ‘Financial Inclusion and Crowdfunding – A study of European Countries’, in ‘Review of Applied Socio-Economic Research’ (Vol 22, Issue 2/2021. ISSN: 2247-6172), pp. 37-48

100 Women Unbound, PWC and the Crowdfunding Centre (2017)

101 Pradeep R, Kanhaiya K, Vineet K, Allied Market Research, ‘Crowdfunding Market Research, 2031’ (September 2023)

Acknowledging the business benefits and competitive edge IP can provide, one respondent commented:

“I think developing and securing IP within a business is incredibly important. We have no plan to sell the business (and would favour employee-owned trust) but I understand the asset value this would create. It also creates a real focus and individual strength, ensuring an edge to the competition and creating resilience.”

Other responses underscored the lack of understanding of IP rights and protections and a lack of engagement with sources of IP support, illustrating a significant opportunity for IP upskilling as a means of increasing the value and growth of women-led businesses:

“It’s not something I’ve come across or looked into.”

Business Mentoring

Mentors are a valuable source of practical insight and knowledge. A total of 59% of survey respondents said they had a business mentor, and 91% of those who had a mentor said it made a difference. Comments from survey participants highlighted the benefits of being held accountable for actions, gaining insight on different options, increasing motivation and making progress on business goals.

“You cannot know what you don’t know, and a mentor helped me to discover many of these things. [Having a mentor] also provided emotional support and encouragement.”

Two thirds had no preference on whether their mentor was male or female although one third stated a preference for a female mentor.

Again, the importance of lived experience and more tailored support for individual business owners emerged as a key survey finding.

Role Models

Role models have been identified as a valuable way of tackling the gender gap in enterprise participation.¹⁰² Amplifying the visibility of women entrepreneurs can positively influence other women, especially given fundamental biases (including ongoing biases regarding men being better suited to executive business roles than women).¹⁰³ Role model programmes

102 Women Role Models Can Help Us Break The Gender Gap In Entrepreneurship, OECD (2023)

103 Gender Social Norms Index, United Nations Development Programme (2023)

have resulted in more girl students enrolling in Science, Technology, Engineering and Mathematics (STEM) subjects and assist more women entrepreneurs to succeed in the digital economy.¹⁰⁴

In this study, 41% said they had a business role model and highlighted the value of role models in helping with inspiration, motivation and when approaching challenges. One respondent remarked,

“ I have had role models in the past, if you can see it you can do it.”

Role models were also cited as a source of resilience, a critical factor given the many challenges of the current business and economic landscape for women:

“ It [having role models] helps with perseverance.”

Digital and Technology

A total of £98m has been committed to support digital progression in the 2025 – 2026 Scottish Government budget.¹⁰⁵

Digital is a popular area of focus for women-led businesses with 78% confirming investment in digital, technology and/or artificial intelligence would benefit their business. Worryingly, just 15% said they had been able to access this funding through government grants or regional funding. A majority (56%) said lack of awareness was the reason for being unable to access funding, with 21% saying they were ineligible for funding and 22% commenting that the application process to gain funding was too time consuming or complex.

Would investing in (spending money on) digital/technology/AI benefit your business?



Have you been able to access funding to help with digital/technology/AI improvements or changes for your business?



¹⁰⁴ Fostering Women Entrepreneurship In The Digital Economy, United Nations Trade & Development (2019 – 2021 cohort)

¹⁰⁵ Scottish Budget, Scottish Government (2025-2026)

While 43% said they were confident or somewhat confident they had the skills to develop a digital/technology strategy, 50% reported needing skills or support to do so. Despite this requirement for support, 33% said they did not access any support, and a majority (58%) said they were unaware such support was available.

Summarising the sentiment, respondents commented:

“ Sometimes I think I don’t know what I don’t know. I’m sure there are lots of things I could use but I’m just not aware of the areas they could apply to and then how I could apply them.”

“ It’s so much easier for business owners who have an awareness on the “how to” as it becomes easy, things become slicker. Otherwise, it’s frustrating and takes so much time only to end in giving up. Also easier for those who earn enough to source it out.”

The digital landscape emerges as an area requiring urgent policy focus. Enabling more women-led businesses to realise the benefits they stand to gain by investing in digital would aid business resilience and growth. Developing outreach programmes to target women-led businesses, for example through collaboration with women’s business organisations increases awareness. In addition, digital literacy and strategy programmes created in collaboration with specialist women-centric organisations tackle the gap in digital skills and aid practical and productive application.

Net Zero

The Scottish Government have committed a total of £566.4m in the 2025-2026 budget to support Offshore Wind Supply Chain, Energy Transitions and Energy Efficiency and Decarbonisation.¹⁰⁶

It is not clear what budget will be targeted to businesses to achieve decarbonisation in 2025 to 2026. In previous years funding has been available for example through the Scottish Growth Scheme and Zero Waste Scotland.¹⁰⁷ There is a lack of gender-disaggregated data on the distribution of available net zero funding. This study found while 58% of survey respondents said they had some level of confidence in their ability to reduce business emissions and achieve net zero, 25% are not confident and 17% stated the question was not applicable to them. A majority (58%) said they have not accessed support to act on business emissions and 23% said this question was not applicable to them.

¹⁰⁶ Scottish Budget, Scottish Government (2025-2026)

¹⁰⁷ Scottish Growth Scheme; Zero Waste Scotland

Only 2% had applied for net zero funding, a drop from the already low 4% in 2023. Comments from respondents pointed to improvements which could be made in funding approaches:

“ **It would be easier to achieve net zero if more funding was available for start-up, pre-trading businesses. A lot of grants are available to established, trading businesses only.**”

Many respondents commented that they are unaware of available support and lacked insight on actions they could take, with one saying,

“ **Not aware of any support I can access for this.**”

Insights from the qualitative research interviews suggest that time is fully spent running the business in the current economic climate, and there is simply no time available to consider net zero.

Overall, the lack of awareness of net zero support (including funding) evidenced in 2023 continues and achieving a Just Transition for Scotland's women-led businesses appears unlikely with current awareness and engagement levels. Developing outreach programmes to women-led businesses and working with women's business organisations to increase awareness of available funding and support, will help increase awareness and tackle the threat to delivering a Just Transition for women-led businesses.

THE IMPORTANCE OF HEALTH & WELLBEING

Transitioning to a Wellbeing Economy is a priority for the Scottish Government. A Wellbeing Economy is stated to be fair, green and growing¹⁰⁸ with an aim to improve collective health and wellbeing.¹⁰⁹ Scotland is a founding member of the Wellbeing Economy Governments where member countries are actively working together to enhance policy approaches to wellbeing.

Physical and Mental Health

Exploring women's business ownership in the context of health and wellbeing, this report found 39% said that their physical health was unchanged during the time they had been running their businesses. A further 39% said their physical health had declined. Comments referred to increased stress, diagnosis of medical conditions, weight gain and a lack of time in which to exercise. Responses on mental health revealed that while 30% reported their mental health had improved during their time as a business owner, 32% had experienced a decline in mental health.

Stress and Burnout

A total of 74% of survey respondents said their level of stress had increased during their time as a business owner. Responses cited financial challenges and the responsibility for employees as key causes of stress.

Examining this in more depth, a focus group on health and wellbeing was held with five successful women entrepreneurs who had all run businesses for over 10 years, won awards and/or grants or equity funding and employed teams. Some of the findings on wellbeing were stark; all women said they had experienced burnout symptoms as part of their entrepreneurial journey, either currently or in the recent past.¹¹⁰ For these women, business failure was not an option. They loved their businesses, had employees and were too financially invested to give up; dealing with debt from COVID-related loans, personal loans or other sources of investment.

One focus group participant remarked,

“ Having to maintain the facade of success is the elephant in the room no one talks about.”

All focus group participants believed that while burnout was felt by male business founders, women's experiences differed, specifically in the context of societal pressure to raise a family and run a home to socially acceptable standards.

Deeper investigation into the sources of stress revealed close links with the funding landscape. Firstly, women who had external investors were the

108 Wellbeing Economy Governments, Scottish Government (2024)

109 Wellbeing Economy Monitor, Scottish Government (2022)

110 Burnout Report, Mental Health UK (2025)

most likely to admit they had in the past or currently felt over half of the symptoms of burnout. Issues included being sidelined by investors, for example being frozen out of conversations with potential clients, ignored in board meetings or moved into less business-critical positions.

Secondly, exposure to inequitable treatment when seeking to raise funding was identified as a continued source of stress. Examples included being the only woman on an accelerator programme, and the only business in the cohort required to raise match funding before gaining access to a sum of funding available to each business on the programme.

A focus group participant commented,

“ I think it is unethical to encourage women to start businesses in the UK until business financing is sorted out.”

Other experiences raised were being talked over during events with funders, being propositioned and groped at such events, and being subjected to tactics designed to undermine one's perception of reality. For instance, when raising challenges experienced directly with economic development agencies some respondents were told that women do get funding.

Wellbeing Strategies

Considering strategies to improve wellbeing, one participant highlighted building good investor relations by consistently meeting in person which helped to set boundaries, share expectations and reduce stress. Other approaches included prioritising time outside the business and investing in wellbeing support, such as yoga and nutrition.

Further insight on the development of policies to aid wellbeing may be gained from Scotland's membership of the Wellbeing Economy Governments. For example, frameworks in New Zealand, such as the Canterbury Wellbeing Index and He Tohu Ora, offer examples of how wellbeing-focused frameworks can be used to guide public policies, promote wellbeing and ultimately foster a happy and healthy workforce.¹¹¹

111 Why Developing a Wellbeing Vision Matters, Wellbeing Economy Alliance (2022)

MODELS OF SUPPORT

WHAT CAN WE LEARN?

A global study identified that the US, New Zealand and Canada provide the best economies for fostering women's entrepreneurship.¹¹² Specific attributes of those economies were found to include a high quality of governance, positive cultural and social attitude, and vibrant entrepreneurial dynamism.

United States

The US, at the top of the global list, has a framework for women's entrepreneurship which has remained broadly stable through successive governments. Attributes identified by the research were strong supportive conditions, such as the availability of both venture capital and SME operational financing.¹¹³ The US framework of support also includes physical Women's Business Centres (WBCs) which provide a blend of specialist women-centric in-person and digital support. Businesses receiving assistance from WBCs see a significantly better success rate than those without similar support.¹¹⁴ Other framework components include women's business certification and procurement support linked to a government 5% contracting goal for women-led businesses.

In the US, women-owned businesses have outpaced businesses owned by men for growth in firms, employment, and revenue during the pandemic and post-pandemic period. Between 2019 and 2023, US based women-owned businesses grew by 1.7 million firms, increased revenue by \$579.6bn and added 1.4 million jobs to the economy.¹¹⁵

New Zealand

New Zealand is second on the global list for supporting women's entrepreneurship. The country is credited with having strong supporting entrepreneurial conditions and women-led businesses comprise 31.9% of all businesses.¹¹⁶ Dedicated support to access capital is available along with a women's enterprise centre and a strong community full of networking events and support.

112 The Mastercard Index of Women Entrepreneurs (2022)

113 Ibid

114 Office of Women's Business Ownership, US Small Business Administration (2025)

115 The 2024 Impact of Women-Owned Businesses, Wells Fargo (2024)

116 The Mastercard Index of Women Entrepreneurs (2022)

Canada

In Canada, third on the global list, women-owned businesses make up 29.8% of all businesses.¹¹⁷ Canada has a Women Entrepreneurship Strategy (WES) launched in 2018 to help remove the systemic barriers women entrepreneurs face. Today, the WES represents nearly \$7bn in investments and commitments focused on strengthening the women's entrepreneurship ecosystem. Initiatives include regional women's enterprise centres providing specialist women-centric advice, debt funding, training and networking; a dedicated women's micro-loan fund; support to access venture capital and equity investment vehicles.

Scotland and the UK

The UK makes top ten on the global list at ninth place. However, there is a marked contrast between the rise of US based women-led businesses (to 39% of all US based businesses)¹¹⁸ and the decreasing percentage of UK women-led employer businesses (now 15% of all UK employer businesses),¹¹⁹ as well as Scottish women-led businesses (now 20% of all Scottish employer businesses).¹²⁰ Previous studies have highlighted that Scotland and the UK could benefit from adopting the best practice approaches to business support evidenced by the US and Canada.¹²¹ The Scottish Government committed to a Women's Business Centre in 2021,¹²² although no further action has been announced to date.

If Scotland achieved the level of positive growth evidenced by the US - increasing women-led employer businesses to 39% - then an estimated £17bn of gross value add (GVA) would be contributed to the economy every year.¹²³ At £17bn, the contribution of women-led businesses would exceed the GVA of many leading industries in Scotland. For example, £17bn GVA exceeds the combined GVA contribution from Food and Drink, Creative Industries and Sustainable Tourism. The £17bn GVA would also represent over 50% of the current GVA contribution from Scotland's energy sector (including renewables).¹²⁴

Reversing the current declining trend - and doubling the 20% representation of women-led employer businesses in Scotland to 40% - provides a clear goal to strive for on the journey to equal representation. The growth of women-led businesses in the US - and the enhanced success rate for US businesses accessing WBC support - evidences the substantial economic and social opportunity from the Scottish Government commitment to a Women's Business Centre. The realisation of a £17bn economic contribution from matching the 39% proportion of women-led businesses in the US would significantly boost the Scottish economy and achieve greater social equality.

117 Ibid

118 The 2024 Impact of Women-Owned Businesses, Wells Fargo (2024)

119 Small Business Survey: SME Employers, UK Government (2023)

120 Small Business Survey Scotland, Scottish Government (2023)

121 Supporting Women's Enterprise in the UK: the Economic Case, Federation of Small Businesses (2018)

122 Programme for Government, Scottish Government (2021 to 2022)

123 Supporting Women's Enterprise in the UK: the Economic Case, FSB (2018) calculated women-led businesses in Scotland contributed £8.7bn GVA in 2015. The Small Business Scotland Survey shows women-led businesses were 20% of businesses in 2015. If 20% contributed £8.7bn GVA then 39% would contribute £17bn GVA.

124 Industry Statistics Database, Scottish Government (December 2024)

CONCLUSION

Scotland's start-up landscape has seen broadly equal numbers of men and women starting up in business over recent years, to the point where today more women are starting up than men. Despite this positive trend, proportionately few women-led businesses are making it through the post-start-up phase to establish and grow, women-led employer businesses are declining, and the post start-up attrition rate is 61%. Data shows the longevity of women-led businesses is far less than male-led businesses. Setting targets such as reducing the post start-up attrition rate to 45% and aiming to double the percentage of women-led employer businesses to 40% provide clear goals for policies, and progress on government commitments to inclusive economic growth, women's entrepreneurship and gender equality.

Compounding inequalities rooted in austerity and COVID-19 have left women-led businesses with reduced financial resilience and an increased vulnerability to the cost-of-business crisis. For many, rising costs have not been covered by increases in revenues, serving to intensify pressure on cashflow and profit margins. Continued structural inequalities, such as access to equity investment, constrain options to fund business operations through difficult times. These challenges can be addressed through mandatory gender-disaggregated data collection for all publicly funded grants and investment, tracking funding allocations and guiding policy actions on achieving a fair and proportionate distribution of funding. In addition, a dedicated fund for women and diversity on investment committees, boosts access to equity funding. Further benefits such as improved financial resilience, growth prospects and business longevity can be unlocked by significantly increasing accessible funding through micro-grants, small loans and crowdfunding grants.

Despite global progression in gender equality, experiences of discrimination have risen to the point where just over two-thirds of this report's survey respondents say they have experienced discrimination as a woman business owner. Implementing an accessible business discrimination reporting mechanism with regular analysis of cases and outcomes, provides a critical tool to identify and tackle discriminatory behaviour.

Creating the conditions where a greater proportion of women-led business start-ups can move on to establish and grow would add billions of pounds to the Scottish economy every year. It would cement Scotland as a leader in gender equality, providing more role models to inspire younger generations. It would also enable further progress towards net zero and technology goals by ensuring a wide range of diverse perspectives in positions of influence.

One of the conditions this report identified was bespoke support services for women-led start-ups. While the quality and free of charge nature of some start-up services was welcomed by many of this study's participants, a critical issue identified was the provision of support which met the needs of the service user. On the latter, experiences of a mismatch between the distinct needs of women-led businesses and mainstream support were prevalent. A majority said that mainstream mixed-sex support services did not meet their needs; there were gaps between the support expected and the support received in practice, most markedly in the context of business growth.

A strong demand for needs-based business support was evident, with a majority agreeing the choice of women-centric support should be available and advocating for a Women's Business Centre. Women's Business Centre models used by exemplary nations, such as the US and Canada, provide valuable insights to learn from. These models refute the myth that tackling the gender gap in enterprise participation is a zero-sum game, evidencing sustained economic growth with widespread benefits.

The US and Canada have significantly higher percentages of women-led businesses and their growth trend continues in contrast to Scotland. Key attributes of these environments include specialist women-centric support, a physical regional presence blended with digital support, and dedicated funding mechanisms. By providing a spread of physical Women's Business Centres across Scotland augmented by digital support delivery, the Scottish Government can progress the commitment to a Women's Business Centre model and address the gap in accessible, women-centric business support provision.

Developing a collaborative approach and working with specialist women-centric organisations to deliver programmes and with women's associations to run networking events, leverages existing expertise. Duplication is avoided and a robust support model is created for women-led businesses from early-stage business ideation through to scale-up. Establishing reciprocal links between Women's Business Centres, economic development agencies and mainstream mixed-sex business support organisations, ensures existing resources are optimised to achieve economic growth.

The specialist women-centric support delivered by Women's Business Centres provides a conducive environment for women with a long-term health condition or disability to explore business creation, apply their skills and continue to make a valuable contribution to the economy. More closely tailoring support provision to groups of women such as rural-based women and racialised women, and offering access to role models and mentorship, will improve growth prospects and resilience. Providing specialist business growth programmes combined with a dedicated grant fund boosts growth capability and further enhances growth prospects.

Links between business ownership and health emerged as a key finding, with a majority of survey respondents reporting their level of stress had increased during their time as a business owner. Exploring the question of health in more depth with those who had experienced notable business successes revealed burnout linked to financial pressures, and conscious strategies being implemented to address physical and mental health wellbeing. Addressing structural inequalities and enabling a more equitable access to funding for women-led businesses helps tackle the cause of stress. In addition, integrating a wellbeing strategy within business support delivery assists in mitigating the impacts of stress on health.

Nascent aspects of business, such as technology and net zero, risk leaving women behind. While many women-led businesses could benefit from support in these areas, few have been able to access that support in practice. A majority were unaware of digital grants, with pressures from keeping the business viable leaving no time to take action on reducing carbon emissions. There is a clear opportunity here for the Scottish Government to promote awareness of digital and net zero funding schemes, and to make such schemes more accessible for women-led start-

ups. Also, integrating the delivery of bespoke digital literacy and strategy development programmes and net zero programmes within the Women's Business Centre model improves access to such support and strengthens the operations and resilience of women-led businesses.

Concerningly, the majority of survey respondents reported making no pension provision, capitalising their businesses from personal savings. With many businesses not making it through the post-start-up pipeline, there is an increased threat that the outcome of starting up a business is a loss of savings and lack of pension contribution. Understanding risks and planning for adequate retirement income is important – not only for individual security, but also for contributing to a stable retirement system and enabling the Scottish Government to stimulate the current economy through the investment of pension funds.

To summarise, this report identifies several key areas of opportunity to strengthen the policy landscape for women-led businesses. Creating more conducive and equal conditions that enable business growth (such as those evidenced in the US, Canada and New Zealand) has the potential to unlock an estimated £17bn for the Scottish economy every year, delivering widespread benefits that contribute to key Government targets.

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ABOUT WES

Women's Enterprise Scotland (WES) is a research-led, not-for-profit Community Interest Company which champions women-led and women-owned businesses. For the past 13 years, WES has been at the forefront of the drive to close the gender gap in enterprise participation in Scotland, advocating for better evidence-based policy making. WES believes delivering specialist women-centric business support will enable women to fulfil their business aspirations and add billions of pounds to the Scottish economy every year.

Informed by our research, WES delivers free to access business support direct to thousands of women-led businesses and supports the policy and parliamentary process by giving evidence to parliamentary committees, issuing policy briefs and convening roundtable discussions.

GLOSSARY

Below is a definition of the industry-related terms used throughout this report:

Angel Investment Individuals who provide funding to early-stage, small companies in return for shares.

Bootstrapping The process of building a business which is self-sustaining. No external capital or investment is used and instead the business is grown through minimising costs and expanding revenue.

Cost-of-Business Crisis A term used to describe a situation where the costs of operating a business such as wages, power and materials, are rising faster than business income, often resulting in reduced profit.

Cost-of-Living Crisis A term used to describe a situation where the cost of everyday items such as food, fuel and power, is rising faster than average incomes.

Crowdfunding A method of raising finance for a project or venture using the internet to collect funds from a large number of people. Originally used to fund creative projects, crowdfunding has become more mainstream in recent years as it is increasingly used by entrepreneurs. Crowdfunding can be used by businesses to gain donations, sell rewards (goods or services) or sell shares in the business.

Equity Investment A method of finance where companies sell shares to investors.

Gender-Disaggregated Data Data split by gender to assist a deeper understanding of how groups are impacted by policies.

Inclusive Growth The RSA Inclusive Growth Commission defines inclusive growth as, “broad-based growth that enables the widest range of people and places to both contribute to and benefit from economic success. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes”.

Mainstream Mixed-Sex Business Support Conventional business support which takes a gender-neutral approach and does not differentiate between the needs of men and women in business.

Missing Middle Business support for businesses which have completed their start-up phase, are now seeking support to scale-up and realise their growth ambitions but are deemed too small to qualify for access to available scale-up support services.

Post Start-Up Pipeline Businesses which have completed their start-up phase and are now seeking to establish and/or scale-up. Leaky post-start-up pipeline – the high attrition stage after initial start-up.



Productivity	Productivity is commonly defined as a ratio of a volume measure of output to a volume measure of input use. Gross Domestic Product is one common measure, but opinion is moving towards a broader range of measures such as the Triple Bottom Line measures of people, planet and profit.
Specialist Women-Centric Support	Support designed by women's organisations specialising in women-centric support provision.
Venture Capital	A method of finance where early-stage companies with potential for substantial growth sell shares to investors who have a portfolio of investment in different companies.
Women's Business Centre	A model of support providing specialist women-centric business support. Located in a physical building providing in-person support in addition to digital support. Independent of but with reciprocal links to, mainstream mixed-sex business support providers.
Women-Centric Support	Support designed for women-led businesses.
Women-Led Businesses	This report uses the Scottish Government definition, referring to those firms that are, "controlled by a single woman or having a management team composed of a majority of women." ¹²⁵
Zero-Sum Game	A situation where the amount of financial gain for one party equals the amount of financial loss for another party, resulting in a net change of zero.

¹²⁵ Strategic Framework and Action Plan for Women in Enterprise, Scottish Government and Women's Enterprise Scotland (2017)