Entrepreneurship Explorations: Women in Entrepreneurship? YES, please!

Last weekend, while being stuck inside due to another one of New England’s wonderful snowstorms, I read an article, which discussed women in entrepreneurship.

One quote really stuck with me: “2016 will be the year in which the forces of entrepreneurialism and feminism converge,” writes Sallie Krawcheck, CEO of Ellevest and chairman of Ellevate. “Together, they will drive a long-wave, golden age of female entrepreneurship, which will be a positive for all of us: positive and empowering for the women who make the leap, good for the economy, good for consumers, and good for society.”

This is really empowering, right? We all know, hear about, and, unfortunately, might experience the glass ceilings women in business face. And especially in entrepreneurship, women still represent a minority, since much more than half of all startups are lead by men. So, reading about how 2016 was a good year for female entrepreneurship felt encouraging to me.

At the same time, it was surprising since I am not looking back at 2016 as a year that was specifically good for women — the events surrounding November 9 didn’t make me feel very positively for women in general (Hey, on a more positive note: only 1,432 days left until he *hopefully* leaves the office!). In actuality, though, even though many of you might feel the same way I do, despite Trump, 2016 was a great year for female entrepreneurs. There are more women-owned businesses now than there were ever before, and experts believe that these trends are going to continue.

Still, it makes me wonder, though, why are there still more male entrepreneurs than there are female ones?
Ethan Mollick, assistant professor at the Wharton School, researches factors that lead to success in entrepreneurship and innovation, and in an interview he stated, "Women are less likely to be entrepreneurs than men, and this has been a big puzzle because women are as innovative [as men, and] companies run by women are as successful.” He states that to be an entrepreneur you almost have to be overconfident since more startups fail than succeed. This overconfidence is less commonly found in women. Mollick also explains that women tend to be more accurate when calculating risk, which leads to them being more cautious about starting a business.

Mollick adds that if there are fewer women trying, then fewer women will succeed, which in turn leads to fewer role models for women in entrepreneurship and less encouragement in general. Another factor is that women tend to be more discouraged by failure than men, which is completely rational according to Mollick. Unfortunately, all these reasons can also lead to barriers to entry for women and to some discrimination.

Even though these facts might feel a little overwhelming to all of us interested in starting a business, in actuality it just means that fewer women are trying to become entrepreneurs, not that women aren’t as successful at it.

It has been proven that once women start their business, they are actually more successful in entrepreneurship since they outperform their male counterparts once the business is started, according to "The 2015 Kauffman Index: Startup Activity".

Female entrepreneurs also achieve better numbers than males do: “Companies helmed by women entrepreneurs had 13% higher revenues than those run by men, and finished 9% above the average for all entrepreneurs surveyed.”

This shows that what we already know: We have the same ability to start a business and maybe just need to start collaborating a little more with other ambitious women, to help each feel less intimidated by the risks that are involved in starting a business.

There is a reason why you think about becoming an entrepreneur and a reason why women who become entrepreneurs actually rank their happiness almost three times as high as women who are not entrepreneurs.

We are the under-tapped force, and we need to be a little more fearless to start and continue to grow our empires. Women all over the world are becoming more entrepreneurial, and so can you!

Now put on your best business suit and follow your passion!

Have a great four-day weekend,

Anastasia

P.S. This week's German word is "ambitious," which translates to “ehrgiezig.”

Blog Column: Entrepreneurship Explorations