

**techUK response – Women and Equalities Committee’s Inquiry: Female Entrepreneurship**

March 2025

## About techUK

techUK welcomes the opportunity to feed into the Women and Equalities Committee Inquiry into female entrepreneurship.

techUK reiterate that driving more women to start and scale a tech business is a huge economic growth opportunity. According to research, if women in the UK matched men in starting and scaling businesses, £250 billion could be added to the UK economy.<sup>1</sup>

techUK is a membership organisation launched in 2013 to champion the technology sector and prepare and empower the UK for what comes next, delivering a better future for people, society, the economy and the planet.

It is the UK's leading technology membership organisation, with more than 1,100 members (the majority of which are SMEs) spread across the UK. We are a network that enables our members to learn from each other and grow in a way which contributes to the country both socially and economically. By working collaboratively with the Government and others, we provide expert guidance and insight for our members and stakeholders about how to prepare for the future, anticipate change and realise the positive potential of technology in a fast-moving world.

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<sup>1</sup> GOV.UK (2019) [‘The Alison Rose Review of Female Entrepreneurship’](#)

## What are the barriers facing women, including specific groups of women such as those from an ethnic minority background, seeking to start and grow successful businesses in the UK?

Women in the UK face several barriers when starting and growing businesses, with additional challenges for women from an ethnic minority background.

Barriers must be tackled to unlock the significant economic opportunity. According to research, if women in the UK matched men in starting and scaling businesses, £250 billion could be added to the UK economy.<sup>2</sup>

Barriers facing women tend to include:

**Access to funding:** Although there have been strides toward achieving parity in recent years, women-led businesses continue to face significant funding disparities. A lack of access to finance is repeatedly identified as a major constraint for women entrepreneurs and business owners to scale and grow their business. Women are also less likely to apply for funding, with 55% more women than men citing the fear of starting a business along as a constraint.<sup>3</sup>

Women only receive a small portion of investment capital despite demonstrating strong business performance. According to the British Business Bank, companies with at least one female founder accounted for 28% of equity deals in 2023 but continue to receive a smaller share of investment.<sup>4</sup> In 2022, of the UK's multi-billion-pound venture capital funding, female entrepreneurs routinely received less than a 2% share of the investments made each year.<sup>5</sup>

A large-scale study of female entrepreneurship in the UK also revealed that 17% of investment obtained by firms led by a gender-balanced team, while 4.7% of investments were directed to companies where there was no information about gender of the leadership.<sup>6</sup>

**Social capital and networking:** Creating better networks for female entrepreneurs, with mixed gender teams, is vital to address the challenge in securing investment and VC funding. Access to funding often relies on personal networks, with venture capitalists leveraging connections and recommendations to find top investments. Anecdotally, techUK members also note that warm introductions further enhance funding chances – a case of being in the “right rooms with the right people”.

One techUK member noted that female founders do not have the same access to high-net worth individuals, who are typically men, and there are simply not enough women making decisions around investment or enough female led organisations. As such, “talking to tech companies and investors, 99% are male and the unconscious bias is still very noticeable.”

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<sup>2</sup> GOV.UK (2019) '[The Alison Rose Review of Female Entrepreneurship](#)'

<sup>3</sup> GOV.UK (2019) '[Government response to Alison Rose Review of Female Entrepreneurship](#)'

<sup>4</sup> British Business Bank (2024) '[Small Business Equity Tracker 2024](#)'

<sup>5</sup> Treasury Committee (2023) '[Venture Capital: Nineteenth Report of Session 2022-23](#)'

<sup>6</sup> Taken from All-Party Parliamentary Group for Women and Enterprise (2025) 'The Future of female Entrepreneurship: Strategies for scaling up'

Existing support programmes further reveals the importance of social capital and significant benefits that networks and mentors deliver. However, in comparison to men, women entrepreneurs tend to suffer from a lack of business focused networks.

**Role models and mentorship:** An ecosystem with less women founders and entrepreneurs also creates a knock-on impact on the role models and mentors for female founders looking to start or grow a business.

While there has been significant progress in recent years, to date, there are still fewer role models to inspire future potential female high-growth entrepreneurs. This means it is also more difficult for women to connect with entrepreneurs and experts when seeking support and advice, along with understanding the challenges they face. While there are growing networks, resources and pathways online, there must be continue support for the very specific barriers experienced by women.

To build a steady stream of talent and role models, it is essential to encourage education in STEM subjects, data science, and other technology-related skills from school through university. Additionally, fostering enterprise and entrepreneurship at all educational levels helps cultivate a robust pipeline of female entrepreneurs.

**Societal and cultural expectations:** Other challenges are compounded by the fact that women often bear a greater share of caregiving and childcare responsibilities, limiting their time and flexibility. TUC analysis in 2023 found that more than 1.46 million women are kept out of the labour market because of their caring responsibilities.<sup>7</sup>

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<sup>7</sup> Trade Union Congress (2023) '[Women 7 times more likely than men to be out of work due to caring commitments](#)'

**In which sectors of the economy do women face the greatest barriers to entrepreneurship, why is this, and what could be done to tackle them?**

techUK is the membership body representing the tech sector. We represent more than 1,100 members (the majority of which are SMEs) spread across all regions of the UK. There continues to be gender disparity across the tech sector, and for female tech entrepreneurs and founders who face continued barriers to successfully start and scale a tech business.

However, we do note that there are gender disparities, with women facing barriers to entrepreneurship across the value chain – from investors to founders themselves. The Gender Index Report 2023 highlights that despite improvements, only 17.3% of the UK's 4.5 million active businesses are female-led.<sup>8</sup>

Specifically for the tech sector, research from BCS shows very slow progress over the past five years when it comes to the number of women and people from under-represented groups in tech.<sup>9</sup> Women continue to make up just 21% of IT specialists in the UK, a stark contrast to the 51% of women in the working-age population. Women represent only about 17% of the tech workforce, and biases in hiring and investment decisions often restrict their access to leadership positions and funding. This persistent underrepresentation highlights a significant missed opportunity to harness the full breadth of talent and potential within the UK.<sup>10</sup>

But given the right access, resources and support, female entrepreneurs will be vital to shape the next tech-led industrial revolution. techUK outline how the government can better support women to overcome these challenges throughout the following questions.

It is encouraging that the Government has acknowledged the importance of expanding the diversity of the talent pool in its AI Opportunities Action Plan, highlighting that only 22% of professionals in AI and data science are women. The plan also recommends exploring school-based initiatives that have successfully improved diversity in other industries, and techUK supports the inclusion of such measures for AI.

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<sup>8</sup> The Gender Index (2023) [‘The Gender Index 2023’](#)

<sup>9</sup> BCS (2023) [‘BCS Diversity Report 2023: Ethnicity’](#)

<sup>10</sup> BCS (2024) [‘BCS diversity report 2024: Addressing the under-representation of women in technology’](#)

## How can women best be supported to overcome the challenges they face in securing funding to start and grow their businesses?

To support the specific challenge in securing funding, the government should look to provide the right data and evidence, with accountability to increase investment into female-founded businesses. Other priority areas should be tailored support, greater use of public-private partnerships, support for angel investment and better accountability to drive change.

**Data and evidence base:** The UK has the potential to be the world's leading hub for women to build a tech business. The first step to understanding this funding disparity is enhancing data collection to accurately identify women-led enterprises and monitor their financial journey. To be able to build strong evidence base and to understand how to make the right interventions to support women in starting and growing a business, **data collection** must be therefore improved.

**Tailored support:** Customised support, including reduced investment thresholds, structured education and mentorship programs can enhance female success rates to start and scale a business in the UK.

techUK note that world-leading tax incentives like **SEIS, EIS and VCT** remain critical for female entrepreneurs. For instance, early-stage investors tend to be more interested in those companies that qualify for SEIS and EIS due to the attractive tax breaks whilst supporting high-growth UK companies. The government should continue to track female founders, investors and entrepreneurs' engagement in the schemes. Better promoting and sharing the value of the SEIS and EIS schemes would provide immense value for female entrepreneurs. This could be done through a government-led campaign, bringing together key ecosystem players and networks to drive more uptake among female entrepreneurs.

The government's recent Science and Technology Venture Capital Fellowship programme<sup>11</sup> also had a focus on women investors and exited entrepreneurs to tackle the imbalance in the science and tech venture capital space was tackled. The 12-month fellowship seeks to fast-track the growth of UK-based venture capital investors while building a robust talent pipeline for science and technology VC investment in the UK. Demonstrating a tailored support offer, the programme involves knowledge sharing, leadership development, hands-on learning and mentoring (particularly deep tech and life science).

As part of a wider cultural shift to drive more diversity into the ecosystem, the government should look to continue this programme with Imperial College London and the Royal Academy of Engineering. This should place a greater emphasis on creating a network of next generation female and ethnic minority leadership through a cap or certain eligibility criteria to participate in the programme.

Governments and private sector organisations should provide flexible funding options, such as extended application periods, staggered funding rounds, and asynchronous pitch processes. This adaptability helps ensure that women juggling caregiving responsibilities and entrepreneurship are not unfairly disadvantaged in securing funding.

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<sup>11</sup> GOV.UK (2024) '[Science and Technology Venture Capital Fellowship](#)'

**Angel investment:** While there have been welcome developments, more targeted actions could help to support **angel investing** activity among women. We note that angel investors bring valuable industry expertise, connect founders with potential clients and partners, and offer guidance drawn from their own entrepreneurial journeys.

According to recent research, female angel investors have been “involved in deals worth £2.34 billion over the past decade, backing over 4,000 businesses and helping to create more than 10,000 jobs”<sup>12</sup>.

To support more angel investment into female entrepreneurs, techUK point to the suggestion from the Entrepreneurs Network to revise the requirements and structure for access to the Regional Angel Programme to enable smaller angel groups, including women-led ones, to benefit from the Programme’s co-investment funds.<sup>13</sup>

**Public and private partnership:** There’s a key role for the government to play in driving female entrepreneurship within the tech sector. It should continue to be the convenor, driving forward and championing successful industry-led initiatives.

Of note, it is promising to see that the Invest in Women Taskforce recently raised £255 million to invest in female-founded businesses.<sup>14</sup> This Taskforce is an industry-led and Government backed initiative with its key mission to create one of the world’s largest investment pots. Backed by support from the Chancellor Rachel Reeves, the Invest in Women initiative aims to drive future economic growth and break down the systemic barriers faced by women entrepreneurs and investors. This capital will be deployed by female investors to accelerate investment into female-powered businesses across the UK.

By bringing together experts from across the public and private sector, the Taskforce have the expertise, resources and ambition to drive sustainable and systemic change.

**Accountability and commitment:** To drive meaningful change, the government, industry and wider ecosystem must be held to account on delivery. techUK note that an effective way to do this is through the Investing in Women Code. The Investing in Women Code is a commitment to support the advancement of women entrepreneurs by improving their access to the tools, resources and finance they need to achieve their goals.<sup>15</sup> Code Partners (including British Business Bank, British Private Equity & Venture Capital Association (BVCA), UK Business Angels Association (UKBAA), UK Finance, and Responsible Finance) are responsible for managing data collection and reporting, on behalf of government.

We call for the government to drive more of the investment ecosystem to sign up to the Investing in Women Code. Efforts to attract greater institutional investment into tech scale-ups should prioritise diversity at their core. Institutional investors, including Limited Partners and emerging capital sources such as Defined Contribution Pension Plans aligned with the Mansion House reforms, should be encouraged to commit to the Investing in Women Code.

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<sup>12</sup> The Entrepreneur’s Network (2024) ‘[Gaining Altitude: Female Angel Investors Across the Regions](#)’

<sup>13</sup> The Entrepreneur’s Network (2024) ‘[Gaining Altitude: Female Angel Investors Across the Regions](#)’

<sup>14</sup> Invest in Women Taskforce (2025) ‘[Funding female powered businesses](#)’

<sup>15</sup> British Business Bank (2025) ‘[About the Investing in Women Code](#)’

### **What examples are there of best practice in supporting female-led entrepreneurship, both in the UK and internationally?**

As previously highlighted, techUK emphasises the Investing in Women Code as a key mechanism for driving commitment and accountability. Collecting data is essential for identifying the financial gap between men and women and monitoring progress in female-led entrepreneurship. In 2024, the Code attracted over 250 signatories, an increase from 190 in 2023. The Annual Report shows that VC funds that sign the code are significantly more likely to invest in teams with at least one female founder compared to non-signatories.

Specifically for the tech and science sector, techUK point to the EU's programme to create a better support system and community of girls and women interested in developing their digital and entrepreneurial competencies. For instance, the [ESTEAM](#) (Entrepreneurship, Science, Technology, Engineering, Arts and Mathematics) initiative provides a community to girls and women interested in developing their digital and entrepreneurial competencies. Since the launch of the ESTEAM Project in January 2022, more than 2,400 girls and women have participated in the online and in-person activities, from 38 different countries.

Within the tech sector, many businesses are leading the way in providing support. As an example, techUK member Google runs the '[Google for Startups Women Founders Fund](#)', a programme that provides tailored mentorship, product support and funding for women-led tech businesses.

### **What steps should the Government take to help support the development of female-led high growth enterprises?**

The UK government must look to tackle key challenges ranging from: Access to funding, social capital and networking, role models and mentorship and societal and cultural expectations. Ensuring clarity and consistency in government programs supporting female entrepreneurs in the UK is essential.

**Improve data collection and reporting:** The first step to understanding this funding disparity is enhancing data collection to accurately identify women-led enterprises and monitor their financial journey. techUK call for the government to improve the data and evidence base, creating a stronger evidence base to understand how to make the right interventions to support women in starting and growing a business. While there are regular reports and outlets tracking this, there must be consistency in data collection and sources used to track this.

**Expand access to capital:** This requires leveraging both public and private sector investments while ensuring capital is distributed by female investment decision-makers. The Government should continue supporting initiatives such as the Women Backing Women Fund, which seeks to establish one of the largest funding pools for female-led businesses.

**Social capital and networking:** As previously noted, female entrepreneurs must be plugged into networks with investors and need the access to relatable business-focused networks



that provide advice and support. To achieve this, there must be investment into the local ecosystem in accelerators, incubators, networks, advisors and visible role models to ensure that the next generation of female founders get the support to start and grow their high-growth enterprises. Existing national assets, including Universities and catapult networks, could be a way to do this, leveraging their regional reach and localised support options. Strengthening and streamlining existing initiatives is more effective than frequently introducing new ones, with clear guidance at all levels and close collaboration with regional and local administrations to maximise accessibility and impact.

**Role models and mentorship:** Having more women who have set up, grown, scaled and sold their business acting as coaches or mentors for other women would greatly enhance the support mechanism. Alongside this, encouraging and attracting women who have run and sold businesses into this pool, and remunerating them, will have a high impact on those they are helping. To do so, the government should look to champion and showcase successful tech entrepreneurs and founders.

**Societal and cultural expectations:** A keyway to support female entrepreneurs and founders is supporting their share of caregiving and childcare responsibilities. techUK, on behalf of our members, are supportive of the government's support for childcare costs. This includes working parents of children from nine months accessing 15 hours a week of free childcare.<sup>16</sup>

### **What data exists or is required to track success and monitor progress in female entrepreneurship?**

techUK reiterate that data collection must be improved to be able to build strong evidence base and to understand how to make the right interventions to support women in starting and growing a business.

techUK point to ongoing initiatives such as **The Gender Index**.<sup>17</sup> This index maps the impact of female-led companies on the UK economy and spotlights the gender gap across entrepreneurs. The gender disaggregated data source uses an AI-powered tool and maps 4.5+ million active UK companies in real-time. Data tracks progress, growth, and trends across gender, sector, investment type, ethnic minority leadership, and more. Recent findings include the fact that there were 171,400 female-led incorporations in the last 12 months, down 6.6% from the previous 12 months.

Alongside this, the British Business Bank's **Investing in Women Code** shows the importance of data collection to establish the true picture of access to finance for women-led businesses. The Code monitors the share of venture capital and private equity funding directed toward female-led businesses and tracks progress in narrowing the gender funding gap. It assesses key indicators such as gender diversity in leadership teams and investment decision-making groups, as well as the success rate of female entrepreneurs securing funding.

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<sup>16</sup> BBC (2024) '[How working parents can get 15 and 30 hours free childcare](#)'

<sup>17</sup> The Gender Index (2025) '[Driving positive change through data](#)'