



THE RISE OF  
WOMEN  
ENTREPRENEURS



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Over the past 15 years, women entrepreneurs have taken the reins in the business world. The number of female-owned small businesses grew 1.5 times more than the overall national average for new ventures, with over 9 million female-led companies being reported in the U.S. during 2016.<sup>1</sup>

Women entrepreneurs run the gamut from small, home-based business owners to powerful chief executives of some of the world's most notable companies. While women still face certain challenges on the road to entrepreneurship, they are invariably changing the game by creating new business models and new jobs, and ultimately helping to shape and grow the economy.

## Trend #1

# The Upward Swing of Women's Entrepreneurship



# Trend #1 | The Upward Swing of Women's Entrepreneurship

There has been a tremendous upswing in the growth of women-owned businesses since around 2000.

Global Entrepreneurship Monitor found that, in 2016, female entrepreneurial activity around the globe increased by 10 percent, and 163 million women were starting or running new businesses in 74 different countries for that year alone.<sup>2</sup> Additionally, the Kaufman Index reported that 230 out of every 100,000 women became entrepreneurs each month during 2017.<sup>3</sup>

While the number of women entrepreneurs is on the rise, experts have differing views on what is driving this rapid growth. According to the National Women's Business Council, female entrepreneurs often fall into two categories: those who want to exploit a market opportunity and those who go into business for themselves after realizing the traditional labor force does not offer options that cover their basic economic needs.<sup>4</sup>

Regardless of their reasons for becoming business owners, more women than ever are finding success in the entrepreneurial world. For example, in Maine, which is at the forefront when it comes to supporting women in their business endeavors, women entrepreneurs saw the highest revenue growth among the 50 states and Washington, D.C. during 2017, with 45,600 women-owned businesses generating around \$13 billion in sales annually.<sup>5</sup> Since

there aren't many large employers to work for in Maine, numerous women there have started their own businesses, ranging from donut shops to accounting firms. Entrepreneur Leigh Kellis, who owns The Holy Donut, believes women in Maine share a passion for what they do and a particular inventiveness that makes them successful. The state is undeniably leading the way when it comes to economic prosperity spurred on by women.

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## Trend #2

# Women Entrepreneurs Take Advantage of Their Unique Strengths



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The Hiscox 2017 DNA of an Entrepreneur Report™ found that the top three attributes associated with being a woman entrepreneur are the abilities to promote their businesses, to delegate, and to be patient.

The study also found that women have an inherent sense of independence: 48 percent of women are the sole employee of their businesses, while only 37 percent of men can say the same.

Women are playing to their strengths through the types of industries they choose to enter. Fifty percent of women-owned businesses fall into several categories, including general, professional and technical services, which can include everything from hair salons and healthcare businesses to accounting and architecture firms.

Author and entrepreneur Sallie Krawcheck believes that the qualities women inherently bring to the workplace are exactly what make them great entrepreneurs in any field. From managing risk and complexity to seeing things holistically and focusing on the long term, Krawcheck says women are in a better place than ever to harness these abilities in the entrepreneurial world.<sup>6</sup>

Entrepreneur Alicia Igess used these traits as she started her own salon. Igess had recently moved to Atlanta to start her career as a hair stylist when a fire left her homeless and without the tools of her trade. She had a choice: pack up and go back to her lifelong friends and family in Tennessee or soldier on in Atlanta. Igess now has one of the most successful salons in Atlanta.

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**48%**  
of women are the sole employee of their own business



Female entrepreneurs are putting their **unique strengths** to work in today's business world

## Trend #3

# Optimism About the Future Tops Doubt for Women Entrepreneurs



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Women entrepreneurs are increasingly optimistic about the future, with a majority believing women will make significant strides in the workforce over the next 20 years.

The Hiscox 2017 DNA of an Entrepreneur report shows that 61 percent of women small business owners are optimistic about the economic climate of today's business world, and 40 percent of women feel better about their personal financial situation than they did one year ago.

A report from Bank of America found that, over the next two decades, 80 percent of women business owners believe women will have equal or greater representation in STEM fields compared to men, while 61 percent believe women will have wages greater to or equal to those of men. Even in the short term, more women small business owners than in previous years believe their local and national economy, as well as the global economy, will improve over the next 12 months.<sup>7</sup>

Entrepreneur Sallie Krawcheck contends that many forces are currently paving the way for women entrepreneurs to find success both now and in the future. She sees a growing network of resources and organizations poised to help women entrepreneurs, offering everything from coaching and networking to instruction and

ideas on funding sources. Additionally, there is increasing recognition of the fact that startups with female leadership perform better than those with all male leaders.<sup>6</sup>

Among today's optimistic women entrepreneurs are a few who have taken on courageous efforts to become successful:

### Amy Genzlinger, Art from The Heart

After losing her vocal cords in a medical accident, Genzlinger could no longer perform her job as a corporate trainer and speaker. She began making collages as a way to express herself, and they became so popular that she started a business teaching others to make their own. Genzlinger's business doubled within seven months, and she's so optimistic about the future that she's working on franchising.

### Catherine Mattice, Civility Partners

Mattice worked in human resources at a business plagued by office bullying, and decided to leave her position to open her own HR consulting firm that helps end workplace bullying and create a positive business environment for employees to thrive. Mattice is using her experience to bring about positive changes for future workers.

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## Trend #4

# The Inherent Challenge of Accessing Credit and Capital



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While today's female entrepreneurs see a bright future ahead, they are still facing several challenges, chief among them the ability to get the money they need to start their business or keep it going.

Being able to access credit and capital is often cited as one of the main reasons for the disproportionately high failure rate among women-owned businesses. In 2014, women received only 16 percent of all conventional small business loans, and in 2016, women were given a mere 2 percent of all venture capital offerings. More women have relied on personal finance streams like credit cards and savings to get their businesses off the ground, and many are less likely to apply for loans for fear of being denied.<sup>9</sup>

As a means of combatting this challenge, more women than ever are turning toward crowdfunding to gain the capital they need to start their businesses. As it turns out, women are more successful at crowdfunding than their male counterparts, with their campaigns performing better across all sectors, even in the male-dominated technology industry.<sup>9</sup>

Additionally, business grants designed specifically for women are on the rise.<sup>10</sup> For example:

### InnovateHER Grant

The InnovateHER Challenge is sponsored by the Small Business Administration. This women-only grant allows budding

entrepreneurs to pitch their ideas to audiences and a panel of judges. The national winner receives a \$75,000 grant to transform her ideas into profitable products or services.

### Eileen Fisher Women-Owned Business Grant

Female entrepreneurs who are in need of capital to expand a business can apply for the Eileen Fisher Women-Owned Business Grant. Eileen Fisher awards \$100,000 in grants for up to 10 recipients. To be considered for this grant, yours must be a woman-owned company that promotes social and environmental change. Your business must have existed for at least three years, and you cannot have earned more than \$1 million in annual profits.

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Women who worked full time in 2016 made 20% less than their male counterparts



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Women-owned businesses in the U.S. are responsible for generating \$1.6 trillion in revenue and employing about 9 million people.<sup>4</sup> With confidence in the future and a way forward through the challenges they are facing, women are poised to harness the entrepreneurial spirit for decades to come. Though some women start businesses out of necessity and others out of passion, they are continually learning how to make it work and how to meet the demands of today's changing economy.

## About us

Hiscox, the international specialist insurer, is the first company in the US to offer insurance for small businesses direct, online and in real-time. We provide professional liability, general liability and business owner's insurance, underwritten by Chicago-based Hiscox Insurance Company Inc., which is rated 'A' (Excellent) by A.M. Best Company. Coverages are subject to underwriting and may not be available in all states. Hiscox Ltd is listed on the London Stock Exchange UK: HSX.

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