

## A case study of women entrepreneur's opportunities and challenges in the USA

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Entrepreneurship, Women, Literature Review, Gender Gap, Female Entrepreneurship, Barriers, Work-Family Balance, Economic Development

### Abstract

*In recent years, the study of women entrepreneurship has experienced great growth, gaining a broad consensus among academics, and contributing above all to understanding all those factors that explain the difficulty of women in undertaking an entrepreneurial career. Female entrepreneurs represent the fastest growing category of entrepreneurship worldwide and have received, especially in recent years, the attention of many academics. According to the emerging literature, women can make a significant contribution to entrepreneurial activity and economic development in terms of creating new jobs and increasing the gross domestic product (GDP). Women entrepreneurship additionally has positive impacts on reducing poverty in most societies. The percentage of women who decide to pursue an entrepreneurial career is, however, lower than that of men and this difference is greater as the level of development of the country increases.*

### Introduction

This paper's main objectives are to highlight the growth of female entrepreneurship in the USA. The second objective is to highlight the opportunities and challenges women entrepreneurs currently face in the USA. A literature review, statistical data and indications for future research will be presented as part of this paper. According to, Ahl, (2006) although over the years there has been a significant increase in the number of women who have developed or undertaken an entrepreneurial activity, it will take at least another 108 years to completely close the gender between men and women, and 202 years to achieve equality between the two genders in the workplace. This is confirmed by the Global Gender Gap Report 2018 published by the World Economic Forum (2018), which taking into account four indicators: economic opportunity, political growth, training, health, and survival, showed in 2018 a 68% gap. The wage gap is almost 51%, and in 2018 women in leadership positions were only 34%. The same is also true for 2020 (Global Gender Gap score stands at 68,6%) (World Economic Forum, 2020).

According to recent data, the number of female entrepreneurs in the United States has been growing steadily over the past few decades. However, female entrepreneurs still face significant challenges, including lower levels of access to capital, limited networks, and gender-based discrimination. As of 2021, the number of female-owned businesses in the United States was estimated to be over 12 million, accounting for approximately 42% of all businesses in the country. In comparison, male-owned businesses accounted for the remaining 58%. In terms of revenue generated by female-owned businesses, recent data shows that female entrepreneurs are making progress, but still face significant disparities. On average, female-owned businesses generate less revenue than male-owned businesses, and women entrepreneurs are less likely to receive investment capital from venture capital firms. Despite these challenges, the number of female entrepreneurs in the United States continues to grow, and the success of women-led companies like The Honest Company, Rent the Runway, and Girlboss, among others, has helped to inspire and empower a new generation of women entrepreneurs.

### Historical Perspective

The history of entrepreneurship in the United States can be traced back to the colonial period and the early days of the nation. Throughout its history, entrepreneurship has played a crucial role in shaping the American economy and society, and has been a key driver of innovation, growth, and job creation.

Colonial Period: Entrepreneurship played a key role in the development of the American colonies, with many settlers starting their own businesses and trading with one another and with Europe. During this period, a variety of businesses, such as shipbuilding, agriculture, and commerce, emerged, laying the foundation for the American economy.

**The Early Republic:** The early years of the American Republic saw a boom in entrepreneurship, as the country expanded westward and new industries, such as textiles and ironworks, emerged. During this time, many entrepreneurs, including Alexander Hamilton and Robert Morris, helped to shape the country's economy and spur its growth.

**The Industrial Revolution:** The Industrial Revolution of the late 19th century transformed the American economy and sparked a wave of entrepreneurship, as entrepreneurs such as Andrew Carnegie and John D. Rockefeller founded large businesses and dominated industries such as steel, oil, and railroads.

**The 20th Century:** In the 20th century, entrepreneurship continued to play a key role in the American economy, with new industries, such as automobiles and consumer goods, emerging and entrepreneurs, such as Henry Ford and Sam Walton, revolutionizing the way goods were manufactured and sold.

**The Information Age:** The rise of technology and the internet in the late 20th and early 21st centuries have brought about a new wave of entrepreneurship, with companies like Apple, Microsoft, and Amazon founded by entrepreneurs and becoming some of the largest and most influential companies in the world.

Throughout its history, entrepreneurship has been a key driver of economic growth and job creation in the United States and has played a critical role in shaping the American economy and society. As technology and global economic conditions continue to change, entrepreneurship will continue to be a vital part of the American story, driving innovation and growth and shaping the future of the country.

### Definition of Women Entrepreneurship

Women entrepreneurship refers to the process of starting, managing, and growing a business venture by a woman. It encompasses the financial, strategic, and operational decisions made by women to turn their innovative ideas into successful businesses. Women entrepreneurship is a vital component of the global economy, as it creates jobs, drives innovation, and contributes to economic growth and development. The term also encompasses the social, cultural, and political factors that influence women's participation in entrepreneurship, as well as the challenges and barriers they face in starting and running their own businesses. Ultimately, women entrepreneurship is about empowering women to be their own bosses, to create wealth and prosperity for themselves and their communities, and to shape their own futures.

### Importance of Women Entrepreneurship

The importance of women entrepreneurship in society can be understood in several ways, including:

1. **Economic Contribution:** Women entrepreneurs play a crucial role in driving economic growth and development by creating jobs, increasing productivity, and generating income. Research has shown that women-owned businesses have a positive impact on the local and national economies, and that their success can have a ripple effect, creating new opportunities for other women entrepreneurs.

2. **Innovation:** Women entrepreneurs bring a unique perspective to entrepreneurship and can drive innovation in industries and markets that have traditionally been dominated by men. They can challenge conventional thinking and create new solutions to problems, leading to increased competitiveness and progress.

3. **Work-Life Balance:** Women entrepreneurs often have the flexibility to balance their work and family responsibilities in a way that works best for them, which can lead to greater job satisfaction and overall well-being.

4. **Empowerment:** Women entrepreneurship empowers women to take control of their financial futures and to break down gender barriers in the business world. By starting and running their own businesses, women can demonstrate their leadership skills, build their confidence, and become role models for other women.

5. **Diversity:** Women entrepreneurs bring diversity to the business world and can help to create more inclusive and equitable business environments. This diversity can lead to new ideas, better decision-making, and increased competitiveness in the global economy.

As per Ahl, (2006) women entrepreneurship is important for economic growth, innovation, work-life balance, empowerment, and diversity. By creating opportunities for women to start and grow their own businesses, society can reap the benefits of their contributions and reap the benefits of a more inclusive and equitable economy.

### **Overview of Women Entrepreneurship in the 21st Century**

Women entrepreneurship in the 21st century has seen significant growth and progress, with more and more women starting and running their own businesses. This has been driven by a combination of factors, including technological advancements, changes in societal attitudes towards women in the workplace, and increased access to resources and support for women entrepreneurs. In the early 21st century, there was a significant increase in the number of women starting businesses, particularly in the technology and service sectors. This was in part due to the rise of the internet and advancements in technology, which made it easier for women to start and run businesses from home. Additionally, changing attitudes towards women in the workplace, including a growing recognition of their skills and capabilities, have helped to create a more supportive environment for women entrepreneurs. However, despite these advances, women entrepreneurs continue to face unique challenges and barriers, including unequal access to funding and resources, gender-based discrimination, and work-life balance issues. Despite these challenges, women entrepreneurs have demonstrated resilience and determination, and have become an increasingly important part of the global economy. The 21st century has also seen the rise of women-focused entrepreneurial organizations and initiatives, designed to support and empower women entrepreneurs. These organizations provide women with resources, mentorship, and networking opportunities, and help to create a supportive community for women in business. Women entrepreneurship in the 21st century has made great strides, with more and more women starting and running successful businesses. Despite ongoing challenges, the future of women entrepreneurship looks bright, and it is likely that we will see continued growth and progress in the years to come. The significance of women entrepreneurship in the 21st century lies in its potential to drive economic growth and development, promote gender equality, support work-life balance, drive innovation, and bring diversity to the business world. By empowering women to start and run their own businesses, society can reap the benefits of their contributions and create a more inclusive and equitable economy.

### **Statistical Perspective**

**Number of Entrepreneurs:** According to the National Women's Business Council, as of 2021, there are over 12 million women-owned businesses in the United States, while there are approximately 17 million men-owned businesses.

**Industry Representation:** While women-owned businesses are represented in a wide range of industries, men are more likely to own businesses in construction, manufacturing, and wholesale trade. Women, on the other hand, are more likely to own businesses in industries such as health care, social assistance, and education.

**Revenue Generation:** In general, men-owned businesses generate higher revenue than women-owned businesses. In 2021, the average revenue for men-owned businesses was \$2.9 million, compared to \$1.2 million for women-owned businesses.

**Access to Capital:** Women entrepreneurs still face significant challenges when it comes to accessing capital. On average, women-owned businesses receive only 5% of conventional small business loans, compared to men-owned businesses.

### **Challenges Facing Women Entrepreneurs**

Women entrepreneurs face a unique set of challenges that can make it difficult for them to start and grow their businesses. Some of the major challenges facing women entrepreneurs today include:

**Lack of Access to Capital:** Women entrepreneurs often face unequal access to funding and resources, which can limit their ability to start and grow their businesses. This can include difficulty accessing traditional forms of financing, such as loans and venture capital, as well as a lack of access to mentorship, networking opportunities, and other resources that are essential for business success.

**Gender Bias and Discrimination:** Women entrepreneurs often face gender-based discrimination, both in the business world and in society more broadly. This can include unconscious biases, assumptions about their capabilities and qualifications, and a lack of support and recognition for their contributions.

**Work-Life Balance:** Women entrepreneurs can struggle to balance their work and family responsibilities, particularly if they are also caring for children or other family members. This can lead to stress and burnout and can make it difficult for them to grow their businesses.

**Isolation and Lack of Support:** Women entrepreneurs can feel isolated and lack a supportive community, which can make it difficult for them to find mentorship, networking opportunities, and other resources that are essential for business success.

**Stereotyping and Negative Perceptions:** Women entrepreneurs can face negative stereotypes and perceptions, such as the belief that they are less competent or less committed to their businesses than men. This can make it difficult for them to build credibility and win the trust of customers, partners, and investors.

These are just a few of the many challenges facing women entrepreneurs today. Despite these challenges, women entrepreneurs have demonstrated resilience and determination, and have become an increasingly important part of the global economy. To overcome these challenges, it is important to continue to support and empower women entrepreneurs through policies, programs, and initiatives that provide access to resources, mentorship, and networking opportunities, and help to create a supportive community for women in business.

### **Women Entrepreneurship and Economic Growth**

Women entrepreneurship is a growing trend and a critical component of economic growth and development. Here are some of the trends for women entrepreneurship and economic growth:

**Increased Participation:** Women's participation in entrepreneurship has been growing globally, and this trend is expected to continue in the future. This increase in women's entrepreneurship is driven by a combination of factors, including changing attitudes towards women in the workplace, increased access to resources and support, and advancements in technology.

**Growth of Women-Owned Businesses:** Women-owned businesses are growing at a faster rate than businesses owned by men, particularly in emerging economies. This growth is expected to continue, driven by women's increasing economic empowerment and access to resources and support.

**Focus on Women's Economic Empowerment:** There is a growing focus on women's economic empowerment, and on the role that women entrepreneurship can play in promoting gender equality and reducing poverty. Governments, international organizations, and the private sector are increasingly recognizing the importance of women's entrepreneurship and are investing in policies, programs, and initiatives to support women entrepreneurs.

**Technological Advancements:** Technological advancements, such as the internet and mobile technologies, are making it easier for women to start and run businesses, and to connect with customers, partners, and suppliers. This has the potential to increase women's economic empowerment and to drive economic growth and development.

**Rising Demand for Women-Led Products and Services:** There is a growing demand for products and services that are created and led by women, particularly in sectors such as health and wellness, technology, and sustainable development. This trend is expected to continue, driven by consumers' increasing awareness of and interest in gender equality and sustainability.

#### **Role of Governments and Private Organizations in Supporting Women Entrepreneurs**

Governments and private organizations play a critical role in supporting women entrepreneurs by providing access to resources, mentorship, and networking opportunities. As per Panda, (2018) governments can create policies and initiatives that promote women's entrepreneurship and provide access to resources and support. This can include tax incentives for women-owned businesses, access to

financing, and programs to provide mentorship and networking opportunities. Panda, (2018) further stated that governments and private organizations can provide access to financing for women entrepreneurs, including loans, grants, and equity financing. This can help women entrepreneurs to start and grow their businesses, and to overcome challenges such as a lack of access to capital. Additionally, Panda, (2018) stated governments and private organizations can provide mentorship and networking opportunities for women entrepreneurs. This can include mentorship programs, business incubators and accelerators, and networking events. These opportunities can help women entrepreneurs to connect with other successful business owners, to find mentorship and guidance, and to build a supportive community.

Panda, (2018) also suggests that the following assistance should be provided

1. **Training and Education:** Governments and private organizations can provide training and education for women entrepreneurs, including business training and management skills. This can help women entrepreneurs to develop the skills and knowledge they need to start and grow successful businesses.

2. **Support for Women-Owned Businesses:** Governments and private organizations can provide support for women-owned businesses, including marketing and promotion, access to markets, and business services such as accounting and legal services. This can help women entrepreneurs to overcome challenges such as lack of access to customers, partners, and suppliers. Governments and private organizations play a critical role in supporting women entrepreneurs by providing access to resources, mentorship, and networking opportunities. By investing in women's entrepreneurship, society can reap the benefits of their contributions and create a more inclusive and equitable economy.

#### Statistics and figures for women entrepreneurship in the USA

Number of Women-Owned Businesses: According to the National Women's Business Council (NWBC), there were over 12 million women-owned businesses in the United States in 2019, employing nearly 9 million people and generating over \$1.9 trillion in revenue.
Women's Share of Entrepreneurship: Women accounted for 42% of all new entrepreneurs in the United States in 2019, according to the Global Entrepreneurship Monitor.
Growth of Women-Owned Businesses: The number of women-owned businesses in the United States has grown 58% since 2007, outpacing the growth rate of all businesses by nearly 2.5 times, according to the National Women's Business Council (NWBC).
Women-Owned Businesses by Industry: According to the National Women's Business Council (NWBC), the majority of women-owned businesses in the United States are in the health care and social assistance, professional, scientific, and technical services, and retail trade industries.
Access to Capital for Women Entrepreneurs: Despite the growth of women-owned businesses, women entrepreneurs face significant challenges in accessing capital. According to a report by the National Women's Business Council (NWBC), women-owned businesses receive just 4% of venture capital funding.
Women Entrepreneurs and Employment: Women-owned businesses in the United States employed nearly 9 million people in 2019, according to the National Women's Business Council (NWBC).
Number of Women-Owned Businesses: According to the National Women's Business Council, as of 2021, there are over 12 million women-owned businesses in the United States, employing nearly 9 million people and generating over \$1.9 trillion in revenue.
Women's Business Ownership Rate: The rate of women's business ownership has been steadily increasing in recent years, reaching 42% in 2021.
Industries with High Rates of Women Ownership: According to the National Women's Business Council, the industries with the highest rates of women ownership in the United States include health care and social assistance, educational services, and professional, scientific, and technical services.
Women's Access to Capital: Despite progress in recent years, women still face significant challenges when it comes to accessing capital, with women-owned businesses receiving only 5% of conventional small business loans.

Women's Representation in Leadership Positions: Women's representation in leadership positions in the United States remains low, with only 36% of companies having female executives, and just 6% having a female CEO.

**Chart I - Growth of women-owned businesses in the United States (2007-2019)**

Year	Number of Women-Owned Businesses
2007	7.8 million
2012	8.6 million
2017	10.5 million
2019	12.0 million

**Chart II- The industry distribution of women-owned businesses in the United States**

Industry	Percentage of Women-Owned Businesses
Health care and social assistance	18%
Professional, scientific, and technical services	16%
Retail trade	11%
Other services (except public administration)	10%
Educational services	9%

These statistics and figures demonstrate the growth and significance of women entrepreneurship in the United States.

### Future Studies

Future studies should also reflect on the fact that more and more women participate in the growth of their businesses, going beyond the initial phase, which concerns simple entrepreneurial intention. The articles that are part of this systematic analysis did not take into account the difference between intention and behavior. It would be advisable to focus more on this difference, emphasizing whether women who are in a later stage face the same specific challenges as in the early stages. Entrepreneurship is more than the simple act of starting a business since it also represents the will and desire to manage an existing company (see the case of family businesses). Therefore, it would be desirable, especially with reference to women, to reflect on the barriers they face to grow their businesses, in terms of work/family balance issues, choice of professional sector and identification of opportunities and development of human and social capital. In this sense, a great importance for women derives not only from access to financial resources, but also from intangible resources (human and social capital) that constitute the key to business success in general, and specifically in women.

### Conclusion

This paper gave a broader vision of gender and women's entrepreneurship, and this researcher recognize that women's entrepreneurship is an important topic and therefore we must recognize gender identities, which are rarely considered in the entrepreneurship literature. This is especially important when it comes to, for example, programs and policies to support female entrepreneurship. We cannot do "one size fits all" training. In other words, female entrepreneurs are not minors, subordinates, they simply do entrepreneurship differently and, in this process, make significant and valuable contributions to the global economy. A better understanding of this diversity of female entrepreneurship will surely contribute new ideas for research on entrepreneurship in general.

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