



The Gender Index



England

2024

The Gender Index overview for England 2024

Stephen Roper

Professor of Enterprise, Director of Entrepreneurship & Innovation Group
Warwick Business School

Narrative

In this report we provide an overview of information from The Gender Index across 2023 with a focus on England. The period covered by this report was therefore shaped by anaemic national economic growth, sharp increases in prices and costs, high interest rates and, for some companies, on-going issues with staff recruitment and retention.

Business trends in 2023 also follow a general growth in the size of the UK business population over the previous decade, with the growth driven particularly by the smallest companies (although there was a decline in the business population during the years of the COVID-19 pandemic). More specifically, between 2022 and 2023 the total UK business population increased by 46,000 (0.8%). This growth was driven disproportionately by the smallest, non-employing companies (those operated by a single individual or by partners not employing anyone else in the company).

Similar long-term trends are also evident in terms of entrepreneurial activity, as reflected in the UK Global Entrepreneurship Monitor (GEM) survey.¹ The findings from the most recent GEM survey suggest that around 12% of UK adults aim to start a business in the next three years, which is double what it was a decade ago. The number of individuals in the early stages of setting up a new business is now at the highest level since the GEM Global project started in 1999 and is a clear indicator of the entrepreneurial creativity and resilience of the UK.

The GEM survey also finds that there have been changes in the composition of the entrepreneurial population. There has been a significant rise in female early-stage entrepreneurial activity in recent years, and youth entrepreneurship has also increased over the last 20 years. In 2022, the survey found that individuals aged less than 35 were significantly more likely to be involved in early-stage entrepreneurial activity compared to older people. A consistent finding of the GEM survey is that entrepreneurship levels among immigrant groups are also significantly above those of UK born life-long residents. In 2022, the headline entrepreneurship rate for immigrants was 13.7 per cent compared to 8.7 per cent for life-long residents. These trends are echoed in The Gender Index data for 2023, which relates primarily to the stock of active business population (rather than entrepreneurship).

Key findings

- In 2023, 20.2% of active companies in England were female-led (2022, 20.3%). Within England rates of female leadership varied significantly from a high of 20.9% in the West Midlands, to a low of 18.4% in the North East of England. The percentage of active companies which were female-led in England was higher than that in each of the devolved nations.

¹ <https://www.gemconsortium.org/>

- There is a higher share of female leadership in England in terms of incorporations (21.2%) than in Wales (20.7%), Scotland (20.3%) and Northern Ireland (19.3%). The female-led share of incorporations in England represents a slight fall on 2022 (22.3%).
- The share of ethnic minority led companies which are female-led in England is 22.0%, a figure marginally higher than that in Wales and Scotland but lower than that in Northern Ireland.
- Among the English regions, the highest proportion of ethnic minority female-led companies is found in the South West, with the lowest rate in the North East (20.3%).
- The Gender Index also classifies business leadership into generations. In the East of England, the North East, East of England and South West female leadership is most common among those companies led by the oldest group of entrepreneurs – the Silent Generation. By contrast in the East and West Midlands, Yorkshire and the Humber, and the North West, female leadership is most common among companies in the youngest – Gen Z – group.
- As other evidence suggests that younger entrepreneurs are associated with faster growth, this bodes well for the future growth of female-led companies in these regions.
- Information in The Gender Index also relates to companies' use of secured debt. In terms of companies with secured debt, 15.1% were female-led. Here the share of companies with secured debt which were female-led was higher in each of the devolved administrations than in England, reaching a peak of 17.0% in Wales.
- Turnover growth varied widely among companies, but a consistent pattern emerges across almost all UK regions and nations – female-led companies grew sales more rapidly than their male-led and mixed-leadership counterparts from 2022 to 2023. The difference in growth during the 2022 to 2023 period was particularly marked in the East Midlands, North East, North West, South West and South East.
- These higher average growth rates among female-led companies are also reflected in an overrepresentation of female-led companies in the group of fast growth companies (compared to the reference group of companies with 10 or more employees).
- Of those companies classed as fast growth between 2022 and 2023, however, female-led companies accounted for 12.4% across the UK, and 12.3% in England (12.0%, 2022).
- However, female-led companies are underrepresented in both importing and exporting companies, accounting for 13.2% of importers (Figure 8) and 12.6% of exporters (Figure 9). In each case, female-led representation among importers and exporters in England is very close to the UK average, although female-led shares in England are generally above those in the Home Nations, with the exception of exporting in Wales.
- In terms of companies with secured debt, 15.1% of them were female-led in England.
- England had a higher number of investors of each type relative to the population, although the proportion of investors varied significantly between regions and between investor type. Across all investor groups London had the highest number of investors relative to population, followed by the South East. The lowest numbers of investors relative to

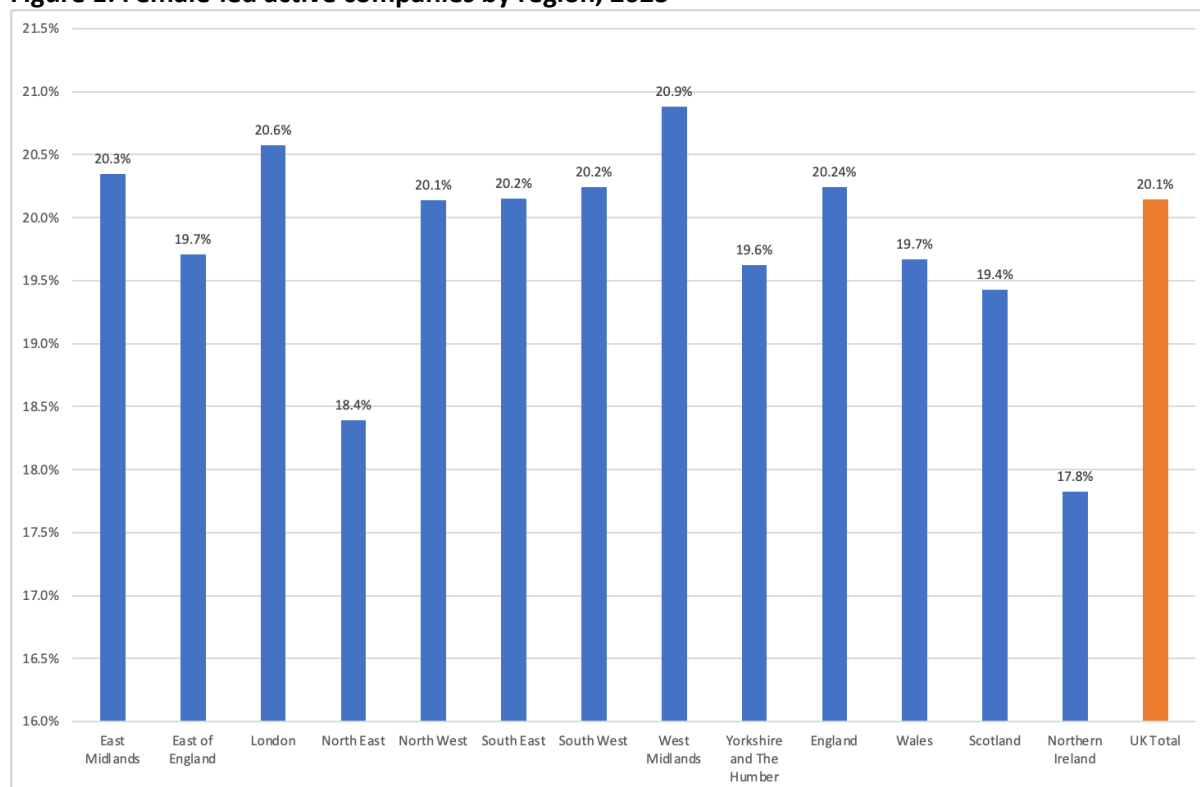
population occurred in the North East, with the proportion of repeat angel investors here being particularly low relative to other regions

- More females were family investors in each English region, while angel investors and repeat angel investors were more likely to be males in each region.

1. Profiling female-led companies

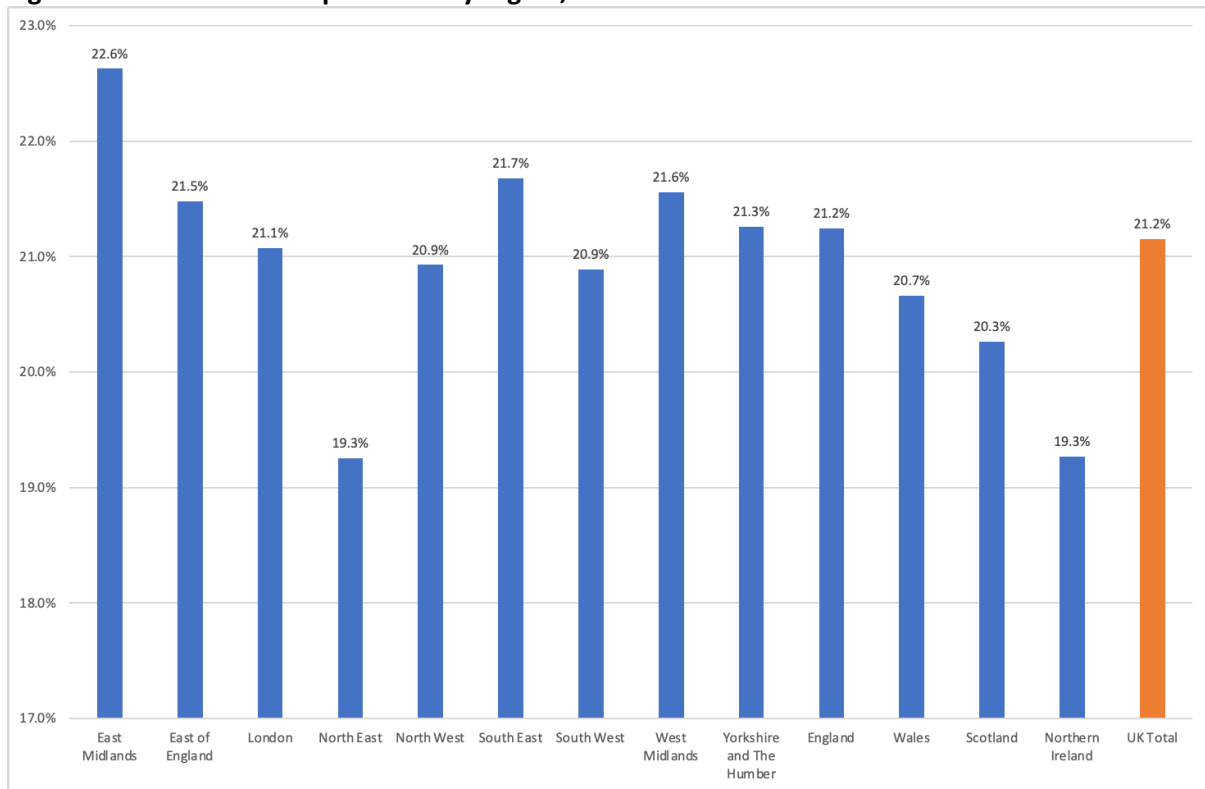
In 2023, around 20.2% of active companies in England were female-led (2022, 20.3%), a figure slightly above the UK average of 20.1%. However, within England rates of female leadership varied significantly from a high of 20.9% in the West Midlands, to a low of 18.4% in the North East. Looking across the UK, the percentage of active companies which were female-led in England was higher than in Wales (19.7%), Scotland (19.4%) and Northern Ireland (17.4%) (Figure 1).

Figure 1: Female-led active companies by region, 2023



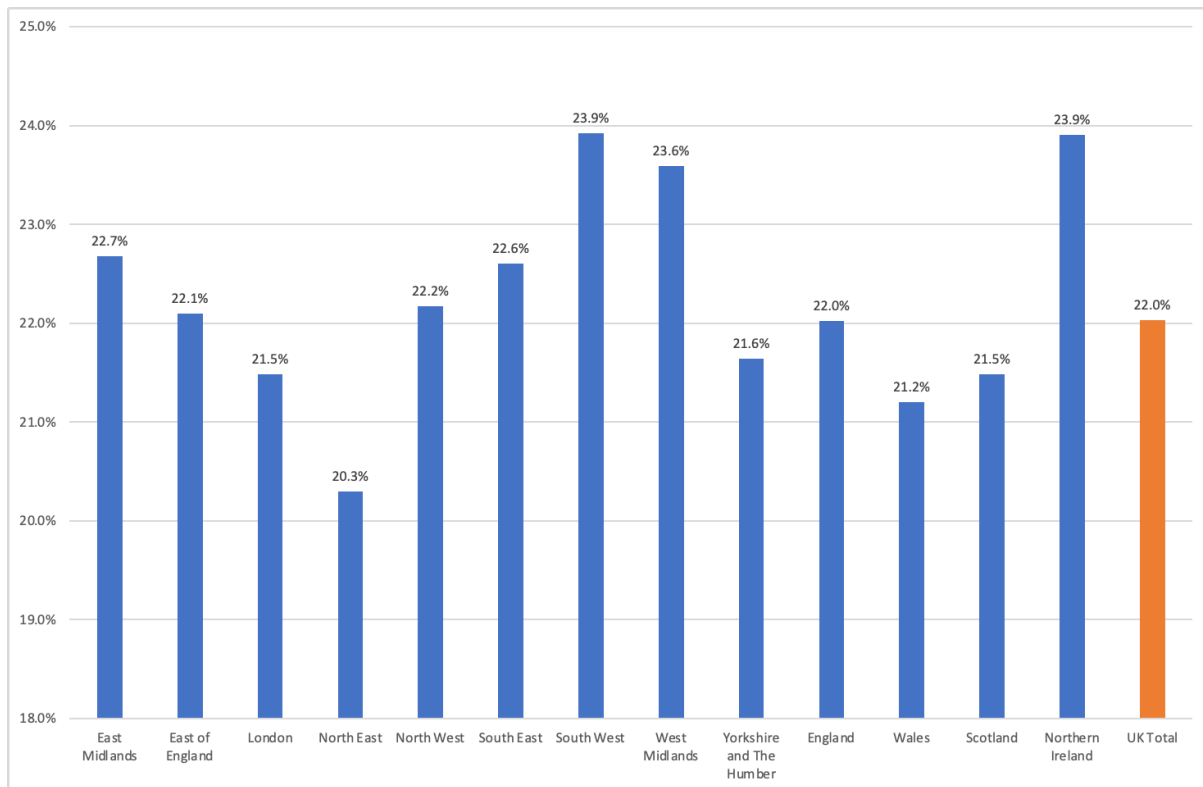
The percentage of active companies which are female-led reflects both the inflow of new incorporations and exit of companies over successive years. It is also interesting therefore to compare the rate of new incorporations across regions as this provides a more contemporary indication of the composition of those companies being formed (Figure 2). Here again we see a higher share of female leadership in England in terms of incorporations (21.2%) than in Wales (20.7%), Scotland (20.3%) and Northern Ireland (19.3%). This represents a slight fall in the female share of leadership of incorporations in England between 2022 and 2023 (2022, 22.3%). There is also marked variation across the English regions in terms of the share of female-led incorporations (Figure 2). While the highest share of female leadership within the business population occurs in the West Midlands (Figure 1), the highest share of female-led incorporations in 2023 is observed in the East Midlands (22.6%). As with the business population, the share of female-led incorporations is lowest in the North East of England (19.3%) (Figure 2).

Figure 2: Female-led incorporations by region, 2023



The Gender Index provides information on other aspects of business leadership aside from gender, including the ethnicity of business leaders and their generation. Among active companies which are ethnic minority led, around 22.0% of companies are female-led across the UK in 2023 (22.3%, 2022) (Figure 3), a level slightly above the overall level of female leadership in the whole UK business population (20.1%, Figure 1). The share of ethnic minority companies which are female-led in England is 22.0%, a figure marginally higher than that in Wales and Scotland but lower than that in Northern Ireland (Figure 3). Among the English regions, the highest proportion of ethnic minority female-led companies is found in the South West, with the lowest rate in the North East (20.3%). (Figure 3).

Figure 3: Female-led share of ethnic-minority led companies, 2023



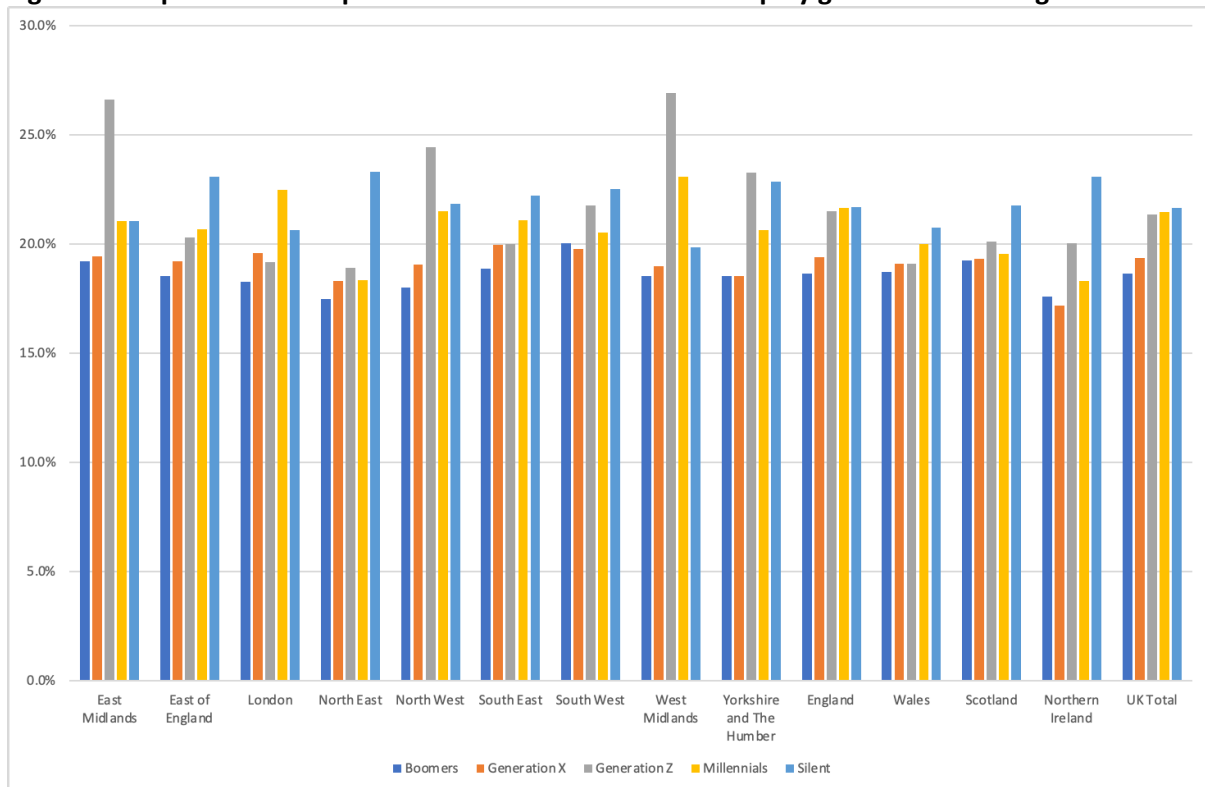
The Gender Index also classifies business leadership into generations using the average age of the directors of each firm. These are defined as follows²:

- **The Silent Generation:** Born 1900-1945
- **Baby Boomers:** Born 1946-1964
- **Gen X:** Born 1965-1980
- **Millennials:** Born 1981-1996
- **Gen Z:** Born 1997-2012

Figure 4 provides a visual summary of the share of female-led companies within each generational group of the active business population and suggests some interesting contrasts across regions. In the East of England, North East and South West, female leadership is most common among companies led by the oldest group of entrepreneurs – the Silent Generation. By contrast, in the East and West Midlands, Yorkshire and the Humber, and the North West, female leadership is most common among companies in the youngest group – Gen Z (Figure 4). As other evidence suggests that younger entrepreneurs are associated with faster growth, this bodes well for the future growth of female-led companies in these regions.

² In a proportion of cases no generation can be attached to a company due to a lack of date of birth data recorded in Companies House for directors.

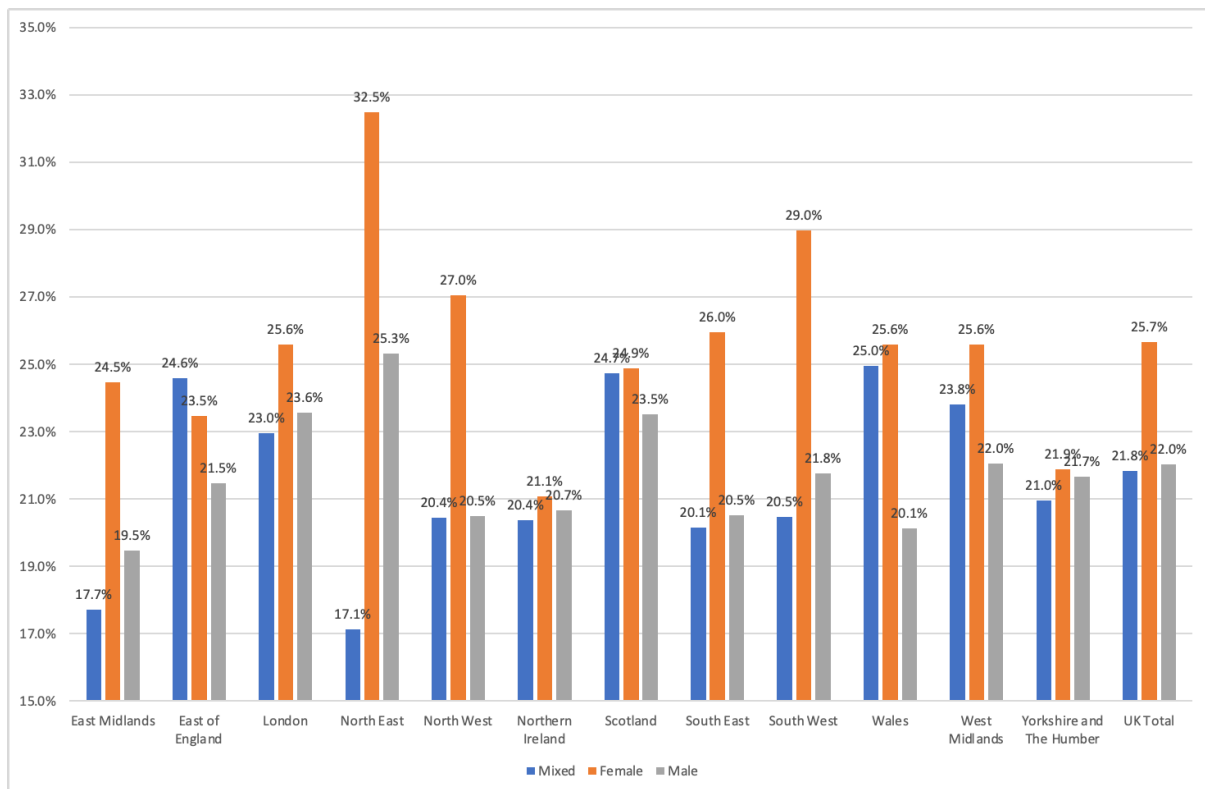
Figure 4: Proportion of companies which are female-leadership by generation and region



2. Female-leadership and business performance

In this section we look at aspects of the performance of female-led companies including turnover growth, high growth and importing/exporting. Although turnover growth varies widely among companies, a consistent pattern emerges across almost all UK regions and nations – female-led companies grew sales more rapidly than their male-led and mixed-leadership counterparts from 2022 to 2023 (Figure 5). This reflects the situation in 2022, which suggested a very similar pattern with female-led companies growing faster than their male-led counterparts in all UK nations and regions except Northern Ireland and Wales. The difference in growth during 2023 was particularly marked in the East Midlands, North East, North West, South West and South East. No clear difference in growth rates was evident in Scotland, Northern Ireland and Yorkshire and the Humber (Figure 5).

Figure 5: Turnover growth among female-led, male-led and mixed-leadership companies



These higher average growth rates among female-led companies are also reflected in an overrepresentation of female-led companies in the group of fast growth companies (compared to the reference group of companies with 10 or more employees). More specifically, across the UK female-led companies accounted for around 7.7% of companies with 10 or more employees in 2023 – a slightly lower proportion than that in England (7.8% in 2023, 7.4% in 2022) (Figure 6). However, of companies classed as fast growth between 2022 and 2023 female-led ones accounted for 12.4% across the UK, and 12.3% in England (12.0%, 2022). In each case this is notably higher than the proportion of the reference group of companies with 10 plus employees. Moreover, this differential is consistent across all UK regions (Figures 6 and 7).

Figure 6: Female-led share of companies with 10 plus employees, 2023

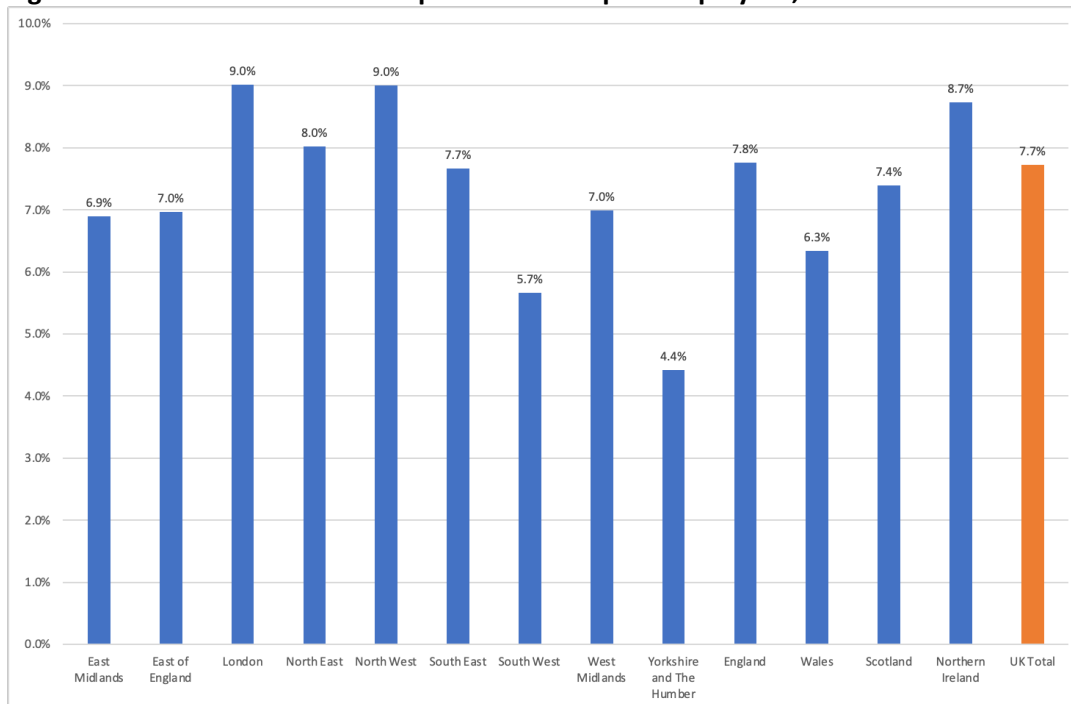
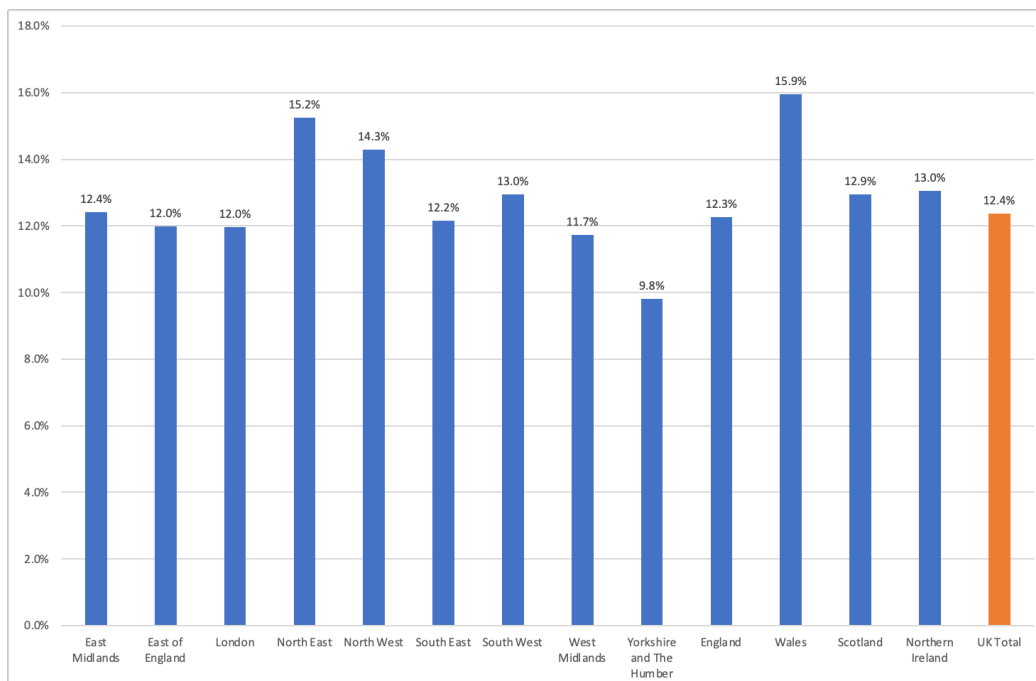


Figure 7: Female-led share of high growth companies, 2023



One important aspect of this comparison is the share of female-led companies in the overall business population across the UK (20.1%) and the female share in the group of companies with 10 or more employees (7.1%). The implication is that female-led companies are disproportionately represented among smaller companies (those with less than 10 employees), a factor which is likely to be reflected in the other performance indicators discussed below.

Turning to import and export activity among female-led companies, it is important to recall that across the UK 20.1% of all active companies are female-led. Female-led companies are, however, underrepresented in both importing and exporting companies, accounting for 13.2% of importers (Figure 8) and 12.6% of exporters (Figure 9). In each case, female-led representation among importers and exporters in England is very close to the UK average, although female-led shares in England are generally above those in the Home Nations, with the exception of exporting in Wales.

Figure 8: Female-led share of importing companies, 2023

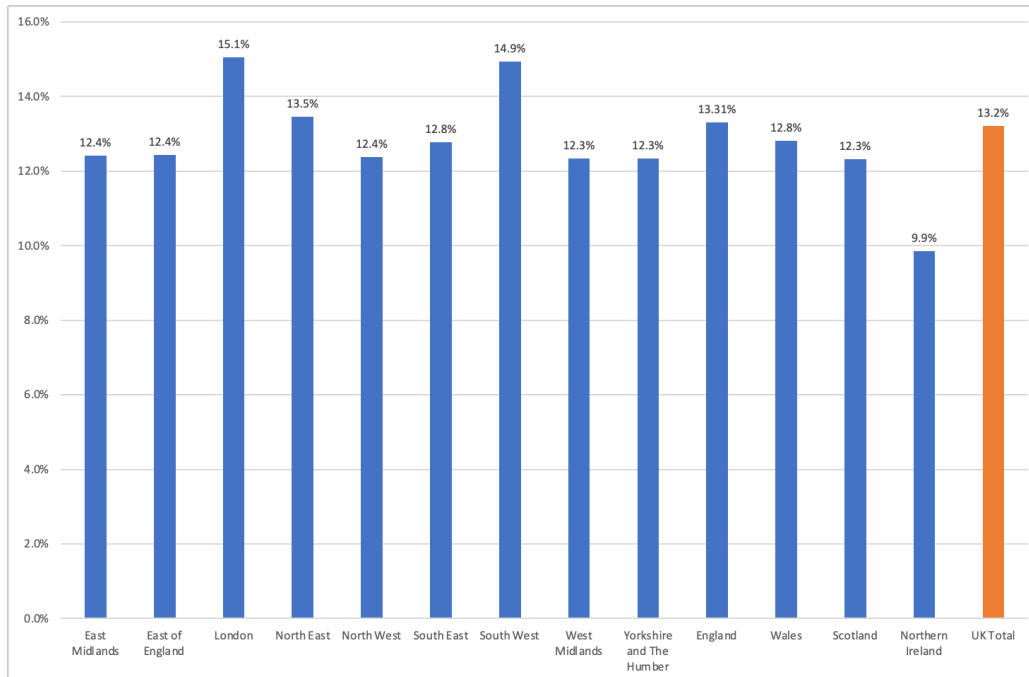
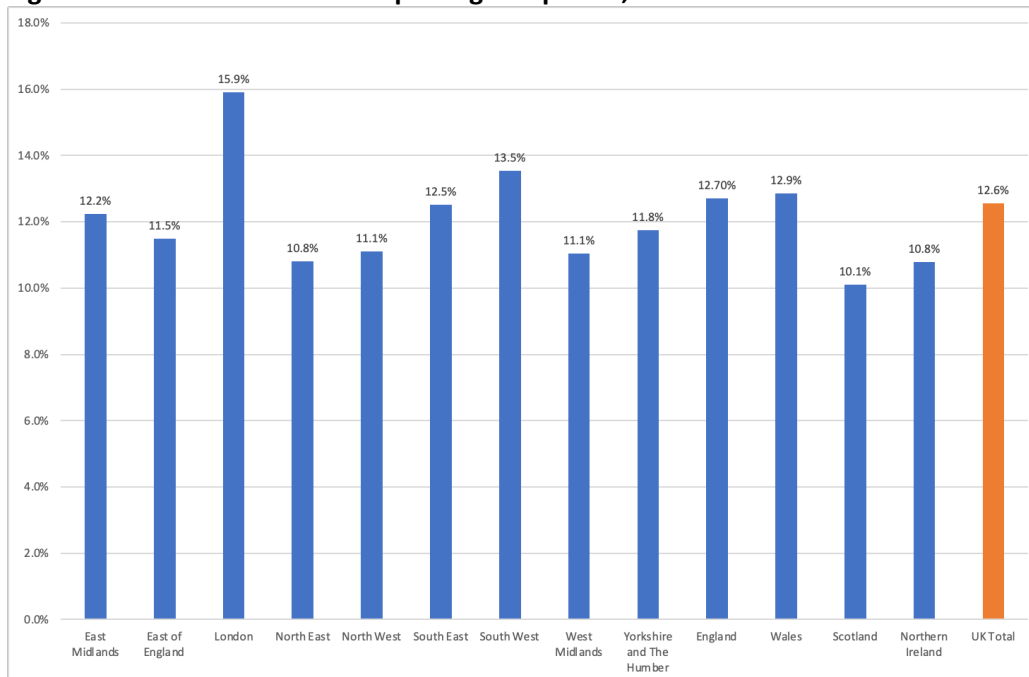


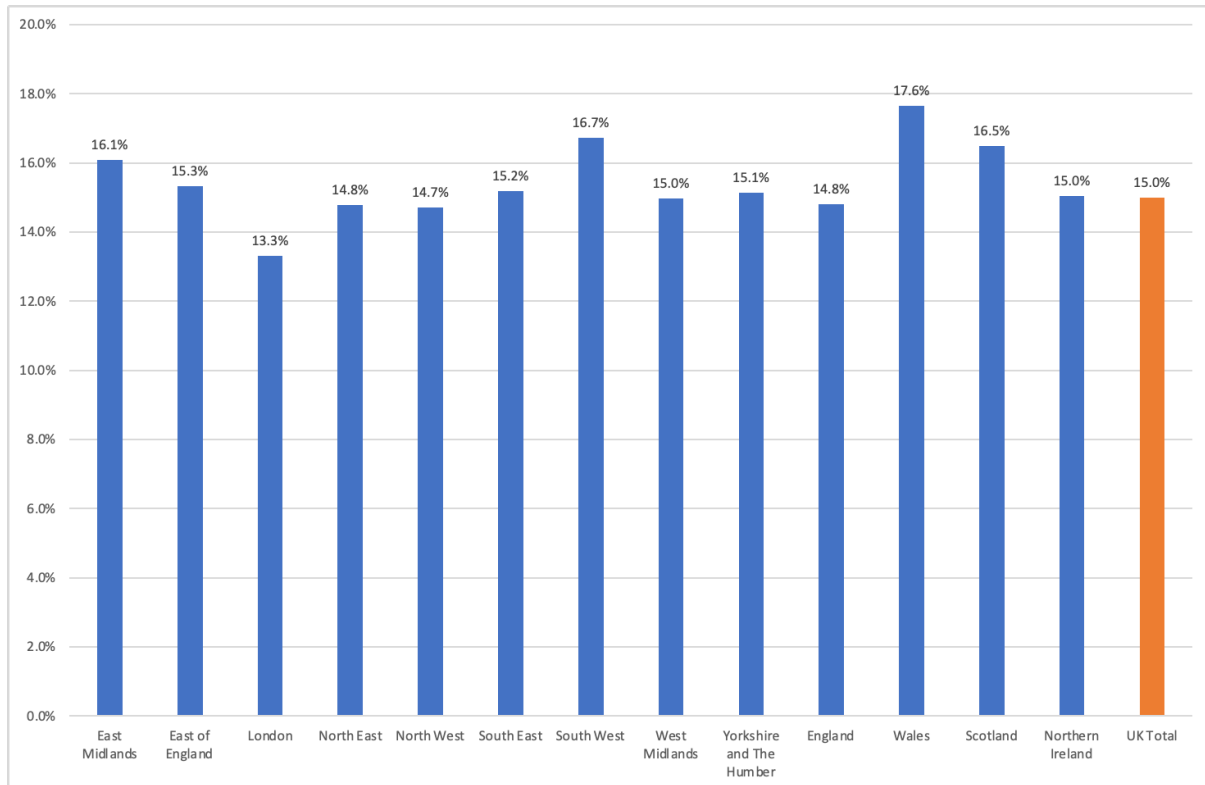
Figure 9: Female-led share of exporting companies, 2023



3. Borrowing and investing

Information in the Gender Index also relates to companies' use of secured debt and the regional prevalence of family and angel investors. In terms of companies with secured debt, 15.1% were female-led (Figure 10). Here the share of companies with secured debt which were female-led was higher in each of the devolved nations than in England, reaching a peak of 17.0% in Wales. Across the regions of England, the proportions of companies with secured debt which were female-led were broadly similar, with all regions below the high in Wales (Figure 10).

Figure 10: Female-led share of companies with secured debt



To understand the profile of investors across regions, Table 1 expresses the number of family, angel and repeat angel investors in each region relative to the regional or national population in each area. In the East Midlands, for example, there were 1.81 male family investors per 000 population in 2023. England had a higher number of investors of each type relative to the population, although the proportion of investors varied significantly between regions and between investor types. Across all investor groups London had the highest number of investors relative to population, followed by the South East. The lowest numbers of investors relative to population occurred in the North East, with the proportion of repeat angel investors here being particularly low relative to other regions. More females were family investors in each English region, while angel investors and repeat angel investors were more likely to be males in each region.

Table 1: Investors per 000 of population, 2023

	Family investors		Angel investors		Repeat angel investors	
	Males	Females	Males	Females	Males	Females
East Midlands	1.81	2.95	31.44	15.58	14.31	6.07
East of England	2.40	3.88	46.46	23.13	18.97	7.92
London	3.70	4.49	83.59	37.23	30.87	11.55
North East	1.41	2.19	23.10	10.12	9.55	3.67
North West	2.13	3.35	38.14	18.11	15.36	6.15
South East	2.75	4.27	51.25	26.67	20.56	8.88
South West	2.21	3.60	42.11	22.15	17.03	7.43
West Midlands	1.82	2.88	33.10	16.77	14.17	5.80
Yorkshire and The Humber	1.86	2.90	32.68	15.97	13.94	5.72
England	2.39	3.58	46.36	22.52	18.58	7.57
Wales	1.64	2.32	27.18	13.27	10.90	4.53
Scotland	1.72	2.41	25.20	10.91	11.30	4.36
Northern Ireland	2.24	2.38	38.03	18.32	10.51	3.89
UK Total	2.30	3.39	43.50	21.02	17.40	7.06

Notes: Calculated as the number of investors of each type normalised by total regional population as of mid-2021. See

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>.

