

Women Entrepreneurs Scaling the Care Economy

Unlocking New Jobs and Growth Opportunities for Women

Women entrepreneurs are uniquely positioned to develop innovative care services that can reach scale, create jobs and unlock growth opportunities. Women make up most of the workers in the care economy as childcare providers, eldercare providers, educators and healthcare workers. They also tend to be the primary caregivers to their own children and elderly parents. Together this provides them with a deep understanding of the care economy, care needs within families, and what quality, accessible care should look like. With this knowledge, women entrepreneurs can drive innovations that will help close the gaps in affordable, accessible, quality care.

By addressing existing gaps in the care sector, more women will be able to realize their full potential. An estimated 475 million more formal jobs will be needed to meet global demand in the care economy, most of which will be filled by women.ⁱ Moreover, women often put their careers on hold, defer starting their business, or close down existing businesses due to a lack of care services, so an expansion in care services will directly benefit the users of these services as well. The pandemic provided a dramatic example of this: women lost \$800 billion in income due to the closure of childcare centers and resulting increased care burden on women.

WHAT IS THE CARE ECONOMY?

The care economy entails the production and consumption of goods and services necessary for the physical, social, mental and emotional well-being of care-dependent groups, such as children, the elderly, the ill and people with disabilities, as well as healthy, prime working-age adults.

(UN Women)

Women's unpaid care burden also places a damper on small business productivity.ⁱⁱ Time spent managing household tasks, supervising children, or tending to elderly relatives takes away from time managing and growing a business.ⁱⁱⁱ Meanwhile, juggling multiple personal and business responsibilities makes it harder to focus on the planning and strategy that could take the business to the next level. It is estimated that women-owned and led small and medium enterprises (WSMEs) with care obligations can result in 48% lower profitability in some situations due to 'time poverty' compared to other women-led business without the same care obligations.^{iv}

Women are both the primary consumers of care services and also represent the vast majority of existing suppliers of these services. They experience the lack of affordable, accessible care solutions firsthand and see the opportunities to address those gaps. Many are already identifying innovative and disruptive technologies, creating new, scalable, market-based solutions, and broadening the range of service offerings available. Yet they face substantial barriers to accessing the capital, networks, and resources needed to scale their businesses.^v Many of these barriers are faced by all women entrepreneurs, but women entrepreneurs in the care space face additional challenges as financiers and other partners do not always see the dynamic growth opportunity in the care sector.

The [Women Entrepreneurs Finance Initiative \(We-Fi\)](#), is looking to empower more women to scale their businesses in the care economy. We-Fi has supported nearly 400,000 women-led businesses in 83 countries, many of whom are in the care economy. Going forward, We-Fi is looking to introduce more targeted support for women entrepreneurs in the Care economy through projects that improve their access to finance, markets, capacity building, and the enabling environment. The new round of funding will be used for blended finance, technical assistance and policy instruments, and will be leveraged 5-10 times by its Implementing Partners and the private sector partners.

Leveraging Women's Expertise and Innovation in Care

The care economy has multiple layers. This includes direct care businesses providing childcare, elder care, and other forms of care. It also includes B2B services used by care providers, such as equipment, catering and administrative services. Recently, a burgeoning area of innovation is digital services, which enable people to find appropriate care services, scheduling and monitoring services, and remote communication. Finally, there are financial products and services for caregivers and users of care services. We-Fi will eliminate barriers and support women entrepreneurs to create scalable solutions across all aspects of the care economy, with the goal of creating the following benefits.

- **Enabling women to start and successfully scale their businesses:** Eliminating barriers to growth will increase the number of women entrepreneurs who can successfully scale their businesses, increase profitability and generate income for the entrepreneurs and their employees
- **Generating Jobs and economic growth:** More care solutions will create new jobs and opportunities for both men and women, and help spur economic development. A 2015 study found that an investment in the construction of local childcare and preschool facilities would create 2.5 times more jobs in Türkiye than a similar investment in the construction of other buildings.^{vi}
- **Increasing female labor force participation.** By reducing the unpaid care burden on women, this program will help increase female participation in the workforce, including as entrepreneurs, contributing directly to economic growth and prosperity.
- **Improved quality and productivity of care services:** Entrepreneurs benefiting from this program will be introducing new, scalable solutions that will deliver more accessible, affordable and quality car services to families that need it.
- **Improving health and education outcomes:** More than 40 percent of all children under the age of five need childcare but do not have access, putting their safety at risk and causing them to start school already behind peers with access to quality care—yielding long-term negative consequences.^{vii} Many others may not have quality care. Women entrepreneurs that have met quality standards can help fill these gaps, particularly through a public-private coordinated approach the value chain in government-provided or corporate care settings.

OKUNKPOLOR OLUSOLA – OLHMS

*Creating jobs and helping children
in Nigeria*



Okunkpolor Olusola founded Our Lady of Hope Montessori School, a basic educational service provider serving 450 pupils and creating jobs for 50 teachers. Staff salaries are competitive, plans are being developed to hire more staff, increase the number of students.

The Care Call: A Strategic Investment Opportunity

We-Fi is mobilizing a new round of funding to empower women entrepreneurs to deliver scalable care solutions in developing countries. We-Fi's Governing Committee has already seeded initial funding for this effort and is looking for others to join. By advancing solutions that create pathways to growth for women's care businesses, access to high-quality, affordable care will increase for all women entrepreneurs, regardless of sector.

We-Fi allocates funds through its Implementing Partners (IPs)^{viii} the major Multilateral Development Banks (MDBs), which are the engine behind We-Fi's ability to achieve global reach, mobilize billions for WSMEs, and build collaborative partnerships at scale. IPs bring deep expertise and an extensive geographic footprint, including in the most challenging markets. They also have a broad range of instruments that enable them to partner across the public and private sectors to address the many constraints facing women-led businesses. Strong results orientation, performance standards, and risk management practices assure donors that funding is effectively utilized.

We-Fi's Care Call aims to catalyze the leadership of women-led businesses in scaling the Care Economy unlocking new jobs and growth opportunities by addressing the following key priorities:

- **Capacity Building and Acceleration:** Ensuring that care entrepreneurs have the skills and tools needed to develop or improve their care business. Without the skills, technical know-how, and in some cases certifications in care sectors such as childcare or home health care, it can be difficult to build a brand based on quality, compete for new customers, or penetrate larger markets, such as corporate childcare facilities. There is also a need to innovate in the sector to address niche opportunities, create new business models, and reach untapped markets.
- **Financing:** Financial institutions typically do not target companies in care-related sectors due to higher perceived risk, lower profitability, lack of collateral, and, for early-stage firms, lack of a track record.^{ix} Sectors such as home health and childcare can require investment in equipment even before the company can accept customers. Margins are tight because consumers of these services are highly price sensitive. In 2021, only 2 percent of venture capital went to women founders and none of the 1,250 top performing tech start-ups, with a total valuation of \$4.3 trillion, focused on childcare.^x The absence of early-stage funding or risk capital also inhibits financing and scaling the innovative business models of the future.
- **Access to Markets:** The growing demand for care services makes it imperative to connect demand to innovative solution and business models. Asymmetries exist between the demand for care services and their supply, which need to be address in order to effectively meet care needs. It is important to address care gaps by working directly with corporate and government counterparts to unlock the power of women entrepreneurs to develop or scale care services and fulfilling market demand, improving access to potential customers, and serving the needs to corporates and governments seeking to provide care services through a private sector approach.

SAIRA SIDDIQUE – MEDIQ

*Making healthcare accessible, saving time
for caregivers*



Saira founded MediQ a virtual platform connecting patients with doctors and pharmacists. Saira was determined to make healthcare more accessible to populations across Pakistan and received business mentoring support through We-Fi.

For every \$10 million donated to We-Fi, \$200 million flows to WSMEs.

Expected Outcomes:

Supporting the Care Call is expected to yield significant, measurable outcomes across both economic and social dimensions:

- **Economic:** Growth of women-led care businesses through improved service delivery, innovation, finance, and access to markets. This will create jobs not only for care workers, but by enabling greater female labor force participation and business creation.
- **Social:** Increased access to care services will help remove a significant barrier to women participating in economic activities, enable women's business growth, redistribute and reduce women's unpaid care work, and yield long-term social and economic benefits.
- **Mobilizing Additional funds:** To maximize impact, the call will prioritize activities which can crowd in additional funds through instruments such as blended finance, results-based mechanisms, and other co-financing opportunities, prioritizing growth and job creation opportunities.
- **Key Metrics:**
 - Number of WSMEs reached / supported
 - Amount of investment \$ mobilized to fund WSMEs growth
 - Number of jobs created
 - Number of families accessing care services
 - Number of care service beneficiaries

Call to Action: Join Us in Making a Difference

We-Fi's Implementing Partners



We-Fi calls upon donor governments, corporate partners, and development organizations to join this important effort to close care gaps through support for women entrepreneurs. Investing in the We-Fi Care Call goes beyond fostering supporting Women-led Businesses creating care solutions but will also help address barriers women face to participating in the labor force, creating new businesses, and scaling existing businesses.

Examples of Care Call Activities:

As We-Fi looks to heighten focus on the care economy, there are several areas where We-Fi's tools and the extensive network and expertise of its partners can have outsized impact.

Finance:

- Credit lines, performance incentives, and guarantees to incentivize more on-lending to women's care businesses by financial institutions, along with technical assistance to improve quality, through instruments such as blended finance.
- Design of new financial and non-financial products and services to meet the specific needs of this segment of women entrepreneurs.
- Mobilizing finance through impact investors, venture capital firms, and angel investors heightened focus on care businesses—with an emphasis on women-owned and-led firms.
- Support the development of digital financial solutions to facilitate financial transactions for care-related WSMEs, including for those with a portable service model, such as businesses with multiple in-home clients.

Capacity Building and Acceleration:

- Training programs to enable WSMEs to qualify for contracts, certifications and licenses.
- Accelerator programs to help women-led care businesses to scale up their idea, ensure investment readiness, and enable access to access to capital (grants or investment).
- Pitch competitions and other events that connect female care innovators—especially those with scalable time- and labor-saving technologies—with angel investors and venture capitalists.
- Support platforms that connect WSMEs so they can pool resources, purchase in bulk, and achieve other efficiencies: Such efforts benefit WSME care customers, for example by enabling more affordable services, and care-related WSMEs, for example by lowering the cost of equipment and goods.

ILO 5R Framework for Decent Care Work

The 5R Framework provides guidance for defining and advancing transformative care policies and decent work for care workers. It offers the means of achieving decent care work by *recognizing, reducing and redistributing* unpaid care work; *rewarding* more and decent work for care workers; and *guaranteeing* care workers' representation.

Access to Markets:

- Support efforts that professionalize women's care businesses so they can improve the quality of offerings, attract and retain customers, and access market opportunities, such as commercial or government contracts.
- Facilitate linkages between WSME care service providers and larger companies: Working companies that offer employer-supported childcare to engage with local WSME providers.
- Franchising models or other strong and bankable business models which can scale and provide quality service multiple customers, with multiple avenues for expansion.

Adapting to Country Context:

- We-Fi recognizes that different country contexts will mean that a one size fits all approach will not work. Accordingly, a portion of the funding can be allocated to working with government entities on policies or for research activities which are identified as being critical to unlocking care sector opportunities for women-led businesses.

About We-Fi:



The Women Entrepreneurs Finance Initiative (We-Fi) is a unique platform established to address the formidable constraints facing women-led SMEs (WSMEs) in developing countries. We-Fi was launched at the G20 Leaders' Summit in Hamburg in 2017 by the World Bank and 14 donor countries. In a challenging time for women around the globe,

We-Fi continues to work to increase finance to women entrepreneurs in collaboration with our Implementing Partners – multilateral development banks including the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank Group, Islamic Development Bank, and the World Bank Group (World Bank and IFC).

For more information on We-Fi and proposed activities to support Women Entrepreneurs, please contact the Head of We-Fi, Wendy Teleki wteleki@worldbank.org

ⁱ <https://www.cgdev.org/publication/global-roadmap-action-care-economy>

ⁱⁱ World Bank Group. 2019. “Profiting from Parity : Unlocking the Potential of Women's Business in Africa.”

ⁱⁱⁱ Delecourt, Solène and Anne Fitzpatrick. 2021. “Childcare Matters: Female Business Owners and the Baby-Profit Gap.” Management Science (forthcoming).

^{iv} <https://www.ifc.org/en/what-we-do/sector-expertise/gender/inclusive-employment-and-leadership/care2equal> and https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3830932

^v IFC. 2014. “Women-Owned SMEs: A Business Opportunity for Financial Institutions.” World Bank Group, Washington, DC.

^{vi} Ilkcaracan, Ipek; Kijong Kim; and Tolga Kaya. 2015. “The Impact of Public Investment in Social Care Services on Employment, Gender Equality and Poverty: The Turkish Case.” Istanbul Technical University, Women's Studies Center in Science, Engineering and Technology and The Levy Economics Institute.

^{vii} Devercelli, Amanda and Frances Beaton-Day. 2020. “Better Jobs and Brighter Futures: Investing in Childcare to Build Human Capital.” World Bank Group.

^{viii} African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the InterAmerican Development Bank Group (IDB and IDB Invest), the Islamic Development Bank (IsDB), and the World Bank Group (World Bank and International Finance Corporation (IFC)

^{ix} Trujano, Espinoza and Lévesque.

^x Halsall, Annie and Sara Mauskopf. “Invest in women to drive innovation in childcare.” Fortune. April 15, 2022.