

Empowering Women: The Impact of Crowdfunding

Crowdfunder + Women = Success + Power

‘ True equality depends not only on a woman’s ability to access a livelihood, but also on her ability to control it fully. It means not just putting food on a kitchen table, but also being able to make decisions for her family around that table. It means not just benefiting from a government policy, but designing those policies. It means not just empowerment, but real, lived power. ’

Melinda Gates, The Future of Progress, 2022

Summary

Crowdfunder exists to help projects tackle society's challenges by making ideas happen - and one of the key challenges Crowdfunder helps tackle is gender equality.

Every year we see thousands of women crowdfund their ideas on Crowdfunder - and start their economic journey to having more power - not just empowerment.

For many women crowdfunding has become a more attractive way to start a new business or social enterprise than going to a bank.

We know it's something women find they are good at, and they tell us that it helps give them confidence, a sustainable income and ultimately choices around independence and freedom to make their own decisions, i.e. **more power**.

The Rose Review

That's why in 2019 Crowdfunder was selected by Natwest's first female CEO, Alison Rose, around the launch of UK Treasury's review: The Alison Rose Review of Female Entrepreneurship, to deliver interventions that would help women into business.

We explored how crowdfunding could help overcome the barriers to female entrepreneurship, through a Crowdfunder programme called #BackHerBusiness.

The Rose Review estimated that if women chose to start and scale up their business at the same rate as men, this would have a £250 billion impact on the UK economy.

Melinda Gates in her [The Future of Progress Essay of 2022](#) argues further economic and social benefits: 'When women have power—over their money, over their own bodies, and in society—we all benefit. Women are force multipliers: An extensive body of research shows that when women can control their own money, their sense of self changes. So do the expectations of those around them. Their children are more likely to attend school. Their families are healthier. Their household income grows—and so does the global economy.'

Data from [GoDaddy's Global Entrepreneurial survey](#) shows 57% of side hustles are now run by women globally.

But in the UK in 2019 only 6% of businesses in the UK were led by women. The Rose Review research found that just 8.6% of women said they planned to start a business in five years, vs 14.3% of men, with women being half as likely as men to launch an idea.

1. Survey of 56 female project owners from Crowdfunder, conducted December 2022

However our hunch, based on the data we were seeing at Crowdfunder, was that women were attracted to crowdfunding, seeing it as a more accessible way to test an idea and get it started vs more traditional routes like bank loans.

On Crowdfunder significantly more women add themselves to the platform than the UK average of 8% who told the Rose Review that they plan to start a business. Of the c. 55,000 of projects that add themselves to the platform every year, closer to half (43%) are female led, suggesting women find crowdfunding as a more accessible way to try out new ideas and start a business vs perhaps going down a more traditional route, like approaching the bank.

“Our research indicates that 43% of projects started on Crowdfunder are female-led.”²

Why crowdfunding is attractive to women

According to research³, women live by four main codes in business: altruism, aesthetic, ordering, and affinity. This means they have a very different way of operating in the workplace, from a male ‘domineering’ approach.

They seek to ‘do good’ where they can, and for the benefit of others. They are highly influenced by the look and feel of something and engage positively with an aspirational aesthetic. They like to affect structure and order around them and, significantly, they seek wherever possible to build on affinity with others. This means that in the workplace, as opposed to trying to ‘win’ every negotiation or dominate the debate, they build upon rapport, relationships, and seek to achieve harmonious ‘win-win’ outcomes and consensus for the common good.

These strengths mirror closely the skills required to be a successful Crowdfunder:

- **The ability to build consensus and align a team around a common goal of community benefit**
- **Effectively network in their community**
- **Communicate powerfully the wider benefits and impacts of a project**

2. Google Analytics data from January 2022 - January 2023

3. Inside Her Pretty Little Head by Jane Cunningham and Philippa Roberts, 2006

For these reasons, crowdfunding can be a highly attractive proposition for women — they appreciate the planning aspects, they enjoy 'doing good', and thrive on the community aspects of crowdfunding like building consensus and shared goals.

Women's desire to 'do good' in the community can be seen in Crowdfunder's data. When it comes to Social Enterprise projects, we see that on average 64% are run by females and the success rate for these is 49% compared to a category average of 43%.⁴

Furthermore, research shows that gender bias in crowdfunding projects may make supporters more likely to invest in new ventures led by women. "Our results show that on average, crowdfunders think female entrepreneurs are more trustworthy than male entrepreneurs," said Regan Stevenson, assistant professor of management and entrepreneurship at Kelley. "These judgments increase overall investment in female-led ventures over male-led ventures."⁵

'I was initially drawn to crowdfunding because it's more accessible than traditional business funding options. I felt totally out of my depth when looking into loans and finance applications.. and planning a crowdfunding campaign was joy for my creative brain!'

[Gemma Thirsk, Empowering Women in Business](#)

Overcoming Barriers

The Rose Review looked at the barriers women face when it comes to starting or running a business. The top barriers identified were:

- **lack of finance**
- **resources**
- **access to networks**
- **business knowledge**
- **skills**
- **support from others**

However our own recent research on Crowdfunder suggests that crowdfunding offers significant benefits that help overcome the barriers to women starting their own enterprise in particular.

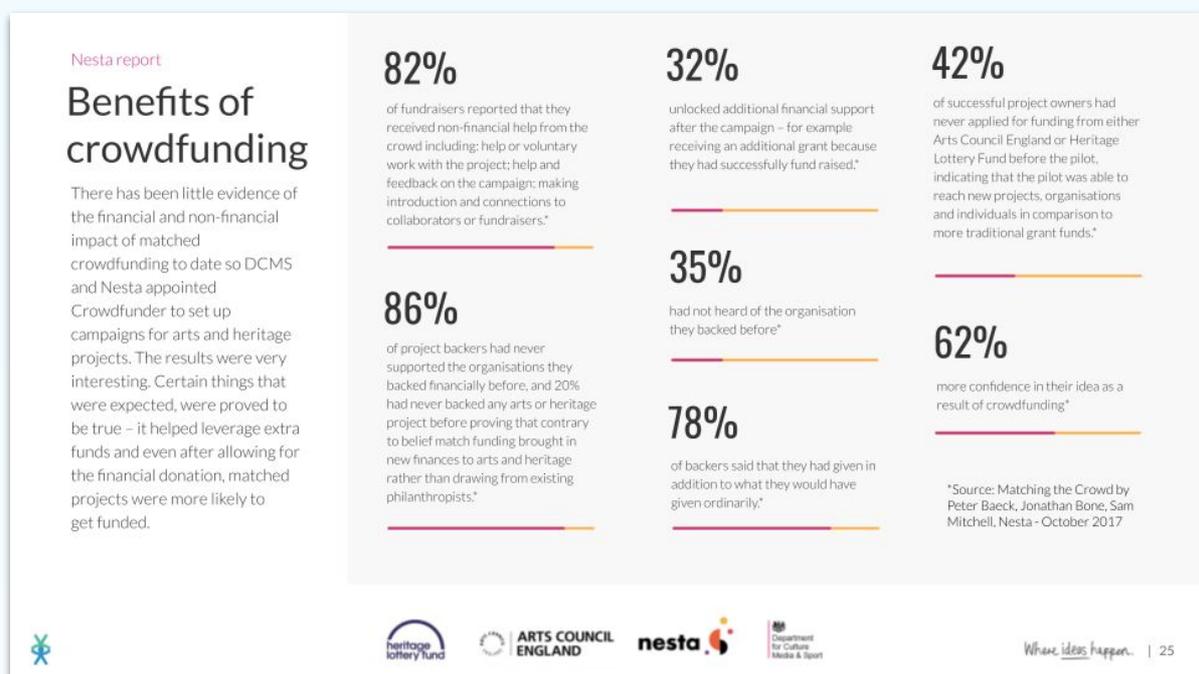
4. Indiana University. "Women seeking crowdfunding financing for start-ups are perceived as more trustworthy." ScienceDaily. ScienceDaily, 10 May 2018. www.sciencedaily.com/releases/2018/05/180510101310.htm

5. *Survey of 56 female project owners from Crowdfunder, conducted December 2022

Many women report that since crowdfunding they have greater confidence, access to finance, resources, access to networks, business knowledge, skills and support from others etc

- Over 60% of female project owners reported greater confidence, skills and support from others after crowdfunding.⁶
- Around 40% of female project owners felt they had greater access to resources, networks and finance after crowdfunding.⁶

Crowdfunding also offers the additional advantage of attracting non-financial help. In research conducted by DCMS and Nesta, over 82 per cent of projects reported receiving non-financial help as a result of crowdfunding.



“Being successful in crowdfunding gave me increased confidence to move forward with my pursuits.” Joy, [Roxborough Publishing](#)

"Crowdfunding for me as a female entrepreneur, enabled me to reach out to a broader range of customers that I would not have access to through my own networks....It also helped future customers see our story of why we started our business and the women behind it. It immediately gave people the opportunity to not only invest in our brand but me as a person, the human element of marketing that this platform provided was pivotal for us. Gaining customers in this way turned customers into a loyal community that still engages with our business to this day." Sophie Rearden, [The Tide Climbing](#)

6. Survey of 56 female project owners from Crowdfunder, conducted December 2022

Impact and legacy

The Rose Review identified that the top reason women set up their own business was **independence and the chance to make their own decisions** with 52% citing it as the main reason they started their own business.

From our experience and conversations with female crowdfunders, we believe that crowdfunding supports those aspirations and leaves a lasting impact.

Based on our conversations and experience with crowdfunders, we believe that for a significant proportion of female project owners their crowdfunded ideas gives them:

- access to a livelihood in the future
- greater control of their life, career or family decisions

But it is something we'd like to explore and test further to support our hypothesis that crowdfunding can create opportunities for more women to start their economic journey to financial freedom and power over future life choices.

"It would have taken me a lot longer to get my craft business going without that initial injection of financial, and personal, support that came from the Crowdfunder. In essence my life as I know it now was able to start. That includes working for myself, which gives me the work life balance that's so important to me."

Iseabel Hendry, [Handwoven Leather Accessories Made in Scotland](#)

'Crowdfunding has allowed me to throw my all into my business - giving me complete control of my life and career.'

Gemma Thirsk, [Empowering Women in Business](#)

Female led projects

Crowdfunder has supported some genuinely innovative female led projects - here's a sample of recent ones.



Loves welcomes

Supporting refugee women to find jobs and employment

Raised £20,157 with 96 supporters

[See the project here](#)



The Secret Pillow Project

Established to unfold women's power through making and selling

Raised £32,364 with 302 supporters

[See the project here](#)



Frohub

Empowering Black women through a hair and beauty platform

Raised £13,1000 with 185 supporters

[See the project here](#)



The Drug of Art

Using art to help young people combat social isolation and loneliness

Raised £79,778 with 370 supporters

[See the project here](#)

Female led projects

Crowdfunder has supported some genuinely innovative female led projects - here's a sample of recent ones.



Mama to Mama

Supporting vulnerable pregnant women in our community

Raised £23,241 with 204 supporters

[See the project here](#)



Empowering Women, Zambia

Established to unfold women's power through making and selling

Raised £32,364 with 302 supporters

[See the project here](#)



Women's Loan Fund

Empowering Black women through a hair and beauty platform

Raised £18,285 with 72 supporters

[See the project here](#)



Empowering Women in Business

Using art to help young people combat social isolation and loneliness

Raised £79,778 with 370 supporters

[See the project here](#)

“When it comes to the future of progress...there is one engine that can drive [it] all: women’s power.”

Melinda Gates, The Future of Progress, 2022