

Written evidence submitted by The Gender Index [FEN0022]

This submission to The Women and Equalities Committee from The Gender Index addresses the question:

What data exists or is required to track success and monitor progress in female entrepreneurship?

Executive Summary

1. Existing Data on Female Entrepreneurship

The Gender Index has established comprehensive data to track the success and monitor the progress of female entrepreneurship. Launched in March 2022, it aims to provide a clear and accurate picture of the UK company landscape by gender, setting a benchmark for female-led companies.

2. The Gender Index Overview

The Gender Index represents the largest research study into female entrepreneurship to date. It measures the number and impact of female-led companies across the UK, using AI-powered, live data from over 5 million active UK companies. This data is updated regularly and is freely accessible to the public through our interactive website, <https://www.thegenderindex.co.uk>.

3. Annual Reports and Predictive Modelling

The Gender Index releases annual reports, tracking the progress of female-led businesses year-on-year. Our latest report, launched on International Women's Day, incorporates predictive modelling to project the future landscape of female entrepreneurship in 2030, assuming no intervention. Future reports will explore potential outcomes based on varying key interventions, such as increased VC funding. <https://www.thegenderindex.co.uk/reports>

4. Shaping Policy with Data Insights

The predictive model will shift The Gender Index's role from data reporting to driving impactful policy discussions. This model empowers decision-makers to take proactive action, shaping a more inclusive entrepreneurial ecosystem in the UK.

5. Collaborative Research

Academic analysis for The Gender Index's reports is conducted in partnership with institutions including Warwick Business School, Enterprise Research Centre, Glasgow, Edinburgh, and Strathclyde Universities, Cardiff University Business School, Queen's University Belfast, and the Global Institute for Women's Leadership at King's College, London.

6. Additional Data Requirements

The Gender Index would benefit from enhanced data, such as HMRC data on self-employment, to further enrich the information available on female entrepreneurship.

7. The Gender Index was founded by John Cushing and Jill Pay in 2021 to address the persistent underrepresentation of female-led companies in the UK and to empower women through data-driven insights. Drawing inspiration from the Rose Review's findings, which identified a £250 billion economic opportunity if women matched men in starting and growing their companies, they recognised the critical need for gender-disaggregated data to inform policy, shape investment strategies, and catalyse change. With Jill's expertise in governance and gender equality, and John's background in technological innovation, they set the foundation for The Gender Index.

The Key Challenges for Female Entrepreneurs

8. Representation in Leadership

Female-led companies represent only c.20% of active UK businesses, and an even smaller percentage fall within the fast-growth sector. Industries such as technology, finance, and construction remain overwhelmingly male-dominated. The Gender Index highlights these disparities through detailed data, promoting strategies to increase female representation in leadership roles.

9. Access to Funding

Female-led companies receive a disproportionately low share of venture capital and other forms of investment. The Gender Index provides data that clearly shows the gender funding gap, equipping policymakers, investors, and corporates with the necessary insights to close these disparities and foster a more inclusive investment landscape.

10. Regional Disparities

Outside of London, Northern Ireland and parts of the North of England show significantly lower female-led company representation. The Gender Index actively engages with these areas through roadshows and events, ensuring that the challenges of female entrepreneurs outside London are addressed with tailored resources and support.

11. Systemic Barriers to Scaling

Female entrepreneurs face unique challenges in scaling their businesses, including limited networks, fewer mentorship opportunities, and embedded biases. The Gender Index highlights these challenges, advocating for targeted support such as mentorship programs and growth-stage funding to help women scale their businesses successfully.

12. Macroeconomic Challenges

The global economic climate, including post-pandemic recovery and inflation, disproportionately affects female-led companies, many of which operate in sectors with lower profit margins. The Gender Index monitors these challenges and provides valuable insights into how female-led companies navigate external economic pressures.

13. Policy and Structural Gaps

Despite initiatives like the Rose Review and the Investing in Women Code, systemic gaps remain in policies supporting female entrepreneurship. The Gender Index offers evidence and recommendations to address these gaps, supporting the development of effective policies that meet the needs of female entrepreneurs.

14. The Gender Index, powered by mnAi, integrates data from over 8.8 million company officers and over 5 million active UK companies. This robust dataset underpins the interactive website, which enables users to analyse data by various filters, such as:
 - Area (UK, Home Nations, ITL1 regions, Local Authorities, UK Constituencies)
 - Gender leadership
 - Company age
 - Ethnic-minority leadership
 - Fast growth
 - Investment type
 - Sectors
 - Exporters
 - Importers
 - Secured debt

 15. This data can be used to create bespoke reports tailored to the needs of policymakers, businesses, and researchers.
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Predictive Modelling and Future Directions

16. The next phase of The Gender Index will use predictive modelling to move from simply observing trends to actively influencing policy and action. By analysing large-scale datasets, the predictive model can forecast trends and highlight areas requiring targeted intervention.

 17. The initial projections indicate a modest increase in the proportion of female-led businesses, from 19.1% in 2024 to 21.7% by 2030. While this is a positive trend, it also highlights the persistent barriers that continue to limit faster progress.
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Conclusion

18. The Gender Index is poised to be a powerful tool in shaping the future of female entrepreneurship in the UK. By providing comprehensive, real-time data, engaging in predictive modelling, and offering actionable insights, The Gender Index empowers stakeholders to create policies and interventions that will foster a more inclusive and equitable entrepreneurial ecosystem. We look forward to working with policymakers, investors, and other key stakeholders to drive meaningful change for female entrepreneurs across the UK.
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Recommendations

19. We recommend that the House of Commons Women and Equalities Committee considers the data provided by The Gender Index as a valuable resource to inform future policies aimed at supporting female entrepreneurs.
20. Additionally, we call for the inclusion of data from HMRC on self-employment to further strengthen the breadth and depth of insights available to policymakers.

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The Gender Index

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