

Women entrepreneurship

Key findings: United States

Who wants to be an entrepreneur?

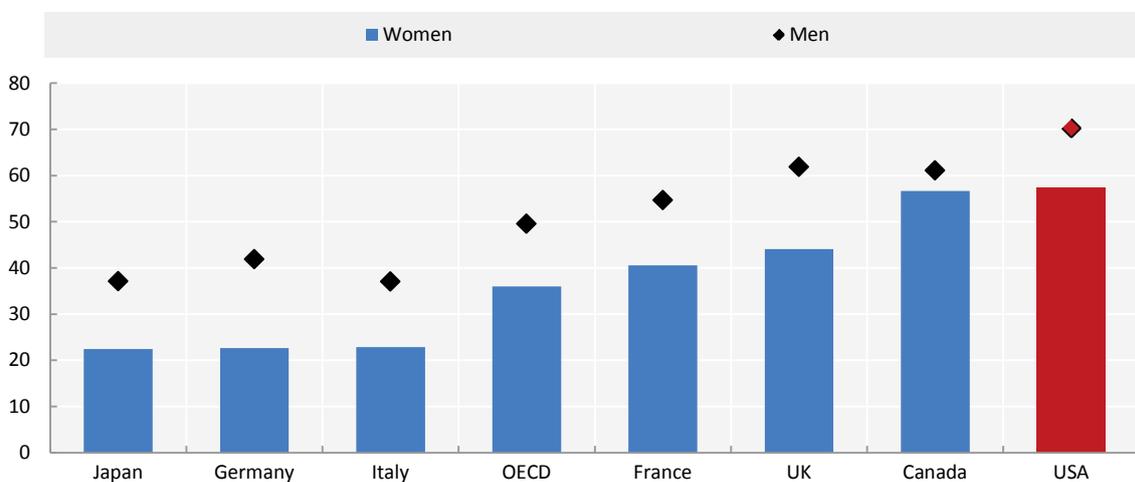
Entrepreneurship is crucial to economic development, promoting social integration and reducing inequalities. *OECD Entrepreneurship at a Glance* presents an original collection of indicators that measure the state of entrepreneurship, providing an important reference for policy insights and policy making.

Perceived risks are higher for women...

One important determinant of entrepreneurship relates to the relative risk involved, or rather assessment of risk. This is to a large extent determined by risk of failure but also reflects other factors, such as social security safety nets, access to finance, access to child-care, and indeed potential rewards; which helps to explain the significant differences across countries on how entrepreneurial risk is perceived. One pattern however, is remarkably consistent: women, the world over, are less prone to taking the entrepreneurial plunge.

The United States are no exception to this pattern (Figure 1), with some of the highest shares in the OECD. 70% of American men and 57% of women declared that they would rather take the risk and start up their own business than work for someone else, compared with only 50% of men and 35% of women in the OECD area.

Figure 1. How is the entrepreneurial risk perceived?
Percentage of individuals who agree with the statement "I would rather take a risk and build my own business than work for someone else", 2013

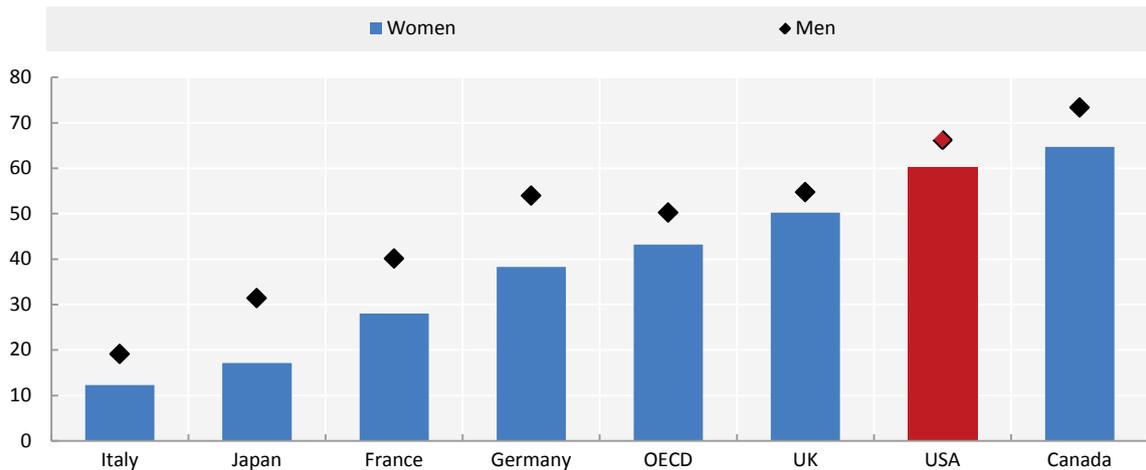


Source: OECD based on Gallup data.

....reflecting perceived gaps in opportunities for: training...

Most countries in the OECD area exhibit a significant gender gap with regards to access to training to create and grow a start-up, a characteristic that is also true for the United States, where 66% of men and only 60% of women declare to have access to such training (Figure 2). Moreover, it is worth nothing that for both men and women the US reports some of the highest values in these measures among G7 countries.

Figure 2. I have access to training on how to start or grow a business
Percentage of individuals who agree with the statement, 2013



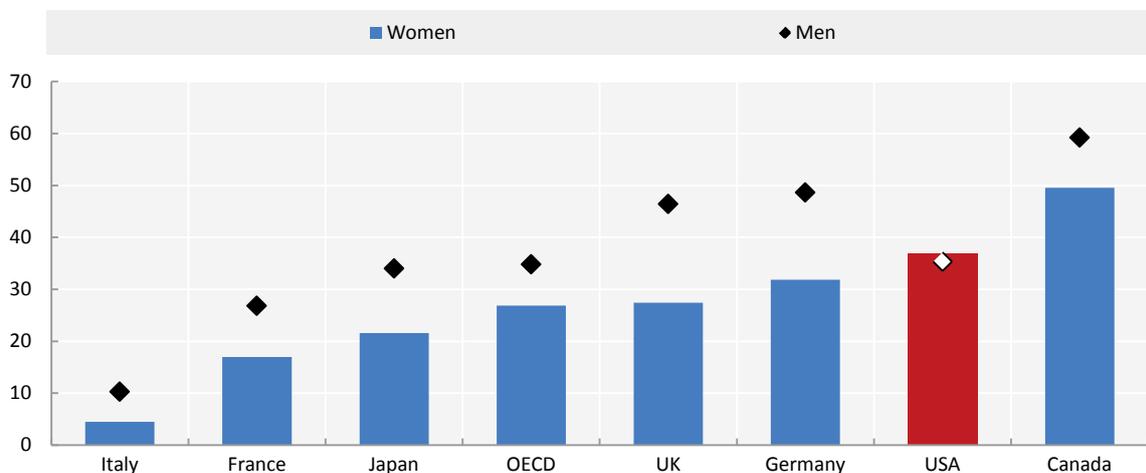
Source: OECD based on Gallup data.

...and finance

Similar gender gaps exist across the world regarding access to finance. However, the share of American women (37%) declaring that access to money is not a barrier to starting a business is slightly above the equivalent share for men (35%) and higher than in the OECD average (27%) (Figure 3).

Figure 3. Is it possible to access money to start a business?

Percentage of individuals who consider they have access to money (own savings or any other source) they would need if they wanted to start or grow a business, 2013

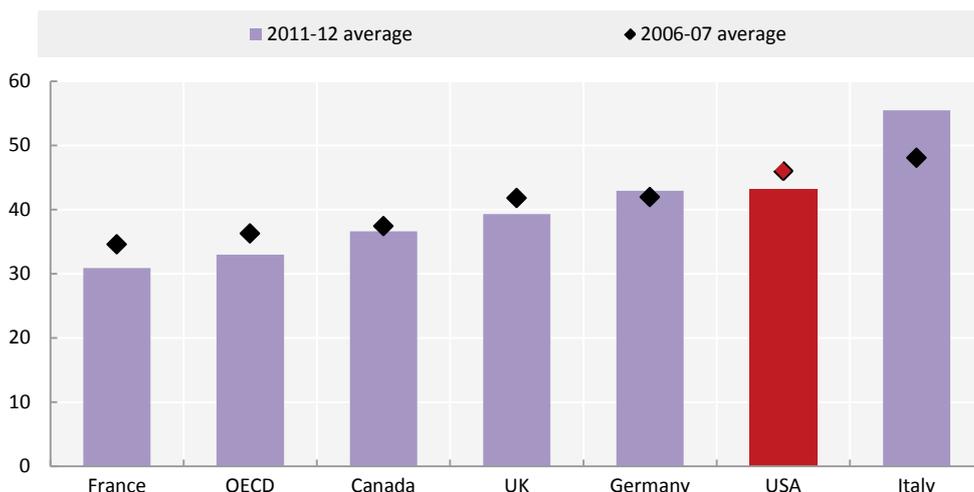


Source: OECD based on Gallup data.

...as well as lower rewards from entrepreneurship

Potential rewards are also an important determinant of risk assessment and in most countries earnings from self-employment are typically lower for women than they are for men. This fact is also true for the US women entrepreneurs, who earned 43% less than their male counterparts in 2011-12 (Figure 4). However, between 2006 and the recent years this gap in USA decreased by 3 percentage points, corresponding to the downwards trend in most of the OECD area.

Figure 4. Gender gap in self-employment earnings
Difference between male and female earnings as a percentage of male earnings

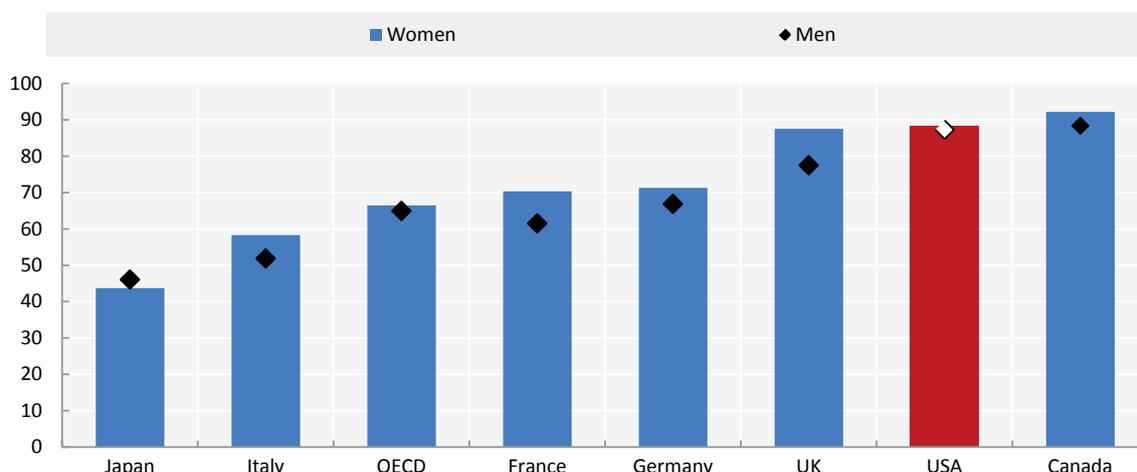


Source: EU SILC and American Community Survey.

But perceptions towards entrepreneurship show little gender bias

The gender gap in the willingness to take the entrepreneurial risk cannot be attributed to a general aversion of women towards entrepreneurship. Indeed, in the United States a vast majority of women see entrepreneurs as positive role model, and, as in most other OECD countries, the share is slightly larger than that of men (Figure 5).

Figure 5. In my country, people who run their own business are considered good role models for youth
Percentage, 2013



Source: OECD based on Gallup data.

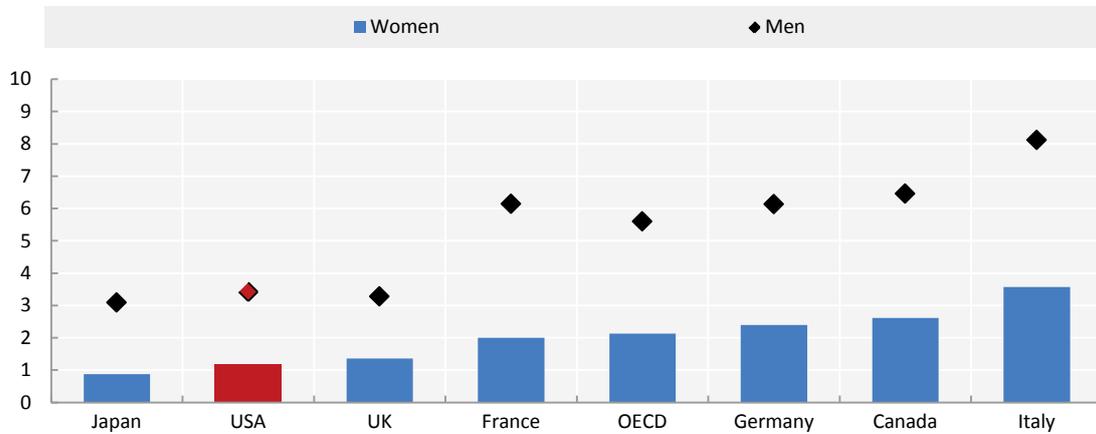
Current trends in women entrepreneurship

Self-employment rates are often used as an important indicator of entrepreneurialism. The shares of employed US women who are self-employed with employees (1.2%) or are own-account workers (6.3%) are both above the corresponding OECD average (Figures 6 and 7).

Differences across countries partly reflect 'push', notably limited paid employment opportunities, as well as 'pull' factors. However, in most OECD countries the gap between the proportions of male and female entrepreneurs with employees (3.5 percentage points on average) is similar to the gender gap between the shares of own-account workers (4.1 percentage points on average).

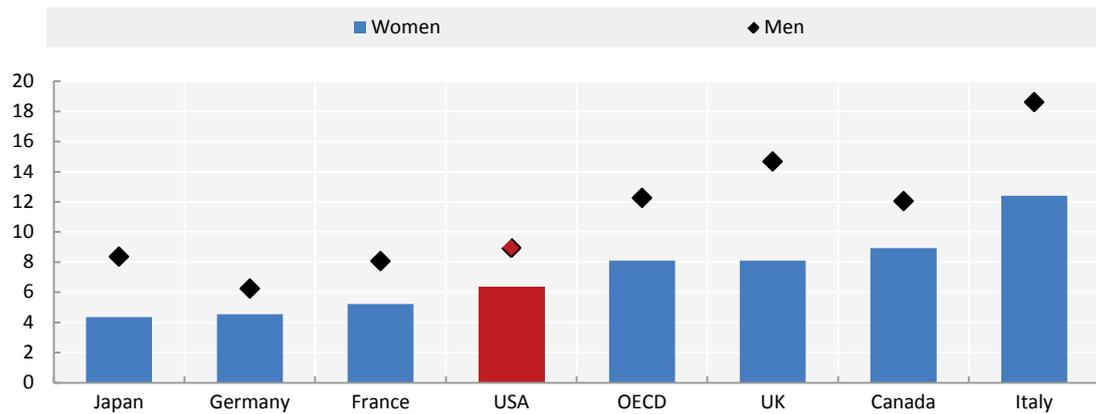
US women entrepreneurs work predominantly in the services sector, as is also the case in most other OECD countries (Figure 8). In many countries however, evidence for young women entrepreneurs points to considerable diversity.

Figure 6. Share of employed women and men who are self-employed with employees
Percentage, 2014



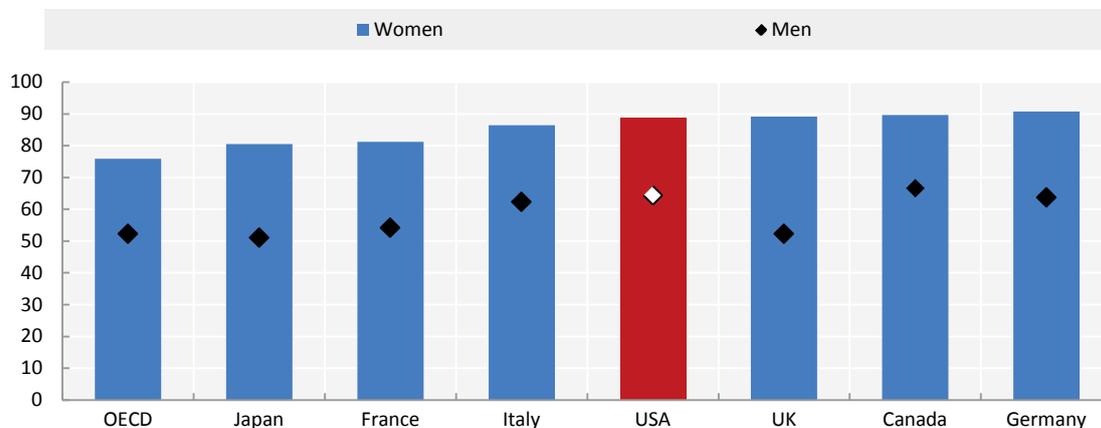
Source: *Entrepreneurship at a Glance 2016, forthcoming*, OECD Publishing, Paris.

Figure 7. Share of employed women and men who are own-account workers
Percentage, 2014



Source: *Entrepreneurship at a Glance, 2016 forthcoming*, OECD Publishing, Paris.

Figure 8. Self-employed whose activity is in services
Percentage, 2014



Source: *OECD Gender Data Portal*.

Further reading

Entrepreneurship at a Glance, OECD publishing, Paris. http://www.oecd-ilibrary.org/industry-and-services/entrepreneurship-at-a-glance_22266941

OECD Gender Data Portal: <http://www.oecd.org/gender/data/entrepreneurship.htm>