The Gender Index

Northern Ireland 2024

The Gender Index overview for Northern Ireland 2024

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Key findings

- Across the UK, 21.2% of newly incorporated companies in 2023 were female-led. Northern Ireland remained the poorest performing ITL 1 region alongside the North East, each with 19.3% of newly incorporated companies being female-led.

- On average, incorporations in 2023 across the UK increased by 11.6%, yet in Northern Ireland there was a disproportionately higher increase of 65.0%.

- Within this increase, female-led incorporations increased by 71.5% from the year prior (from 1,533 to 2,629) which compares to an increase of only 38.8% for male-led incorporations.

- In 2023, 17.8% of active companies in Northern Ireland were female-led, equivalent to 13,953 companies out of 78,284 active companies in Northern Ireland. Northern Ireland continues to be the ITL 1 region where the percentage of female-led companies is the lowest of all regions across the UK, however the number of female-led active companies increased by 11.6% compared with male-led companies which increased by 7.9%.

- Northern Ireland has the lowest proportion of companies that are ethnic minority-led at 15.2% compared to a UK average of 39.9%, however when comparing ethnic minority female leadership, Northern Ireland and the South West of England have the highest proportion of female-led companies at 23.9% each against a UK average of 22.0%.

- Gen X dominates company leadership in Northern Ireland, accounting for 45.6% of all active companies, followed by Millennials at 28.9%.

- The Boomer generation and Gen X account for a higher proportion of companies compared to the UK average (19.6% and 45.6% respectively). Northern Ireland has proportionately fewer Gen Z- and Millennial-led companies compared to the UK average.

- Across the generations, female-led companies were underrepresented in Northern Ireland with the exception of the Silent Generation (23.1%) when compared to the UK average of 21.7%.

- Among the ITL 1 regions, Northern Ireland had the lowest share of importers (1.1% or 862 of a total of 78,284 companies).

- During 2023, only 0.6% of all female-led companies in Northern Ireland engaged in importing as compared to 1.3% of male-led companies.

- Northern Ireland recorded the lowest proportion of companies engaged in exporting of all ITL 1 UK regions (1.08% or 473 of a total 78,284 active companies).

- Female-led companies account for the lowest proportion of these importers (9.9%) and exporters (10.8%) relative to all other ITL 1 regions.

- In Northern Ireland, 0.23% of companies achieved fast growth in 2023 compared to 0.31% on average, across the UK.

- In 2022, the proportion of fast growth companies that were female led was 10.8% in Northern Ireland, behind the UK average of 12.2%. In 2023, this profile changed with 13.0% of fast growth companies in Northern Ireland being female-led, higher than the UK average of 12.4% and ranking Northern Ireland a joint fourth with the South West, behind Wales, the North East and the North West.

- In 2023, a total of 28,079 (35.8%) companies in Northern Ireland in 2023 secured some form of external investment capital. 18.9% of these companies were female led.

- In Northern Ireland, 1,165 companies (1.5%) were EIS qualifying in 2023. Of these companies, 306 (26.3%) secured external finance.

- Of the 196 female-led EIS-qualifying companies, 41 (20.9%) secured investment capital.

- Female-led companies account for a disproportionately low share of EIS-qualifying companies in Northern Ireland (16.8% compared to 62.0% male-led), but in addition are more likely to secure external finance (20.9% of female-led EIS-qualifying companies secured external finance) than male-led EIS-qualifying companies (18.5% of male-led EIS-qualifying companies secured external finance).

- Northern Ireland had the highest proportion of companies across all UK regions that secured external debt at 17.0% compared to a UK average of 13.2%. Of these companies, 15.0% were female-led, on par with the average UK region but behind other devolved regions including Scotland (16.5%) and Wales (17.6%).

1. Introduction

2022-23 has been a challenging year for companies across the UK, still emerging from the COVID-19 period, a rapid increase in inflation, a highly uncertain international trading environment characterised by disruption to supply chains and escalating energy costs as well as industrial action in key sectors. In Northern Ireland this was compounded by an absence of regional government with the suspension of the NI Assembly. At the same time, economic performance was robust with economic output increasing by 2.2% over the year, reflected in a growth in private sector output by 2.2% and public sector output by 2.0%[1].

This strong broader economic performance in Northern Ireland was reflected in the growth in company incorporations in 2023. There was a stark increase by 65% in the number of company incorporations in Northern Ireland, relative to an increase in the UK of 11.6%. Interestingly, female-led incorporated companies increased by 71.5% between 2022 and 2023, compared to an increase of 38.8% in male-led company incorporations. Despite this growth, Northern Ireland continues to be the ITL 1 region where female leadership of active companies is the lowest of all regions across the UK. There are therefore some positive signs of greater levels of female leadership, but the gap between Northern Ireland and the rest of the UK regions will take considerable time to close.

In the absence of a Northern Ireland Executive and Assembly, policy changes have been limited, with the focus remaining on the 10X Economy – an economic vision[2], published in May 2021. This 10X strategy is built on three pillars: innovation, inclusive growth and sustainability. Building a strong knowledge-intensive economy, achieved through investment in education, skills and business research and innovation is core to this strategy. Less obvious is attention to entrepreneurship and promoting inclusivity and economic growth through greater participation of females in business start-up efforts. This may present a gap in policy, but also a real opportunity for economic development in Northern Ireland.

2. Profiling female-led companies

Company Incorporations

Across the UK, 21.2% of newly incorporated companies in 2023 were female-led. Northern Ireland remains the poorest performing ITL 1 region alongside the North East, with 19.3% of newly incorporated companies being female-led.

However, the other half of the story relates to company incorporations and this is where a stark contrast of activity in Northern Ireland is found relative to the UK average. Incorporations in 2023 in the UK increased by 11.6%, yet in Northern Ireland this was an increase of 65.0% (from 8,267 incorporations in 2022 to 13,642 in 2023). Proportionately, this was much more significant for female-led companies than male-led companies. Female-led incorporations increased by 71.5% (from 1,533 to 2,629) compared to an increase of 38.8% for male-led incorporations. Setting this in context, female-led incorporations across the UK increased by 6.7% of all company incorporations, compared to the 71.5% increase in Northern Ireland. This is a very significant change, the reasons for which are unclear. More time will be required to determine if there has been a fundamental shift in the scale of company incorporations and the proportion of female-led companies being incorporated.

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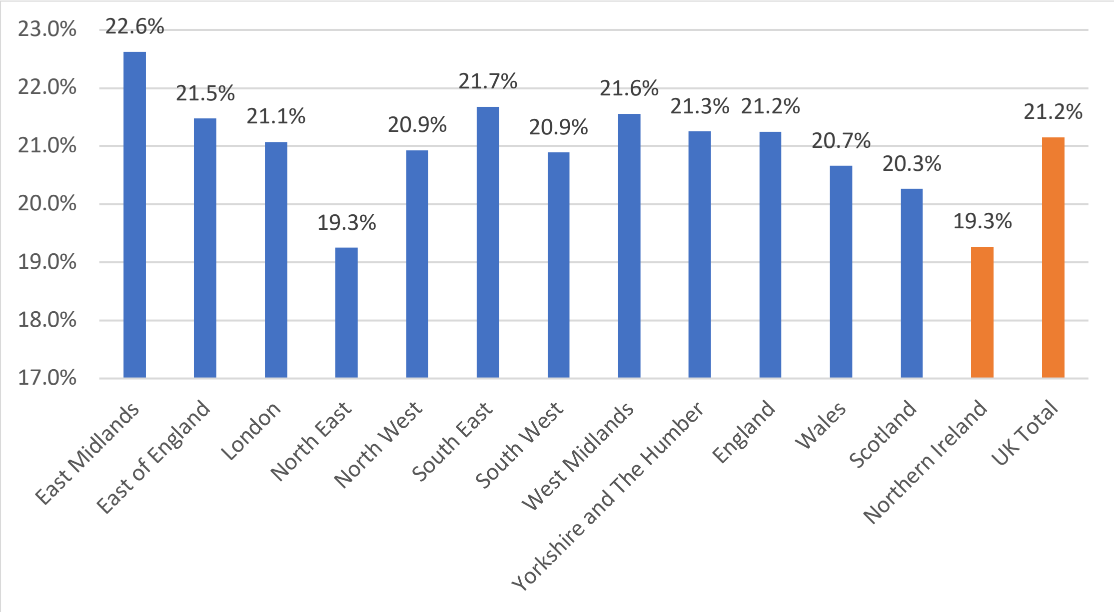
[1] See https://www.nisra.gov.uk/statistics/economic-output-statistics/ni-composite-economic-index#:~:text=The%20NICEI%20indicates%20that%20economic,1.5%25)%20to%20Q3%202023.

[2] https://www.economy-ni.gov.uk/articles/10x-economy-economic-vision

Figure 1: Proportion of female-led company incorporations by region, 2023

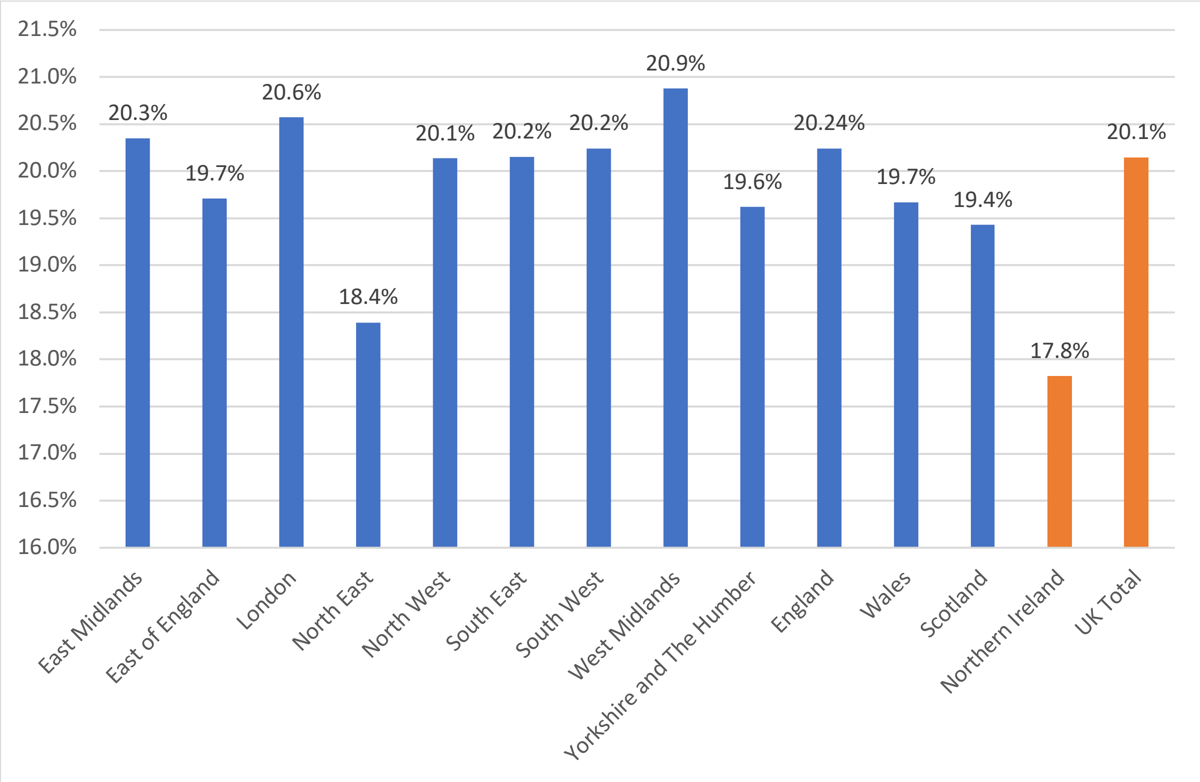


Active companies

In 2023, 17.8% of active companies in Northern Ireland were female-led, equivalent to 13,953 companies out of 78,284 active companies in Northern Ireland. Despite extremely strong performance in both the number of company incorporations in 2023, and the disproportionately high share of these that were female led, this is not reflected in the overall stock of active companies that are either female-led or have females involved in a mixed leadership team. Indeed, Northern Ireland continues to be the ITL 1 region where female leadership of active companies is the lowest of all regions across the UK.

At the same time, the stock of active companies in Northern Ireland has increased from 2022 to 2023, by 7,991 or 11.4%. Disaggregating this growth in the number of active companies by gender indicates that while the number of female-led active companies increased by 11.6% (from 12,502 in 2022 to 13,953 in 2023), active companies that are male-led account for around two-thirds of all companies with the number of male-led active companies increasing by 7.9% (from 46,140 in 2022 to 49,806 in 2023).

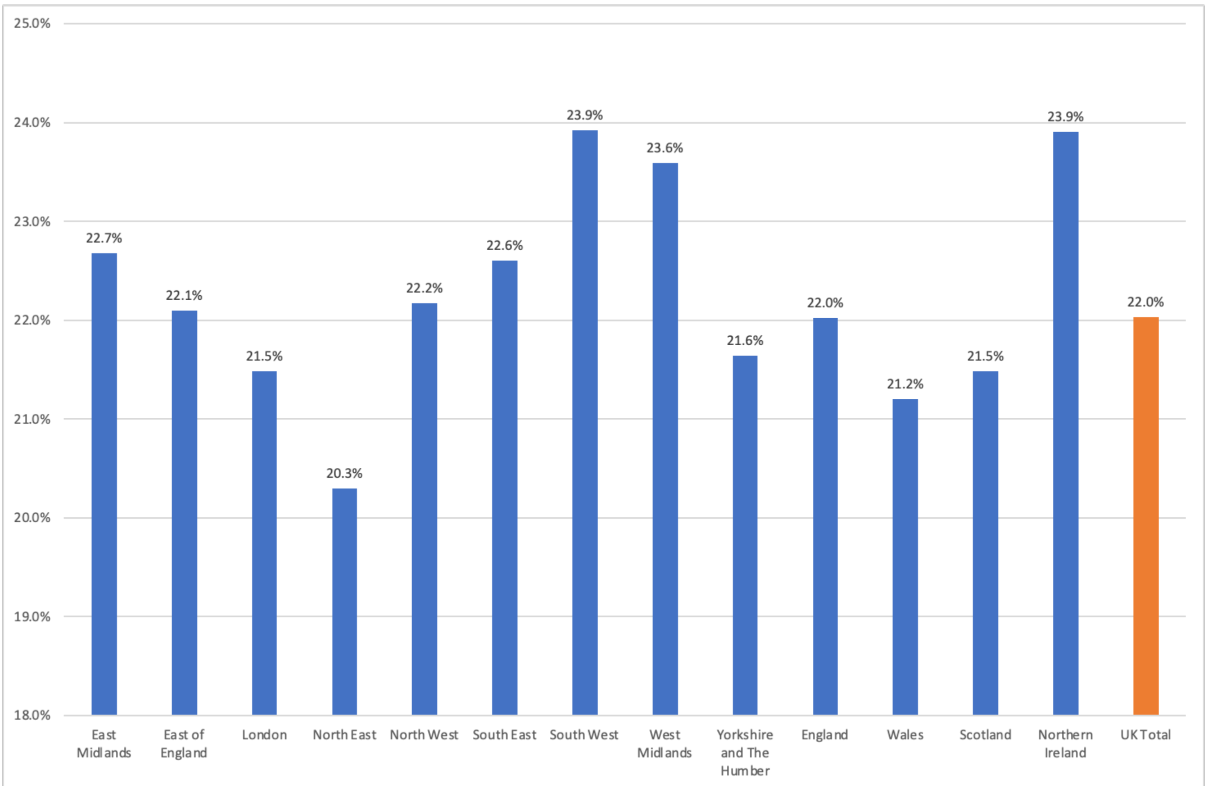
Figure 2: Proportion of female-led active companies by region, 2023



Minority-ethnic led companies and age profile of owners

The Gender Index also provides information on companies in terms of ethnic minority and generational (age cohorts) leadership. Of all ITL 1 UK regions, Northern Ireland has the lowest proportion of companies that are ethnic minority-led at 15.2% compared to a UK average of 39.9%. Interestingly, despite a lower overall proportion in Northern Ireland, these companies are more likely to be led by females than in any other region of the UK (average 22.0%), with the exception of the South West, also recording 23.9% of all ethnic minority led companies being female-led.

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



Company leadership can also be disaggregated by generation using the average age of directors of each firm. The generations are defined as follows[3]:

- **The Silent Generation:** Born 1900-1945 (+79 years)
- **Baby Boomers:** Born 1946-1964 (60-78 years)
- **Gen X:** Born 1965-1980 (44-59 years)
- **Millennials:** Born 1981-1996 (28-43 years)
- **Gen Z:** Born 1997-2012 (=< 27 years)

Figures 4 and 5 illustrate the number of companies in Northern Ireland, by the generation of the leadership and the proportion of each generation that are female-led. Gen X dominates company leadership in Northern Ireland, accounting for 35,738 (45.8%) of companies, followed by Millennials (22,686; 29.0%). Silent-led companies in Northern Ireland number only 542 (0.7%). Of this profile, Baby Boomers and Gen X account for a higher proportion of companies compared to the UK average (19.6% and 45.6% respectively). In turn, Northern Ireland has proportionately fewer Gen Z- (4.84%) and Millennial-led (28.9%) companies compared to the UK average. With evidence suggesting that younger entrepreneurs are associated with faster business growth, this is a challenge for Northern Ireland.

Across all generations, female-led companies are underrepresented in Northern Ireland, with the exception of the Silent Generation. For example, in Northern Ireland, female leadership amongst Baby Boomers accounts for 17.6% of Boomer-led companies (18.6% in UK); 17.2% of Gen X-led companies (19.3% in UK); 20.0% of Gen Z companies (21.3% of UK); and 18.3% of Millennials (21.5%

[3] In a proportion of cases no generation can be attached to a firm due to a lack of date of birth data recorded by Companies House for directors.

in UK). For only one generation cohort, the Silent Generation, is female leadership in Northern Ireland above that across the UK – 23.1% compared to 21.7% in UK.

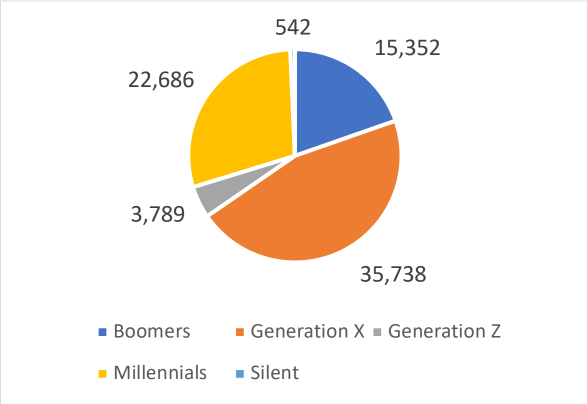


Figure 4: Number of NI companies by generation of leadership, 2023

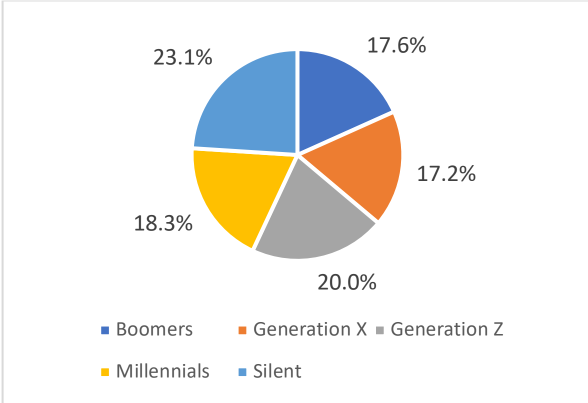


Figure 5: Proportion of leadership by generation group that is female-led, NI, 2023

3. Female leadership and company performance

Importing and exporting

Evidence suggests that companies engaged in international trade tend to have higher growth and productivity. It is therefore interesting to consider the proportion of importing and exporting companies, and the probability of this occurring in female-led as compared to male- and mixed gender-led companies.

The proportion of companies across the UK regions importing goods/services was low at 1.47% (72,863 of a total 4,954,531 active companies). The highest proportion of importing companies was found in the East Midlands (1.9%) and Yorkshire and the Humber (1.8%), however Northern Ireland had the lowest share of importers (1.1% or 862 of a total of 78,284 companies).

As outlined earlier, in 2023, 17.8% of active companies in Northern Ireland were female-led. A very small proportion of these companies were involved in importing in 2023 (85 of a total of 13,953 female-led companies). As such, only 0.6% of all female-led companies in Northern Ireland imported, as compared to 1.3% of male-led and 1.1% of mixed-gender-led companies.

Turning our attention to exporting, a smaller number of companies across the UK reported exporting activity (43,844 of a total 4,954,531 active companies; 0.9%) than importing activity. Again, Northern Ireland recorded the lowest proportion of companies engaged in exports of all ITL 1 UK regions (473 or 1.08% of a total 43,844 active companies). Although female-led companies in Northern Ireland account for 10.8% of all exporting companies, equal to that in the North East and slightly ahead of Scotland (at 10.1%), perhaps of more interest is the fact that only 0.4% of all female-led companies in Northern Ireland are exporting (UK average of 0.6%) compared to 0.7% of male-led companies (UK average of 1.0%).

Therefore, not only does Northern Ireland have the lowest share of importing and exporting companies for all ITL 1 UK regions, but female-led companies account for the lowest proportion of these importers (9.9%) and exporters (10.8%)[4] relative to all other UK regions (with an average share across the UK of 13.2% of importing companies and 12.6% of exporting companies, being female-led).

Figure 6: Female-led share of importing firms, 2023

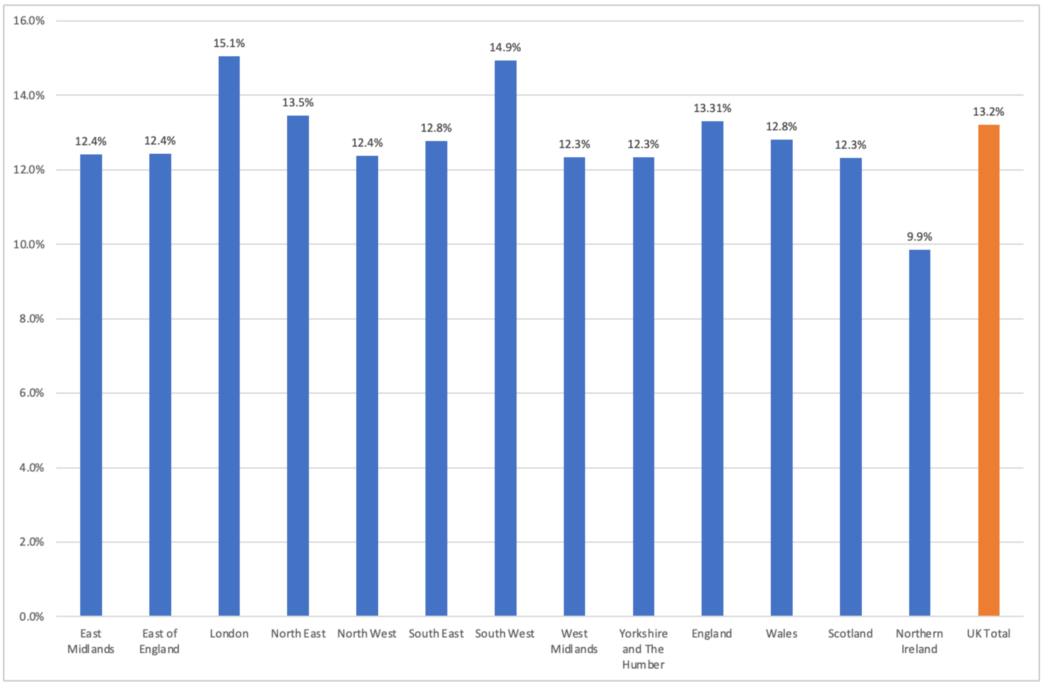
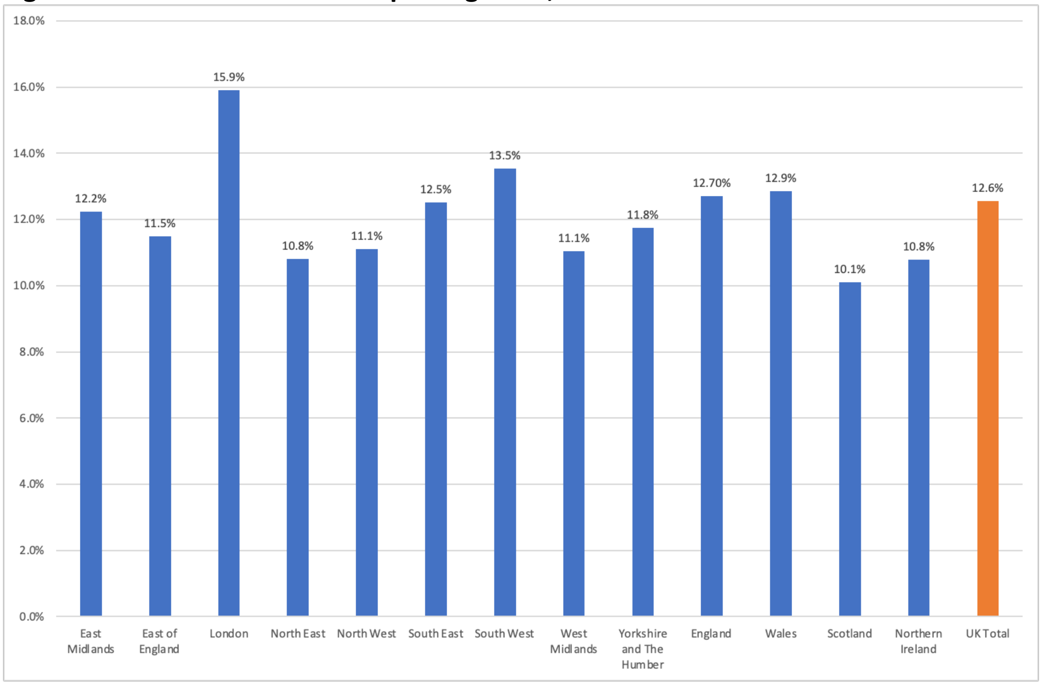


Figure 7: Female-led share of exporting firms, 2023

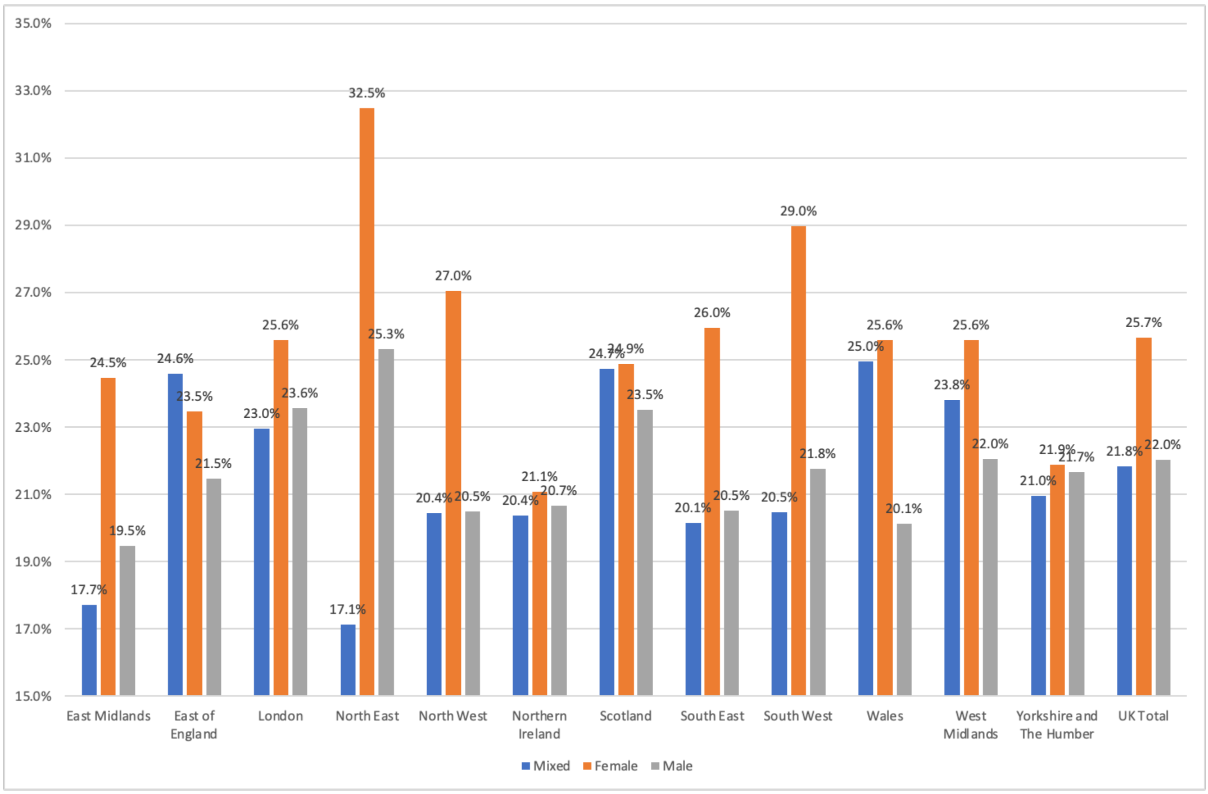


[4] The only ITL1 Region with a lower share of female-led companies as a proportion of all exporting companies, being Scotland at 10.1%).

Turnover growth

One way to assess company performance is by turnover growth. While turnover growth may vary considerably between companies, consistent across all UK regions (with the exception of the East of England) is more rapid growth among female-led companies than for male-led and mixed-leadership companies from 2022 to 2023 (Figure 8). For some ITL 1 regions, female-led companies markedly outperformed male- and mixed gender-led companies, including the East Midlands, North East, North West, South West and South East. For other regions including Northern Ireland, Scotland and Yorkshire and Humber, although female-led companies had more rapid growth between 2022 and 2023, the variance to that of male-led and mixed gender-led companies was relatively small.

Figure 8: Turnover growth among female-led, male-led and mixed-led companies

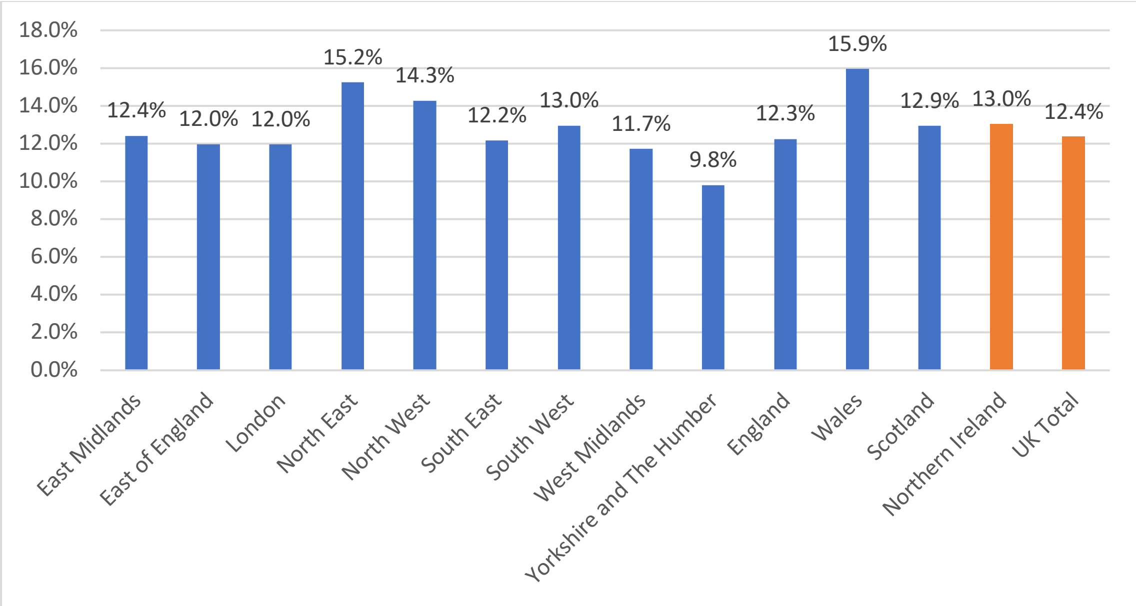


Fast growth companies

Overall, there were proportionately fewer fast growth companies in Northern Ireland in 2023 than on average across the ITL 1 regions. In Northern Ireland, 0.23% of companies achieved fast growth in 2023 compared to 0.31% on average, across the UK.

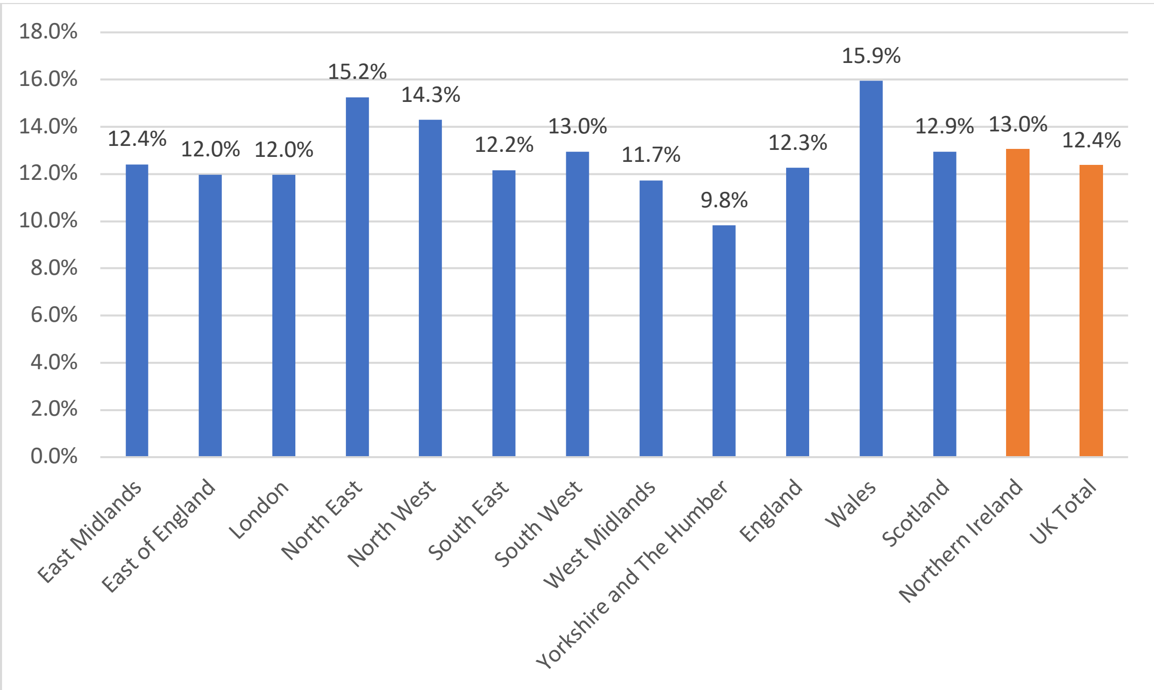
The growth performance of female-led companies demonstrated a year-on-year improvement compared to the UK average. In 2022, the proportion of fast growth companies that were female-led was 10.8% in Northern Ireland, behind the UK average of 12.2%. In 2023, however, this profile changed with 13% of fast growth companies in Northern Ireland being female-led, higher than the UK average of 12.4% and ranking Northern Ireland joint fourth, behind Wales, the North East and North West and on par with the South West.

Figure 9: Female-led companies share of fast growth companies, 2023



Turning our attention to fast growth companies with 10 or more employees, however, presents a somewhat mixed picture for Northern Ireland. Across the UK, only 7.7% of fast growth companies (>=10 employees) were female-led. In Northern Ireland, there has been a marked change in the relative share of female-led fast growth companies with a shift from having a lower share compared to the UK average in 2022 (5.6% in NI, compared to a UK average of 7.4%), to a higher share of female-led fast growth companies in 2023 (8.7% in Northern Ireland, compared to a UK average of 7.7%).

Figure 10: Proportion of fast growth companies that are female-led, with 10 or more employees, 2023



4. Borrowing and investing

Securing External Investment Capital

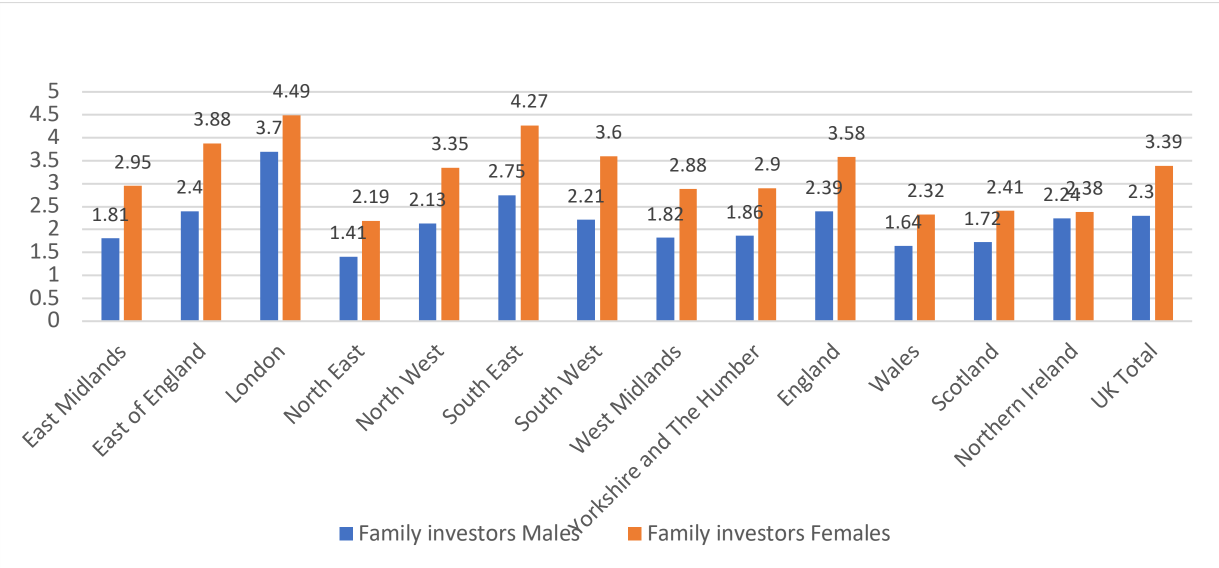
A total of 28,079 (35.8%) companies in Northern Ireland in 2023 secured some form of external investment capital. 5,330 of these companies were female-led, equivalent to 18.9% of all companies receiving external finance and 20,500 were male-led companies equivalent to 60.7% of all companies in receipt of external finance.

Investing

Across all UK ITL 1 regions, females are slightly more likely than males to provide external finance to friends or family who are setting up or running a company. In 2023, for Northern Ireland, there were 2.24 male family/friend investors per 1000 population and 2.38 female family/friend investors. While this is below the UK average, it is higher for both male and female investors across the devolved administrations.

A somewhat different picture emerges in relation to angel investors where male investors are significantly more common than female investors across all of the ITL1 UK regions. In Northern Ireland, the number of angel investors, both male and female (38.03 and 18.32 per 1000 population respectively), is higher than in Scotland and Wales while behind that for England. This relatively favourable angel investor position in Northern Ireland appears to be reflected in more one-off investments rather than repeat investments. For example, of the 38.03 male angel investors in NI, per 1000 population, only 10.51 of these are repeat angel investors. Similarly, of the 18.32 female angel investors in NI, per 1000 population, only 3.89 of these are repeat angel investors. Therefore, not only are there fewer female angel investors in NI relative to males (and behind the UK average), but female angel investors are significantly less likely to undertake repeat investments.

Figure 11: Number of family/friend investors per 1000 population in each ITL 1 region, 2023aa



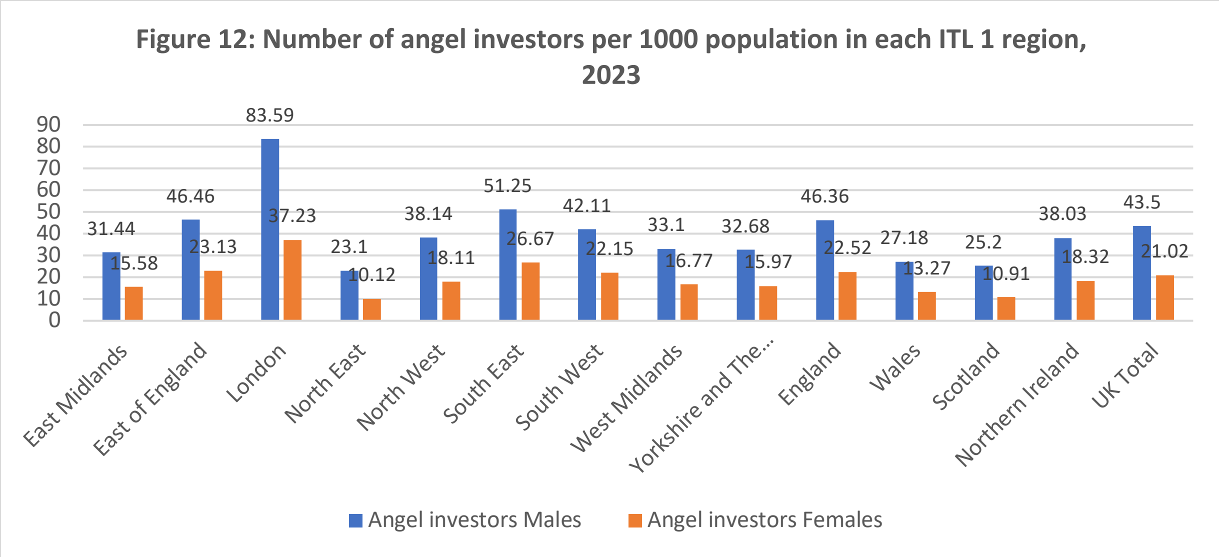


Figure 12: Number of angel investors per 1000 population in each ITL 1 region, 2023
90
80
70
60
50
40
30
20
10
0
31.44
15.58
46.46
23.13
83.59
37.23
23.1
10.12
38.14
18.11
51.25
26.67
42.11
22.15
33.1
16.77
32.68
15.97
46.36
22.52
27.18
13.27
25.2
10.91
38.03
18.32
43.5
21.02
East Midlands
East of England
London
North East
North West
South East
South West
West Midlands
Yorkshire and The…
England
Wales
Scotland
Northern Ireland
UK Total
Angel investors Males
Angel investors Females

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.

EIS-qualifying companies securing external investment capital

In Northern Ireland, 1,165 companies (1.5%) were EIS-qualifying in 2023. Of these companies, only 306 (26.3%) secured external finance. Focusing only on female-led EIS-qualifying companies, we find that of a total of 196 companies (or 16.8% of all EIS-qualifying companies in NI in 2023) only 41 (20.9%) secured external finance.

Of the stock of male-led EIS-qualifying companies in 2023 (722 or 62.0% of all EIS qualifying), 206 secured external finance.

Female-led companies account for a disproportionately low share of EIS-qualifying companies in Northern Ireland (16.8% compared to 62.0% male-led), but in addition, are less likely to secure external finance (20.9% of female-led EIS-qualifying companies secured external finance) than male-led EIS-qualifying companies (18.5% of male-led EIS-qualifying companies secured external finance). In addition, the percentage of female-led EIS-qualifying companies in Northern Ireland that secured any form of external capital is below the overall UK rate of 14.5%.

Debt Financing

In 2023, Northern Ireland had the highest proportion of companies across all UK regions that secured external debt (at 17.0% compared to a UK average of 13.2%). Of these companies, 15.0% were female-led, on par with the average UK region but behind the other devolved nations, Scotland (16.5%) and Wales (17.6%).

Figure 13: Female-led companies securing debt financing, as proportion of all companies with debt financing, 2023