

# Are entrepreneurial women on the decline?



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You might think that entrepreneurial women are on the decline based on the 2012 Global Entrepreneurship Monitor (GEM) U.S. Report – a joint study for Babson and Baruch Colleges.

American Express, in contrast however, has been touting 2013 as the potential year for the female entrepreneur. The growing numbers of women entrepreneurs have been on the fast track for some time now. There's been a 54% increase from 15 years ago, which translates into 8+ million women business owners, according to American Express.

## **So, who's right?**

The research from Babson and Baruch Colleges projects a decline for women entrepreneurs suggesting issues of self-confidence, access to funding and family obligations.

When matching women and men for education and experience, their responses to starting a business in the next 5 years is comparable to the current decline in women entrepreneurs.

- In 2011 the ration was 8 women to 10 men starting a business, but by 2012 the ration had dropped to 7:10.

- When asked about starting a business in the next 5 years 1 in 5 men responded favorably as compared to only 1 in 13 women.
- While equally three- quarters of both men and women looked at starting a business as an opportunity rather than a necessity, men over women rated themselves as higher in their capabilities and positive outlook towards opportunities, but lower in fear of failure.
- Less than half of women reported being confident in starting a business as compared to 2/3's of men.
- Men were 30% more likely to anticipate business growth by adding 5 employees within 5 years and women were less inclined.
- Also, men were viewed as starting with greater capital investment, access to funding and a larger business network than women.

Rather than suggesting that women entrepreneurs are declining, I see women entrepreneurs as continuing to increase in numbers. However, this time they are leaving for a better business model.

**First**, the range of business entrepreneurships varies widely. Not all businesses today follow a traditional local business format or a scaled business model leading to national and international status.

**Second**, entrepreneurship can provides a viable economic return without having to have a growth scale requiring hard assets and a large number of employees.

**Third**, lack self-confidence can be just as self-defeating and over self-confidence. Rather a more accurate measure of business success is the growth of confidence based on the accessibility to mentoring and support networks.

While the Babson/Baruch report and American Express are looking at women in the traditional business model, they may

be missing the trend where women entrepreneurs are actively pursuing business elsewhere.

**The Internet home-based business model gives women what many traditional businesses can't.**

It's the flexibility to address the personal and family issues which businesses cite as a common productivity complaint about female employees. For women, the Internet business model ideally has a low capital investment. And, yes there will always be issues of self-confidence for some women entrepreneurs. But, it's a lot easier to build a business and increase self-confidence when you have a world of mentors and support networks only an Internet click away.

Women entrepreneurs are not declining, they are just moving in a new business direction.

Source:

<http://www.forbes.com/sites/elainepofeldt/2013/05/28/the-confidence-gap-and-women-entrepreneurs/#>