The Gender Index

England narrative

2023

The Gender Index overview for England, 2023

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Key findings:

- In 2023, the Gender Index suggests there were 714,000 active female-led companies in England. This represents a female-led share of all active companies of 17.4% overall, a slight increase from 16.9% in 2022.

- Within England, the regional league table of female-led companies for 2023 remains very similar to that of 2022. London has the highest proportion of female-led companies (18.6%), while the North East has the lowest female-led share of active companies (15.6%).

- Women's engagement with enterprise is not limited solely to entirely female-led companies. Women are also involved in the ownership of many family companies which involve 'mixed ownership'. Here, London has the lowest share of mixed ownership companies (12%) while the South West tops the mixed ownership league table at 21.9%.

- Comparing turnover (sales) growth between female-led and male-led companies across regions suggests a consistent pattern: on average female-led companies grew slightly faster than male-led companies across all regions, with the exception of the South West.

- However, while female-led companies accounted for 17.4% of all active companies in England in 2023, they accounted for only 8.9% of fast growth companies. This profile is very similar to 2022, when the female-led share of fast growth companies in England was 9%

- 23.4% of active, female-led companies accessed external capital across the UK in 2023, a slightly higher proportion than that in England (23.2%).

- Across England, the proportion of female-led companies accessing external capital varied widely from a high of 25.1% in London and 25% in the South West to a low of 20.5% in the West Midlands (Table 5). Across the home countries and the English regions, the proportion of female-led companies accessing external finance is higher in the younger age groups (Gen Z and Millennials).

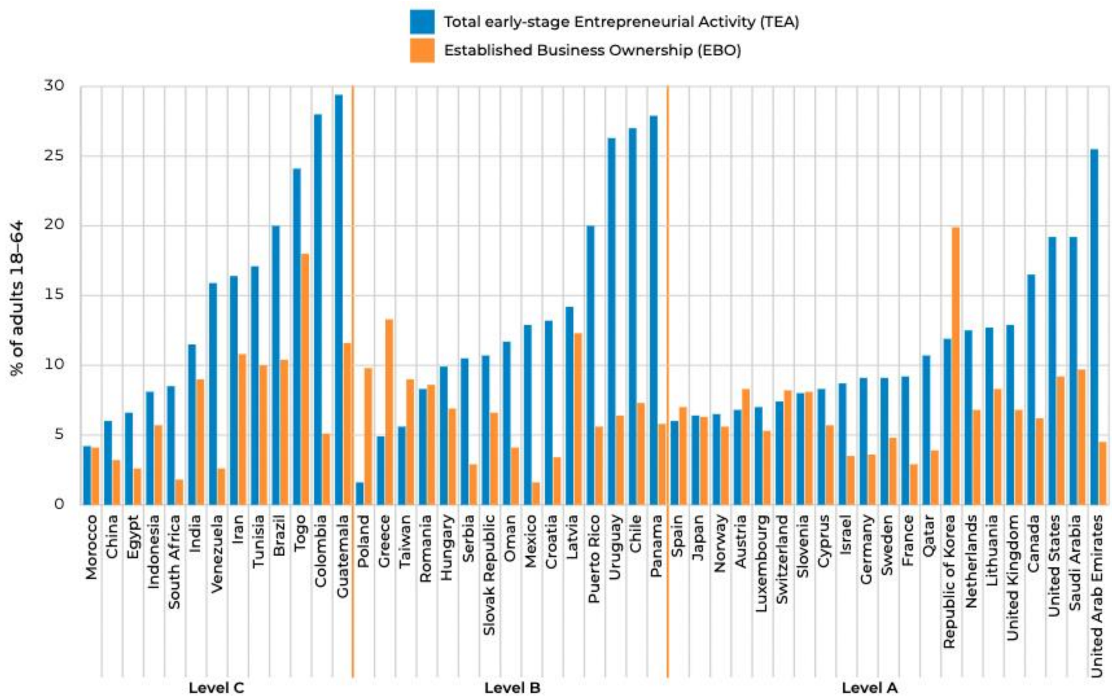
- While 17.4% of all active companies were female-led in England in 2023, this proportion increases to 19.2% among companies that are ethnic minority-led. In other words, female-led companies are slightly over-represented within the group of ethnic minority-led companies in England.

- However, female-led companies only account for 16.9% of ethnic minority-led companies which attract external finance.

1. Introduction

Recent evidence suggests that the overall level of entrepreneurial activity in the UK compares relatively well to that in other high-income countries. Data from the Global Entrepreneurship Monitor (GEM) suggests that engagement with early-stage entrepreneurship in the UK among the adult population is higher than that in other European economies, but lower than that in Canada and the USA (Figure 1). Engagement with established business ownership compares slightly less positively for the UK with a similar level of activity to other leading European economies. As in previous years however, levels of both early-stage entrepreneurial activity and established business ownership among women measured by GEM (10.7% and 4.3%) remain significantly lower than those among men (15.1% and 9.4%).

Figure 1: Early-stage entrepreneurship measured among the adult population: 2022



Source: Figure 3.1, GEM Global Report, 2022.

GEM is derived from a survey of the adult population. The Gender Index data reported in the following sections is derived from population data on all UK registered companies but continues to reflect the very different ownership profile of female-led and male-led companies in the UK.

2. Women's business leadership in England

In 2023, The Gender Index data suggests there were 714,000 active female-led companies in England compared to 2.47m male-led companies. This represents a female-led share of all active companies of 17.4% overall, a slight increase from 16.9% in 2022, and an overall level above that in each of the other home nations (Table 1). Within England, the regional league table of female-led companies for 2023 remains very similar to that of 2022: London has the highest proportion of female-led companies (18.6%), while the North East has the lowest female-led share of active companies (15.6%). However, two changes in the regional league table of female-led companies have taken place over the last year. The West Midlands has improved its position and moved above the South East, while towards the lower end of the league table, Yorkshire and Humberside has moved above the South West.

Table 1: Share of female-led companies in the population of all active companies: 2023

ITL1 Region	% Companies
London	18.6%
West Midlands	17.6%
North West	17.3%
South East	17.0%
East Midlands	16.7%
East of England	16.6%
Yorkshire and The Humber	16.5%
South West	16.2%
North East	15.6%
England	17.4%
Northern Ireland	13.6%
Scotland	15.8%
Wales	16.7%
UK	**17.3%**

Of course women's engagement with enterprise is not limited solely to entirely female-led companies. Women are also involved in the ownership of many family companies which involve "mixed ownership". Here, the regional pattern is very different to that relating to female-led companies, and also shows much more variability between areas (Table 2). Overall levels of mixed ownership in England are in line with the UK average at 16.1-16.2% of active companies, but below those in the other home countries (Table 2). Here, London has the lowest share of mixed ownership companies (12%) while the South West tops the mixed ownership league table at 21.9%.

Table 2: Share of mixed ownership companies: 2023

ITL1 Region	% Companies
South West	21.9
South East	19.1
East Midlands	18.8
East of England	18.0
Yorkshire and The Humber	17.5
North East	17.2
West Midlands	15.8
North West	15.5
London	12.0
England	16.1
Northern Ireland	18.9
Scotland	18.3
Wales	17.9
UK	16.2

Taking female-led and mixed-led companies together provide an overall picture of the proportion of companies in which women have an ownership stake. For England, this amounts to around 33.5% of companies, a level above that in Northern Ireland but marginally below Scotland and Wales (Table 3). The South West tops the overall league table, due to the high proportion of mixed-led companies, while London falls to the bottom of the league table due to its very low share of mixed-led companies (Table 3).

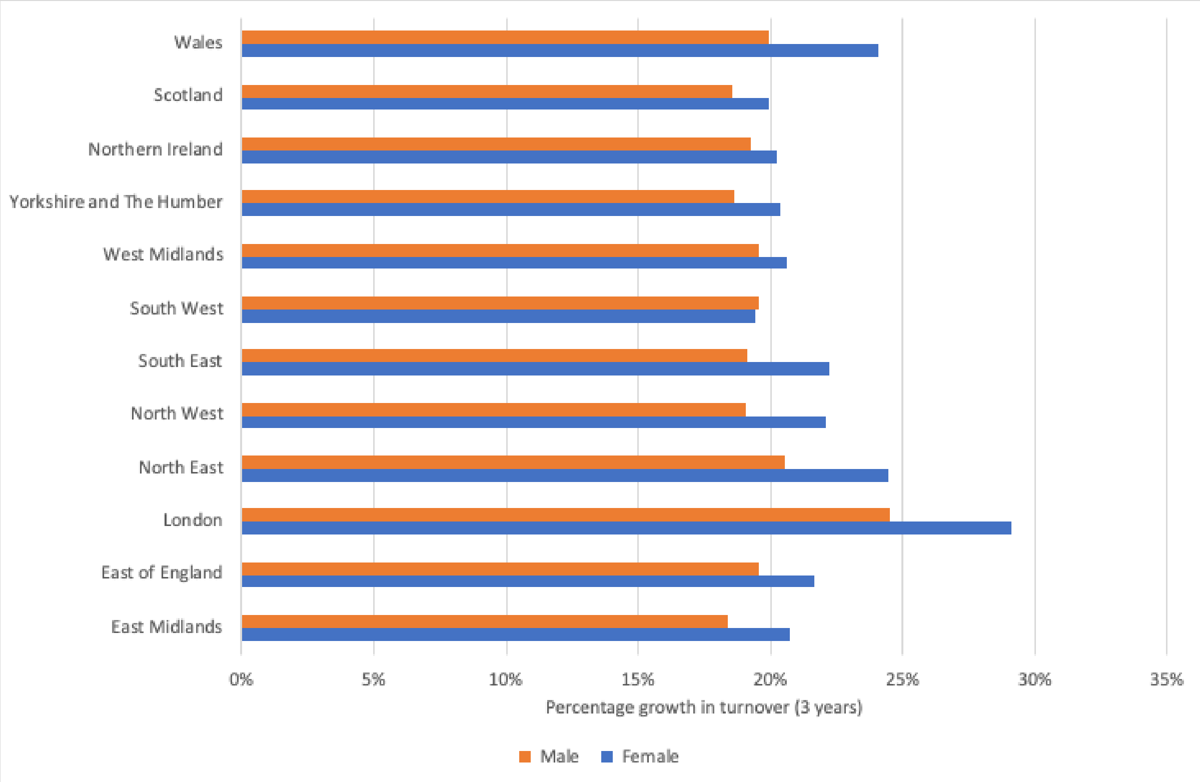
Table 3: Female-led and mixed-led active companies: 2023 (% companies)

ITL1 Region	Female-led %	Mixed-led %	Total %
South West	16.2	21.9	38.1
South East	17.0	19.1	36.1
East Midlands	16.7	18.8	35.5
East of England	16.6	18.0	34.6
Yorkshire and The Humber	16.5	17.5	34.0
West Midlands	17.6	15.8	33.4
North West	17.3	15.5	32.8
North East	15.6	17.2	32.8
London	18.6	12.0	30.6
England	17.4	16.1	33.5
Northern Ireland	13.6	18.9	32.5
Scotland	15.8	18.3	34.1
Wales	16.7	17.9	34.6
UK	**17.30**	16.2	33.5

3. Growth and fast growth in female-led companies

Comparing turnover (sales) growth between female-led and male-led companies across regions suggests a consistent pattern. On average, female-led companies grew slightly faster than male-led companies across all regions with the exception of the South West (Figure 2) [1].

Figure 2: Percentage growth in turnover: by ownership



However, while female-led companies accounted for 17.4% of all active companies in England in 2023, they accounted for only 8.9% of fast growth companies (Table 4)[2]. This profile is very similar to 2022, when the female-led share of fast growth companies in England was 9%. As in all other home countries, female-led companies therefore remain significantly under-represented in this economically significant group of companies. In numerical terms, of 15,000 fast growth companies in England in 2023, 1,350 were female-led while 2,200 were mixed-led. The female-led share of fast growth companies in England (8.9%) was similar to that in NI but notably lower than that in Scotland (10.7%) and Wales (12.1%). Interestingly, while the relative position of the home nations has remained the same as last year, there has been a slight widening in the percentage gap between female-led fast growth companies in England and that in Wales. If the proportion of female-led fast growth companies in England increased to match that in Wales, it implies that there would be an extra 474 female-led, fast growth companies in England.

[1] Only includes companies with +£1000 turnover, and < 1000% turnover change, to avoid outliers
[2] A 'fast growth' company is standardly defined as a company which achieves 20% sales growth in three consecutive years.

4. Accessing external capital

Accessing external capital can pose particular challenges for female-led companies, an issue addressed by the Rose Review and supported by the Investing in Women Code[3]. On average, The Gender Index data suggests that 23.4% of active, female-led companies accessed external capital across the UK in 2023. This is a slightly higher proportion than the 23.2% in England (Table 5). Of the home nations, the highest proportion of female-led companies accessing external capital was in NI (27.6%) but both Scotland (23.8%) and Wales (24.8%) had higher shares than England (Table 5). Across England, the proportion of female-led companies accessing external capital varied widely from a high of 25.1% in London and 25% in the South West to a low of 20.5% in the West Midlands (Table 5).

Table 4: Female-led share of fast growth companie: 2023

ITL1 Region	**% Companies**
East of England	9.9%
North East	9.6%
West Midlands	9.5%
London	9.3%
East Midlands	9.3%
Yorkshire and The Humber	9.0%
South West	8.3%
South East	8.2%
North West	7.7%
England	8.9%
Northern Ireland	8.9%
Scotland	10.7%
Wales	12.1%
UK	**9.0%**

[3] See https://www.gov.uk/government/publications/investing-in-women-code.

Table 5: Proportion of female-led companies accessing external capital: 2023

ITL1 Region	% Companies
London	25.1
South West	25.0
North East	24.8
South East	23.2
Yorks and Humber	22.1
East of England	21.9
East Midlands	21.4
North West	21.4
West Midlands	20.5
England	23.2
Northern Ireland	27.6
Scotland	23.8
Wales	24.8
UK	23.4

Another indicator of a company's ability to access external capital is the proportion of active EIS qualifying female-led companies that secured external capital (Table 6). Here, the overall share of female-led, EIS qualifying companies attracting funding is similar in England (10.8%) to the UK average (10.9%). This figure was notably higher in Wales however at 15.8%, perhaps due to the engagement of the Development Bank of Wales. There is also marked variation also across England from 13.6% in the North West to only 7.8% in the East Midlands.

Table 6: Proportion of active EIS qualifying female-led companies accessing external capital: 2023

ITL1 Region	% Companies
North West	13.6
East of England	11.6
West Midlands	11.1
London	11.0
South East	10.8
Yorkshire and The Humber	9.7
South West	9.4
North East	8.2
East Midlands	7.8
England	10.9
Northern Ireland	10.4
Scotland	10.8
Wales	15.8
UK	10.9

A new feature of The Gender Index this year is the ability to classify company ownership using the average age of directors. This data is used to divide companies into 'generations' as follows[4]:

- **The Silent Generation:** Born 1928-1945 (78-95 years old)
- **Baby Boomers:** Born 1946-1964 (59-77 years old)
- **Gen X:** Born 1965-1980 (43-58 years old)
- **Millennials:** Born 1981-1996 (27-42 years old)
- **Gen Z:** Born 1997-2012 (11-26 years old)
- **Gen Alpha:** Born 2010-2025
- **NULL:** No date of birth is provided for the director by Companies House and therefore, no generation is attached to the individual

How likely are female-led companies in each generation to obtain external finance? In general terms, and across home countries and English regions, the proportion female-led companies accessing external finance (or perhaps needing it) is higher in the younger age groups (Gen Z, Millennials) (Table 7).

Table 7: Proportion of companies attracting external finance which are female-led by generation: 2023

	Not known	Silent	Boomers	Generation X	Millennials	Generation Z
East Midlands	21.3%	11.6%	11.7%	13.8%	18.5%	20.8%
East of England	20.8%	13.8%	11.7%	13.9%	19.1%	18.8%
London	21.4%	14.0%	12.8%	13.9%	19.3%	18.7%
North East	15.4%	11.9%	12.8%	15.4%	16.7%	20.4%
North West	25.0%	13.2%	12.1%	14.2%	18.0%	22.1%
South East	21.1%	13.7%	12.0%	14.3%	18.6%	17.6%
South West	21.4%	15.6%	13.5%	14.3%	18.8%	21.4%
West Midlands	21.2%	13.8%	11.7%	13.7%	18.9%	20.7%
Yorkshire and The Humber	25.6%	12.9%	11.8%	13.2%	19.1%	20.6%
England	21.6%	13.7%	12.2%	14.0%	18.9%	19.7%
Northern Ireland	20.0%	10.0%	10.0%	12.8%	18.0%	16.7%
Scotland	20.5%	10.3%	12.1%	14.2%	19.2%	19.2%
Wales	18.1%	14.6%	13.3%	16.5%	19.6%	18.9%

5. Ethnic minority-led, female-led companies

While 17.4% of all active companies were female-led in England in 2023, this proportion increases to 19.2% among those companies which are ethnic minority-led (Table 8). In other words, female-led companies are slightly over-represented within the group of ethnic minority-led companies in England. At this level the proportion of ethnic minority-led companies which are female-led was marginally lower than England in Scotland (18.6%) and Wales (18.4%) but higher in NI (20.5%). Across England shares vary only slightly from 19.9% in the South East to 17.5% in the North East.

As we might have anticipated from the general profile of female-led companies, those within the ethnic minority-led group are also slightly under-represented among the companies accessing external capital. 19.2% of ethnic minority-led companies in England are also female-led. Yet female-led companies only account for 16.9% of ethnic minority-led companies which attract external finance (Table 9). This share is highest in the South West and lowest in the North West and North East

Table 8: Female-led companies within the group of ethnic minority-led companies: 2023

ITL1 Region	**% Companies**
South East	19.9%
West Midlands	19.8%
South West	19.4%
London	19.2%
East of England	19.1%
North West	18.8%
East Midlands	18.2%
Yorkshire and The Humber	18.0%
North East	17.5%
England	19.2%
Northern Ireland	20.5%
Scotland	18.6%
Wales	18.4%
UK	**19.2%**

Table 9: Proportion of ethnic minority-led companies securing external capital which are female-led: 2023

ITL1 Region	**% Companies**
South West	18.1
East of England	17.6
South East	17.3
London	16.9
Yorkshire and The Humber	16.5
West Midlands	16.4
East Midlands	16.2
North West	15.7
North East	15.1
England	16.9
Northern Ireland	14.3
Scotland	16.9
Wales	16.3
UK	16.8