

IS THE ENTREPRENEURSHIP GENDER GAP SHRINKING?



Donna J. Kelley is an associate professor of entrepreneurship at Babson College. She is the lead author of the “Global Entrepreneurship Monitor 2010 Women’s Report” (GEM) that was released earlier this week. This report represents the most exhaustive study currently of the business activity of women, and is based on interviews with more than 175,000 businesswomen from 59 different economies. The study found that more than 104 million women were running new businesses, and 83 million of them had been doing so for more than three years. Even with these remarkable numbers, a gender gap still persists. The GEM survey demonstrates that there are persistently less female entrepreneurs than men in most economies in the world. In general, there are fewer women engaging in economic pursuits, but the information from 2010 in the GEM study did show one country with more women entrepreneurs - Ghana. In developing countries such as Ghana, women may become entrepreneurs out of the need to provide for their families in an economy with few other opportunities. Many factors influence a woman’s participation in the business world. Cultural roles and expectations carry a great deal of weight in determining how women function as entrepreneurs. For example, Korean women lack day care options, and women in China generally rely on parents to provide childcare so they can participate in the business world. Even in countries with a more balanced participation of men and women in entrepreneurship, men are still more likely to be running established businesses more often than women. One reason women are less likely to start a business is they do not always see the opportunities available to them. Since 2002, the awareness of possible entrepreneurial prospects has lessened among women in developed countries. One component crucial to women’s participation in business is the fact that women have far less faith in their own abilities than men do in theirs. Only 47% of women, as compared to 62% of men, feel they have the ability to start their own business, and this disparity is present in all



economies and cultures studied in the GEM survey. Women are also more fearful of failure than are men, which can be a stumbling block for them. They are also less likely to have as varied a network of support as their counterparts. Women more often depend on family members for support rather than other entrepreneurs. Women tend to not have a large network of business associates and may not even know one other entrepreneur. Men generally know many other entrepreneurs like themselves and rely more on these colleagues than on their family for support. Women’s confidence levels may benefit from more opportunities for mentorship and access to role models. Growth expectations for female-led businesses are half as high as those led by men, even though women are equally as educated. While women are just as likely to create ingenious products, they do need greater access to resources and training in order to realize their growth potential.