



# L'ŒIL DU LAB

Female entrepreneurs in underprivileged areas: a particular profile beyond simple geography

## Female entrepreneurs in underprivileged areas: a particular profile beyond simple geography

*This is the first in a series of three articles specifically about women starting up businesses in underprivileged areas: better qualified, younger and typically experiencing tougher personal and financial circumstances, they have a very different profile from their male peers.*

### The profile of women businesses creators in underprivileged areas: differences transcending geography

Following the [Entrepreneurship in underprivileged areas: Releasing all untapped potential](#) report, Bpifrance Le Lab has produced three articles on women business creators in underprivileged areas (here meaning a priority urban district (PUD) under France's urban social policy). Who are they? What ambitions do they have? What support do they receive?

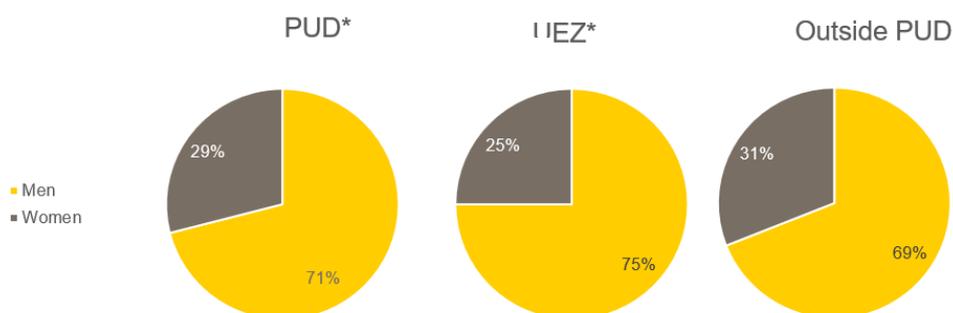
In this first article, we note that women who have created their own businesses in underprivileged areas have a very different profile from their male counterparts. They are better qualified and younger. They create their businesses starting from more disadvantaged personal and financial circumstances, being more frequently single parents and also more often long-term unemployed. In addition, women account for only a third of business creators in underprivileged areas.

Consequently, the aim is to identify the factors that women in such areas encounter, slowing or preventing business creation. A better understanding of these factors will also enable the provision of more effective support and guidance for business creation and development. One finding is that female entrepreneurs in underprivileged areas have profiles that are similar to female entrepreneurs elsewhere, showing that female entrepreneurship transcends geography.

### Women in underprivileged areas start businesses much less often than men, and nationality appears to be another obstacle, it is even half as much for women from outside the EU

In fact, only 29% of business creators in underprivileged areas are female (31% elsewhere).

Distribution of the population by gender

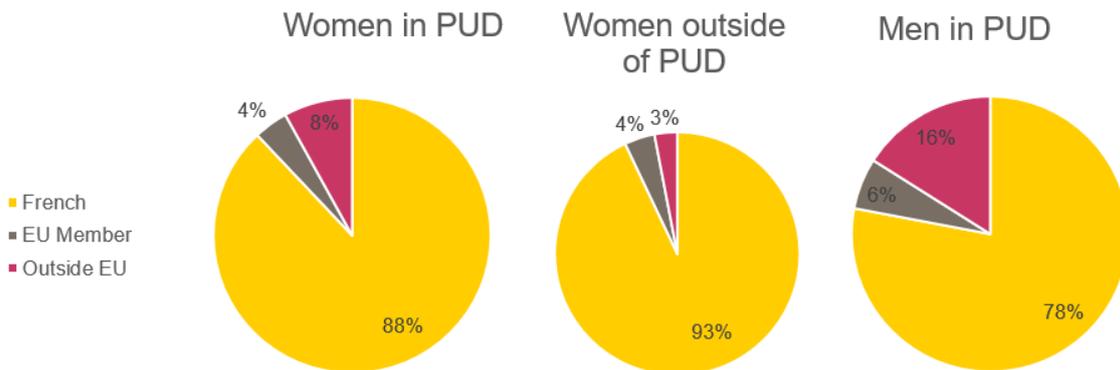


Source : Bpifrance Le Lab from SINE INSEE survey and CGET, 2014 company data

*Women are under-represented as business creators, regardless of geographical area.*

Over and above the gender factor, to which we will return at the end of the article, nationality appears to be another obstacle to female entrepreneurship in underprivileged areas. The proportion of female business creators from countries outside the European Union is half that of men (8% versus 16%). Migrant women can be considered to be a minority within a minority. According to a report by the University of Nice<sup>1</sup>, they face additional difficulties, particularly in accessing migrant entrepreneur networks. Such networks are male-dominated, and access is not easy for women, who are consequently obliged to seek out external networks. Moreover, the idea of “emancipatory entrepreneurship” which is more often applied to women (starting a business to acquire greater financial independence) could further reduce the size and ambition of business plans.

Distribution of the population by nationality



Source : Bpifrance Le Lab from SINE INSEE survey and CGET, 2014 company data

*Female entrepreneurs with non-EU nationality less represented than men in PUDs*

## Female entrepreneurs from underprivileged areas are younger and better qualified than male counterparts

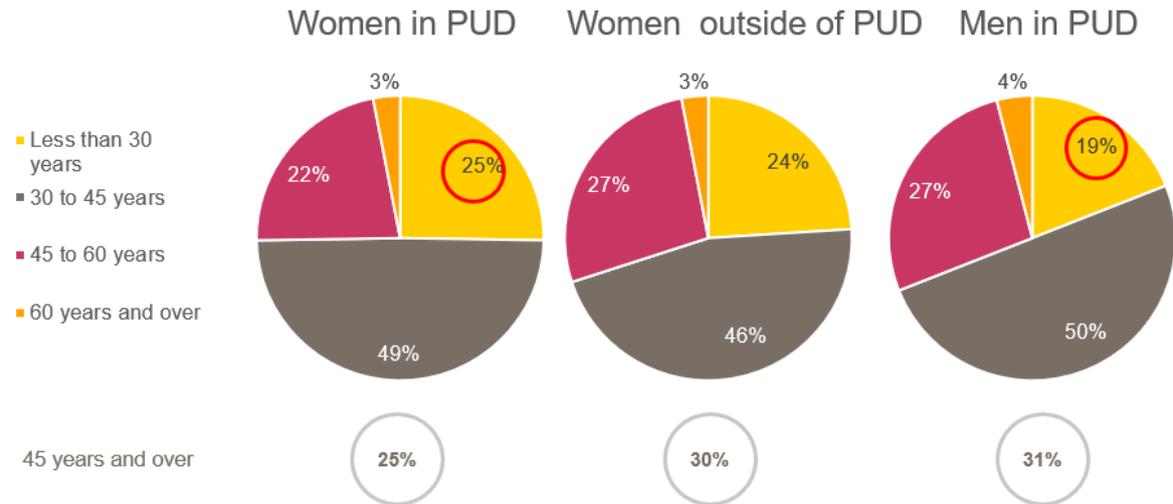
Female business creators in underprivileged areas are younger than their male peers. There is in fact a greater proportion of females in the under-30 age category than males (25% of the women are under 30, versus 19% of the men).

According to [a report by INSEE](#), this difference holds true in general for the self-employed and salaried business owners already trading. Women entrepreneurs are consequently two years younger on average than the men, at 44.6 years of age versus 46.2 years respectively.

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<sup>1</sup> A.Ewango-Chatetet, C.Laffineur, « Quelle résilience de l'entrepreneuriat inclusif en Île-de-France: femmes, migrants et entrepreneurs des quartiers défavorisés ? », Université Côte d'Azur, 2020

### Distribution of the population by age



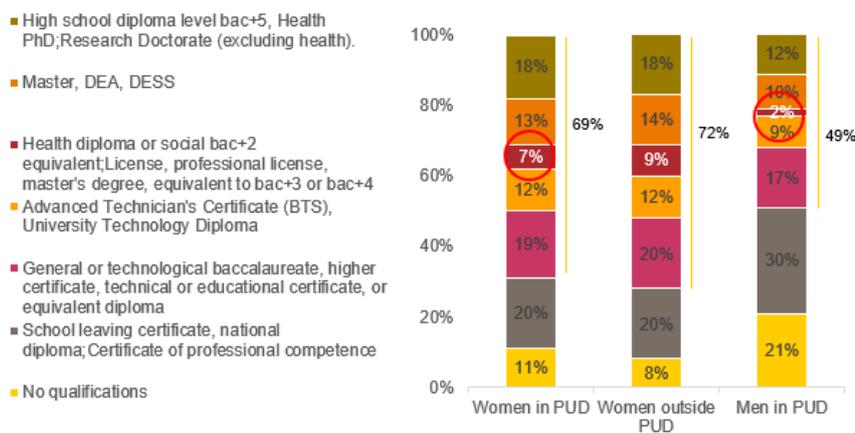
Source : Bpifrance Le Lab from SINE INSEE survey and CGET, 2014 company data

*Female business creators in PUDs are younger than their male peers*

As regards education and training, women from underprivileged areas are better qualified than men, with 50% having qualifications obtained in higher education. This is much more than the men, just 33% of whom continued in education after 18 years of age. A much larger proportion of women is found among those with post-graduate qualification (5+ years study after school).

This difference is also seen at management level in businesses in general, according to an [INSEE report](#). To reach management roles in businesses, women tend to partly compensate for the apparent negative effect of their gender by achieving a higher level of qualifications than men. As regards business creation, the situation seems a little more complicated, as the entrepreneur's qualifications are usually connected to their line of business. According to an [Infogreffe report](#), women therefore create businesses more often in areas where higher qualifications are the norm (healthcare or social work, for example). This point will be further discussed in this second article.

### Distribution of the population by diploma



Source : Bpifrance Le Lab from SINE INSEE survey and CGET, 2014 company data

*Female business creators in PUDs have higher education qualifications more often than men*

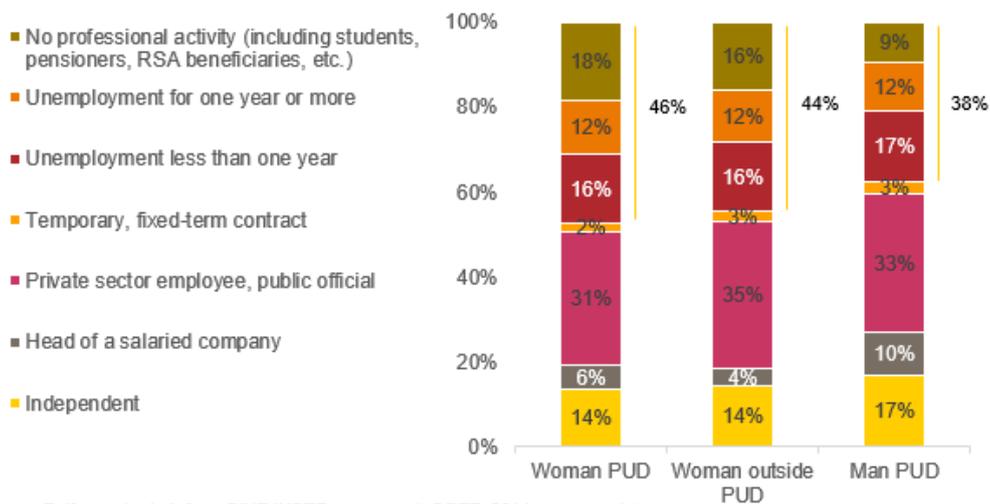
Younger women in underprivileged areas start more businesses than older women, which is a good sign for the future. Higher education can serve as both a route to social emancipation and a way to capitalise on skills and

networks. These last aspects can then drive women to start their own businesses. However, some obstacles remain. Female business creators in underprivileged areas start from an even more disadvantaged position than male counterparts.

### In underprivileged areas, women start businesses while in financial and personal circumstances that are much more difficult than men

Almost half of them (46%) are long-term unemployed, eight points higher than for men (38%). Business plans initiated by people who were previously unemployed can be less ambitious. They have a reduced ability to save money before the business starts, and therefore to self-fund subsequently. They might potentially have started a business mainly for reasons of financial independence, without necessarily outlining a business plan targeting growth (see following articles).

Personal situation before the creation

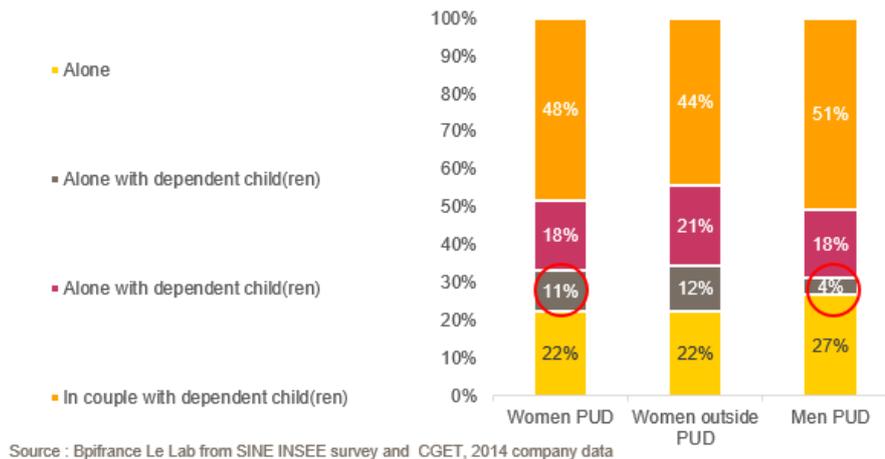


Source : Bpifrance Le Lab from SINE INSEE survey and CGET, 2014 company data

*Female business creators in PUDs more frequently long-term unemployed than men*

In addition, family commitments are more of a challenge for women starting businesses in underprivileged areas than for their male counterparts. Three times as many of them are single parents (11% compared with 4% for men). This obviously represents an additional burden to be borne, potentially hindering success, with business management made particularly difficult in terms of available time and energy. The burden of family commitments moreover seems to have become heavier in recent months, during and after the lockdown in spring 2020.

Distribution of the population according to family situation



*Female business creators in PUDs more frequently single parents than men*

## Under-representation and the difficulties for female business owners and creators: an issue beyond simple geography

We note also that the profile of women entrepreneurs in underprivileged areas has much in common with women entrepreneurs elsewhere in the country (age, qualifications, personal circumstances, low proportion among business creators). We could consequently widen the scope from issues surrounding female entrepreneurship in underprivileged areas to encompass France as a whole.

Generally speaking, there are far fewer women than men among business creators and owners. The larger the business, the lower the proportion. At this time, 30% of business owners at the smallest end of the scale are women, and 20% where the business has more than 50 employees. The proportion of women leading the 120 largest French firms listed on the Paris Stock Exchange (SBF 120) is just 14% according to [data from France's equality monitor, the Observatoire des Inégalités](#) and there are now none at all in the CAC40 index.

The under-representation of women business creators in underprivileged areas, and in France in general, therefore appears to be very much a gender issue. According to [data from the European Commission](#), a lower proportion of women than men in France report a wish to set up their own business (37% versus 44%). In the same vein, it is logical that a substantial majority prefer to work as employees (61%).

The family factor seems to be important to women in choosing whether to be an employee or work for themselves according to the data of the same European institute. Those who prefer to be employees do so more often than men so as to have a regular income (24% and 15% respectively) and regular working hours (10% versus 4%). Those women who, in contrast, prefer the entrepreneur route, usually mention the flexibility of location and working hours as positive aspects (39% versus 31%). When the women surveyed were asked if it would be feasible for them to work for themselves over the next five years, 52% said “no” (compared with just 40% of men). When asked why, women mentioned issues with reconciling work and family commitments twice as often as men.

These are just some of the factors showing the importance of supporting female entrepreneurs in underprivileged areas. They take due account of the reality of their daily lives, and the difficulties they might face.



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**Entrepreneurship in  
underprivileged areas:  
Releasing all untapped potential**

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