



# State of Female Entrepreneurship

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# Executive Summary

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A critical part of Visa's mission is to enable individuals, business and economies to thrive. One of the biggest contributors to economic health comes in the form of small to medium business (SMB) owners. Together, they form a global network connected to each other by virtue of their desire to pursue their passions, make a difference or own their own destiny.

Small businesses are also the backbone of local economies around the world. They are the biggest employers, job creators and contributors to the national GDP.<sup>1</sup> In fact, the small business community in the [U.S. contributes approximately \\$8.5 trillion to the economy.](#)<sup>2</sup> Within the SMB world, women-owned businesses make up nearly half the U.S. market, employing millions and generating trillions in sales each year.

This research is designed to take the national pulse of female small business owners: the goals they aim toward, the challenges they face and what motivates them most. It also double-clicks into Atlanta-based women business owners, the site of Visa's inaugural, She's Next, Empowered by Visa, event for female business owners.

To us, championing female-owned small businesses means helping them overcome the hurdles they face. This research helped us define those hurdles and our approach to action, including:

- Uncovering women's business-oriented motivations and biggest challenges by interviewing 650 female small business owners, nationwide.
- Determining top concerns, and educational and support needs for those female business owners, and begin to host a series of events to offer solutions and opportunities to learn.
- Finding subject matter experts to share insights and deliver the resources needed.

**As a leader in digital payments for more than 60 years, Visa has a tremendous opportunity to enable economic growth and strengthen economies, while also helping to improve lives and create a better world. We are truly inspired to encourage women small business owners as they build, sustain and advance their small businesses.**

<sup>1</sup>Small Business Administration (SBA) | <sup>2</sup>SBA, Small Business GDP: Update 2002-2010

# Motivations for Starting Businesses and Challenges Faced

The global rate of female entrepreneurship has been increasing more quickly than that of male entrepreneurs, with more than 163 million women around the world starting a business [since 2014](#).<sup>3</sup> There is no simple answer as to what is driving this increase, but when asked about their motivations, women had a lot to say about societal factors, personal motivators and challenges they face.

Women set out to pursue their passion, achieve financial independence and flexibility.

## Top Motivators for Starting a Business



**79%**

of American female entrepreneurs feel more empowered now than they did five years ago.



When starting their own business, women said they face challenges centered on strategy development, finding the right tools and dealing with the competition.



### Strategy and Operational Challenges

<b>37%</b>	Assembling a good team
<b>36%</b>	Finding the tools to grow and manage my business
<b>36%</b>	Dealing with the competition
<b>33%</b>	Growing as fast as I needed
<b>29%</b>	Raising capital/funding
<b>28%</b>	Developing an online presence

### Other Challenges

<b>24%</b>	Keeping up with industry changes and trends
<b>23%</b>	Building a support network
<b>11%</b>	Implementing a payment system
<b>8%</b>	Cybersecurity

The majority of women report that it was difficult to obtain the funding they needed to start their own business.



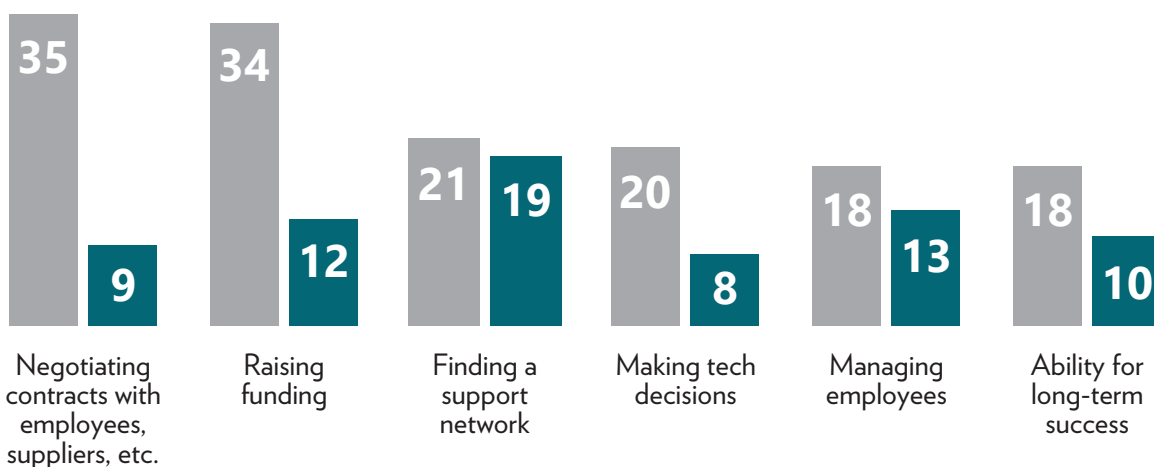
## 61%

### Self-funded their businesses

10%	Took out small business loan
10%	Received all funding from one investor
8%	Received partial funding from investors
7%	Received all funding requested from multiple investors
4%	Didn't receive any funding from investors

Most women found funding challenging, **nearly two-thirds self-funded.**

Most women feel that business challenges are equally difficult for both women and men. However, some believe that negotiating contracts and raising funding come more easily for men than women.





Women are undeterred from asking for advice as new and seasoned entrepreneurs, placing value in the advice of those that have come before them, typically other women. Before starting a business, 65 percent of female small business owners knew another small business owner and 91 percent of those solicited advice from other female business owners. The type of advice ranged from the challenges they faced and how they learned from them to the types of payments they accepted.

**When asked to share the one piece of advice they would give to another woman who would like to start her own business, respondents had a lot to share.**

**Here are some of the highlights:**



**Types of Advice Solicited:**  
(percentage)



# Profile of a Female Small Business Owner

Who starts a business is as varied as are the kinds of businesses that are female-owned today. What female small business owners do have in common is how much dedication they have for their businesses and how much juggling it takes to make it work.

A glimpse into the female small business owner and the kinds of businesses they are running.

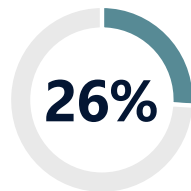


Average years in operation:  
**11**

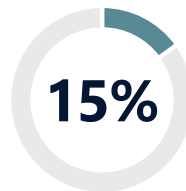
Company's average annual revenue in 2017:  
**\$1,099,286**



Both brick and mortar and online



Brick and mortar



Online sales only



Average age:  
**42 years**

**34%**  
Part owner



**66%**  
Sole owner

**57%**  
have 1-9 employees



**54%**  
have family members on staff

**52%**  
have children under 18



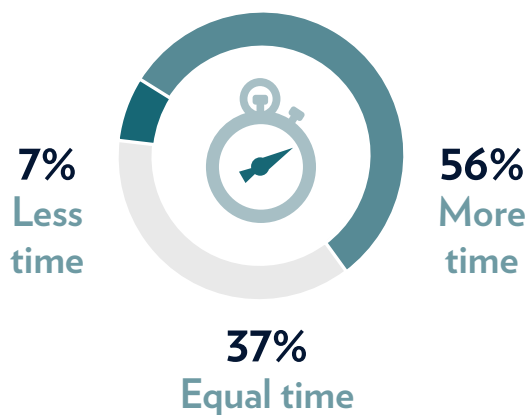
## Key stats include:

- Two-thirds of women in this study (66%) are sole owners of their business
- Their company's total average annual revenue is \$1.1M
- They have been in business an average of 11 years
- Almost two-thirds (64%) have under 20 employees
- More than half employ their family or friends (54%)
- The top industries are retail trade, professional and personal services
- These women small business owners are typically 42 years old and report an average household income close to \$110,000
  - More than half are married and most (71%) have children
  - They are educated, with six in ten graduating college or attended post graduate school

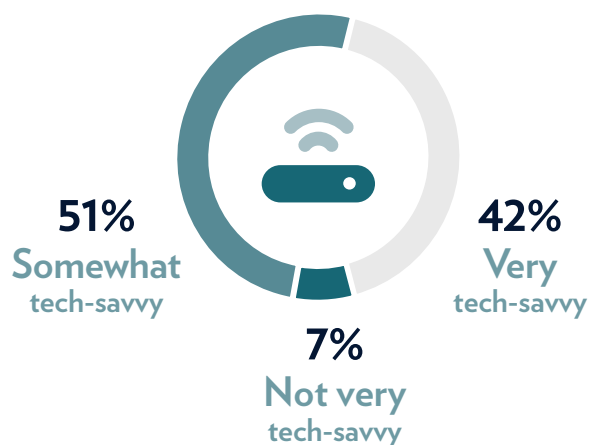
As their own boss, women are working harder than before—and multi-tasking to get it done.



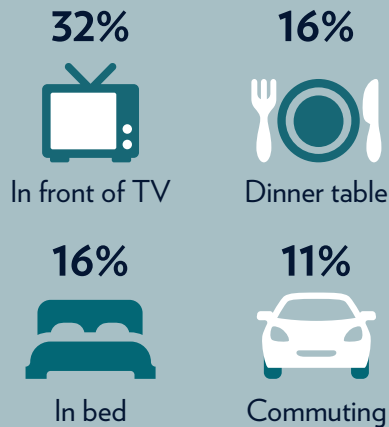
### Time Spent as a Boss vs. Before



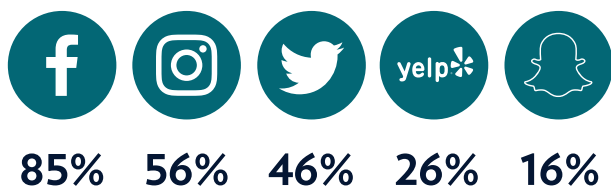
### My Company is...



### Where Working When Not at Work



### Social Media Outlets Used



### Online Sales Presence



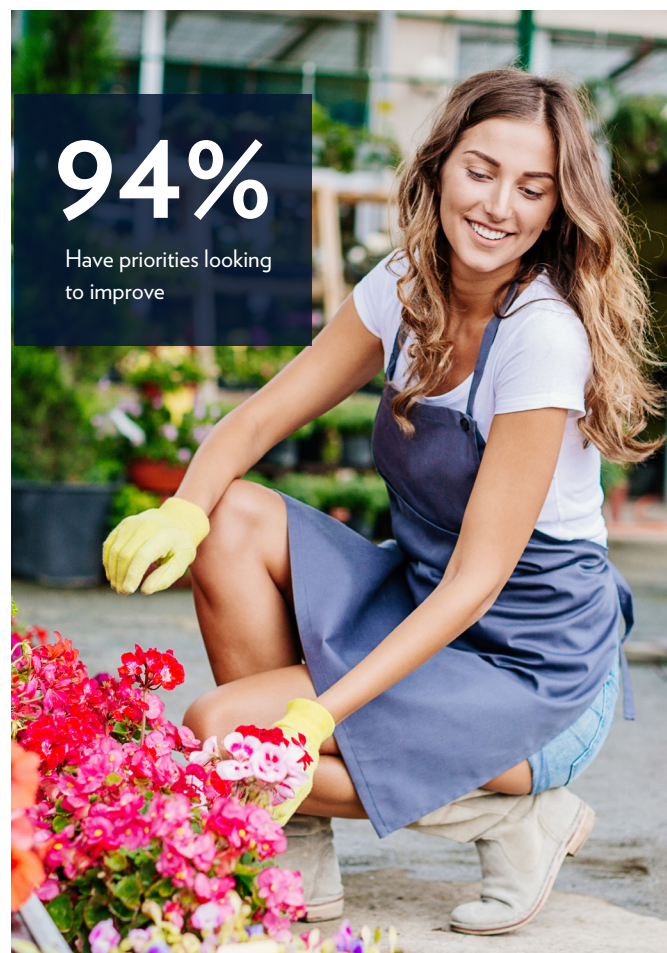


# Growing a Female-Led Business

When asked what business priorities they would focus on if they received additional funding, female business owners cited revenue and profit growth as their top priorities, followed by a being able to increase their annual budgets.

## Female Business Owners are Focused on the Numbers

<b>48%</b>	Revenue growth target
<b>47%</b>	Profit growth target
<b>36%</b>	Annual budget
<b>24%</b>	Staff roles and responsibilities
<b>23%</b>	Assessment of main competitors
<b>22%</b>	Succession plan
<b>18%</b>	Written strategic plan
<b>17%</b>	Specific training plan or program
<b>16%</b>	Family leave plan



# Nearly 50%

of respondents said they would put additional funding towards marketing and advertising, followed by an investment in new technology—all of which focus on key growth levers.



## Where Would You Direct More Funding?

**45%** Advertising and marketing

**32%** Invest in newer technology

**31%** Increase/grow safety net

**27%** Hiring more staff

**25%** Better benefits to employees

**23%** Creating new products

**16%** Social/charitable good

**16%** Bigger location

**12%** New locations

**8%** Discounts





# Atlanta Highlights



# Female Founder Highlights Unique to Atlanta

Atlanta has one of the highest rates of female entrepreneurship in America, with that trend showing no signs of slowing down. Through our findings, it has become clear that female business owners in Atlanta are confident about their ability to run a company, but want more help and guidance throughout the process, as well as funding, with 83 percent of respondents reporting it difficult to obtain funding to start their own business. Financial independence and flexibility are among the highest priorities to female business owners in the city, with women also citing a need for more educational tools that can help them learn about payment related topics, as well as how to promote and grow a business through digital marketing.

## Key Highlights from Female Atlanta-Based Business Owners

Pursuing their passion, having financial independence and having flexibility are the top three things women in Atlanta report as motivators for starting their own businesses.

When starting their own business, women in Atlanta face challenges centered on strategy development and raising capital and funding.

Most women feel that business challenges are equally difficult for both women and men. However, some feel that negotiating contracts are easier for men than women.

If offered, almost all are likely to request a set of tools and programs that could help them learn about payment-related topics.



## Female founders in Atlanta are more likely than other women across the nation to:

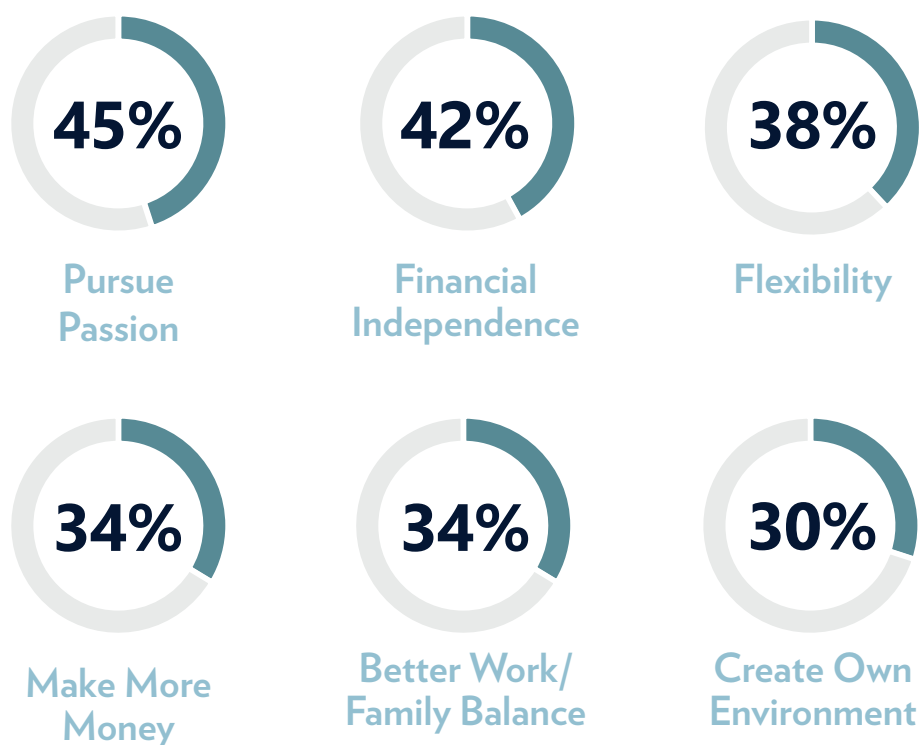
- Feel empowered as a female entrepreneur
- Be the sole owner of a business, with 80 percent of women saying they are the only owner
- List a top start-up challenge as “implementing payment system of cybersecurity”
- Have trouble obtaining funding
- Use additional funding for creating new products, opening new locations and offering customers bigger discounts

## Profile of an Atlanta-based Female Small Business Owner

Female business owners in Atlanta are passionate and inspired, with 88 percent saying they are more empowered now than in previous months and years. Women in Atlanta connect with Michelle Obama (16%) and Wonder Women (15%), the most when it comes to their business persona. As their own boss, 57 percent of women in Atlanta report that they are working harder than before—and multi-tasking to get it done. Twenty-five percent of women report working in front of the TV at home, 16 percent from bed and 12 percent at the dinner table.

In respect to growing their companies, Atlanta-based female business owners are focused on the numbers, with 49 percent of women looking to improve revenue growth, 47 percent wanting to increase their profit growth target and 45 percent wanting to increase their annual budget. These women are also interested in workshops to grow and promote their business, specifically in improving digital marketing (59%), using social media to promote their business (50%), learning how to conveniently accept and make payments (32%) and connect with experts from other local businesses (40%).

### Top Motivators for Starting Business



## Who Are Atlanta Female Founders Today?



Average years  
in operation:

8

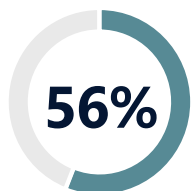
Company's average  
annual revenue in 2017:

**\$1,298,298**

20%  
Part owner



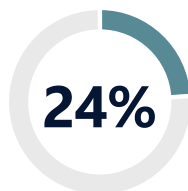
80%  
Sole owner



Both brick and  
mortar and online



Brick and mortar



Online sales only



Average age:  
**41 years**



**19** Employees  
on average



54%

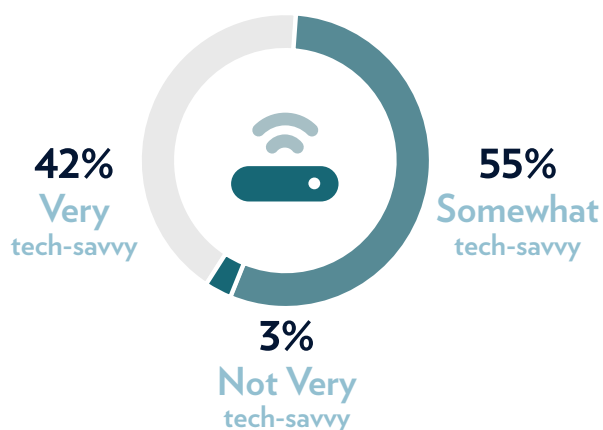
have family  
members on staff



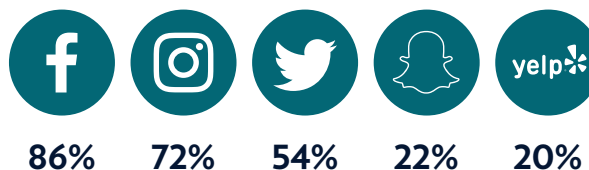
61%

have children  
under 18

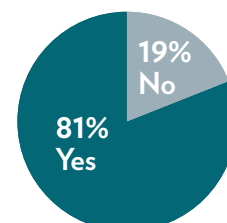
### My Company is...



### Social Media Outlets Used



### Online Sales Presence





# Entrepreneurial Challenges and Advice for Atlanta Business Owners

Women who own businesses in Atlanta face unique challenges to the rest of the country. Thirty-seven percent of female founders reported not being able to grow as fast as they need as a top challenge, with developing an online presence (34%) and raising funding and capital (32%) coming in as the second and third highest challenges faced respectively. Although there is a large network of women business owners in the city, they still report building a support network (27%) as another top challenge, followed by keeping up with industry changes and trends (20%) and cybersecurity (17%).

Along with challenges, comes the interest in receiving advice to get through them, from women who have already built a successful business in the area. In Atlanta, 74 percent of respondents knew another female small business owner before they started their own business and 91 percent of those solicited female advice. Advice most often sought was focused on how to overcome challenges, and how to build a support team.



## Strategy and Operational Challenges

**37%** Growing as fast as I needed

**34%** Developing an online presence

**32%** Raising capital/funding

**31%** Finding the tools to grow and manage my business

**30%** Assembling a good team

**29%** Dealing with the competition

## Other Challenges

**27%** Building a support network

**23%** Keeping up with industry changes and trends

**20%** Implementing a payment system

**17%** Cybersecurity

**74%** knew another female small business owner before deciding to start their own business.

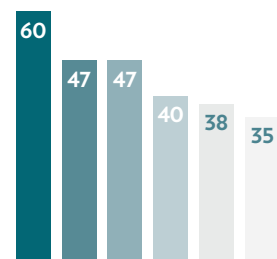
**91%** of those solicited female advice.

When asked to share the one piece of advice they would give to another woman who would like to start her own business, respondents had a lot to share.

Here are some of the highlights:



### Types of Advice Solicited: (percentage)



- Challenges they faced and how they learned from them
- Building a support team
- If they would have done things differently
- Developing an online presence
- Raising capital/funding
- Types of payments accepted

## Methodology

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Visa commissioned a survey of 650 female small business owners (400 nationwide and 250 Atlanta-based) to assess their attitudes toward entrepreneurship. The women small business study was conducted on behalf of Visa by independent research firm, Logica Research. The online survey took place in December 2018.

## About She's Next, Empowered by Visa

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She's Next, Empowered by Visa, builds off the success of Visa-supported programs focusing on small businesses, as well as female business owners. Recent examples include Visa's sponsorship of the [Great British High Street](#) program in the United Kingdom and Visa's [Money is Changing](#) marketing campaign in the United States. In addition to Visa's efforts, the Visa Foundation made its first financial commitment of up to \$20 million to [Women's World Banking](#).

She's Next is supported by the [Female Founder Collective](#) (FFC)—a network of businesses led by women, supporting women—that was founded by Rebecca Minkoff in 2018 and quickly grew to over 3,000 members. From streamlining payment methods to linking women small business owners with like-minded peers and experts, Visa and FFC will together offer resources and opportunities for female entrepreneurs.

As a market leader in the small business segment in the United States, Visa provides a full suite of payment services designed for virtually every need, whether businesses are accepting payments from 3.3 billion Visa accountholders worldwide or making secure, seamless payments to their own providers using Visa Business credit, debit or prepaid cards.

For more information on Visa's small business solutions, please visit [usa.visa.com](https://usa.visa.com).

“As women, we have the power to shape and transform our communities—through our purchasing power and also through the leadership and employment opportunities we offer as business owners.

By joining forces with Visa, we will help build awareness of women-owned businesses, provide them with more opportunities and invest in women across the socioeconomic spectrum around the globe.

**Rebecca Minkoff**

Founder of Rebecca Minkoff and the Female Founder Collective

#ShesNextbyVisa