

## UK women created record number of new companies in 2022



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Female entrepreneurs created a record number of new businesses in the UK last year even as financing remained challenging.

In 2022, women in the UK launched 151,603 companies, up from 145,271 in 2021 according to an independent review led by Alison Rose, chief executive of NatWest Group. “It’s a testament to the resilience and entrepreneurialism of female founders that they are creating more companies than ever before,” said Rose. “By listening closely to entrepreneurs and acting on what they tell us, we will provide backing to help them grow their networks, secure finance and achieve their goals.”

The Treasury commissioned Rose to lead an independent review to better understand the disparity that exists between female and male entrepreneurs. Last year the ongoing impact of the pandemic, the war in Ukraine, political upheaval and market turbulence provided an uncertain backdrop for UK businesses.

Despite the UK weathering the sharpest cost of living crisis in generations, inflation remains at elevated levels. The number of female-led companies grew despite the challenging conditions and represented a fifth of all businesses in the UK in 2022, up from 16 per cent in 2018. However, men are still three times more likely to start a new business than women. “Female entrepreneurs respond to challenging economic times by establishing new businesses and setting out on their own. Their determination to succeed makes us more certain than ever that we can help realise their potential and grow both their businesses and the UK economy,” said Rose.

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The 2019 review found that a lack of funding was one of the biggest barriers to women being able to effectively grow their businesses and this is still regarded as a big impediment. In the past 12 months, half of female business leaders and entrepreneurs reported finding access to financing and investment difficult, versus 40 per cent for their male counterparts.

This abstract from the Financial Times written by Anjali Raval and Siddharth Venkataramakrishnan on 22nd February 2023 was produced by Pearson UK.

(Adapted from the Financial Times <https://www.ft.com/content/b4dd3ddd-b175-439d-9e27-445323be91b2>)

### **Pearson Edexcel GCE Business**

This case study relates to the following topic areas of the course specification:

1.5.2 Entrepreneurial motives and characteristics

1.5.6 Moving from entrepreneur to leader

### **Recommended research activities:**

- a) Who are the most successful female entrepreneurs in the UK?
- b) What qualities do they have that have led to their success?
- c) How might an entrepreneur have difficulties from transitioning to a leader?
- d) Research the article “tags” linked to the article on the FT site.

### **Exam style questions:**

1. Calculate the percentage change in the number of companies set up by women between 2021 and 2022 (4)
2. Assess two entrepreneurial characteristics needed to set up and run an enterprise (8)

### **Additional question using the full article**

1. Why is it important for the UK economy that more women set up businesses? Why are the government pushing this so much?
2. What are the main challenges that are preventing women from becoming entrepreneurs?