

Women entrepreneurs can boost South Africa's economy by R175bn

According to new research released by Facebook, women entrepreneurs have the potential to boost the South African economy by R175bn by 2022.



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The study, conducted by Development Economics on behalf of Facebook* also reveals that if all the women who said they were 'very likely' to start a business (26%) did so, this would create 972,000 jobs within five years, and over 803,000 new businesses within four years.

Women make effective business leaders

Lack of access to finance is cited as the main barrier to women setting up independently. Facebook's research shows that among those likely to start a business, not sure of how to get started (37%), worries about risk or finance security (36%) and not feeling prepared or ready (32%), are the key reasons holding them back from taking this step. These impact women at every stage of their life – with women 55+ being less likely to start a business (13.5%), followed by those between 35-44 (20.5%).

The motivations for women wanting to set-up a business also varies, with financial gains amongst the highest (54%), followed by those wanting to work on their own terms (50%) and interestingly those wanting to turn their passion/hobby into a career (40%).

“We know that helping women to start and grow prosperous companies is a powerful way to transforming our society and creating equal opportunities for all. When women do better, economies do better – they are an important part of the South African economy. Women make effective business leaders and unbelievable entrepreneurs, and that’s why this Women’s Month we’re not only celebrating women who have built and run businesses, we’re also calling on all women to realise their potential and take that leap of faith,” said Nunu Ntshingila, regional director for Facebook in Africa.

The research also revealed:

Timing of business starts

- Overall, of those women who are very interested in setting up a business, slightly more than one-third appear to want to set up their business within 1 year. A further 35% anticipate establishing their business within 2 or 3 years, and close to 16% say they expect it would be more than 3 years in the future.

Types of businesses being planned by women

- Women are more likely to be interested in setting up businesses in food & drink (28%), tourism & leisure (12%) and lifestyle (10%)

Number of businesses set up by women over four years

- It is estimated that women aged between 25-34 will likely set up 293,000 businesses over the four years, followed by those aged 18-24 with 213,000 and 35-44-year-olds setting up 131,000 businesses

The use of online tools

- Approximately 81% of females reported using online tools to help communicate with customers, which was significantly higher than the proportion of male small business managers saying they did this (72%).

**Calculations were made by Development Economics using data from the Future of Business survey commissioned by Facebook in South Africa, and surveys undertaken by the Global Entrepreneurship Monitor (GEM) in South Africa.*

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