

WOMEN ENERGIZE WOMEN

Blog Article

Obstacles and Opportunities of Female Founders

An Introduction

You have a unique idea and the passion to follow your dream – then you are ready to start your own business, right? It sounds easy enough, but the reality looks different. Studies on women entrepreneurs always find similar situations: Women starting a business of their own face obstacles that male counterparts likely do not. To get a glimpse of the topic being discussed next Wednesday at the upcoming #womenenergize event [“How to overcome gender biases as a female founder”](#), let’s start with a few questions.

What is a female founder?

Of course, there is no exact definition. The term female founder refers to a woman starting her own business. But in making this distinction lies the implication that there are differences between founders based on their sex and traditional gender roles or expectations that are connected to them. This term also pops up in recent year’s economic studies and research papers and is often used synonymously to female or women entrepreneurs.

What is the situation of female founders?

As Christine Lins, Executive Director at GWNET, stated in a #womenenergize event that took place in [November 2021 on the Gender-Energy Nexus](#), data is crucial to understanding and evaluating the situation of the female workforce. So, what is the data on female founders? On the European level, the State of European Tech 21 report on European tech start-ups found that only 25% of the leaders and 15% of the founders are women (State of European Tech 21). The significantly lower number of female entrepreneurs compared to their male counterparts is also observed on a global level as the 2020/21 Women’s Entrepreneurship Report by Global Entrepreneurship Monitor states. Globally, female entrepreneurs are still confronted with barriers rooted in their economic situation, traditional gender beliefs and social restrictions. As a result of these restrictions, women are more likely to be solo entrepreneurs than men and tend to run much smaller businesses with a focus on local markets.

What are the main fields where female founders are faced with obstacles?

On the one hand there are individual obstacles such as education as well as economic and social background. An often cited challenge that female founders face is balancing a household, family life and career. On the other hand, there are structural barriers that need to be resolved. The State of European Tech 21 report and Female Founders Monitor 2020 both reveal a huge gender gap in funding. The distribution of capital to founding female (1%) or mixed teams (9%) has stayed constant for the past five years in the European tech start-up scene. And the situation pictured earlier by the 2020/21 Women's Entrepreneurship Report is also confirmed here: Women are more represented in the smallest funding rounds and less as the rounds get larger. Thus, female founders are mostly confined to starting small-scale and locally focused businesses, which also perpetuates the idea among investors that women are suited to lead small companies. As an indicator, the research led by Dana Kanze at Columbia University identified the kind of questions investors ask founders at pitch competitions. Female founders are asked more "prevention" questions about what could possibly go wrong. Male founders get more "promotion" questions by investors about how fabulous everything could possibly be, leaving a picture of a visionary male founder and a defensive female one.

What are the opportunities and strengths of female founders?

Breaking the cycle of funding only small business ideas of women would unleash a massive opportunity. As the Female Founders Monitor 2020 states: "It must be remembered that, in addition to their entrepreneurial drive, women are also more strongly motivated by overriding goals and are consequently a decisive force behind both the green economy and the field of social entrepreneurship". This means that female founders tend to be more interested in the social impact of their projects than their male counterparts. Especially in the tech scene, the potential of solutions through a female lens is yet to be discovered.

What can be done to help and encourage female founders?

To speak about gender biases, to create awareness, to implement mentoring programmes for female founders or to connect and support each other in women's networks are first steps. But it's the tip of the iceberg. Female entrepreneurship and the socioeconomic phenomena connected to it are highly complex issues that warrant a more nuanced discussion. To find out more and join the discussion or share experiences with our international experts and fellow founders, you are gladly invited to participate in the next #womenenergize online event on Wednesday, 26th January at 4pm CET. Additional details about the event can be found on the [#womenenergize website](#). Please register via [this link](#).

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Sources:

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