

Women Entrepreneurs Leading the Way to More and Better Jobs for Women

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This Brief explores the role of women entrepreneurs in job creation, focusing on how women-owned firms contribute to women's employment. Using data from the World Bank Enterprise Surveys (WBES) covering formally registered firms across 168 economies over 19 years, the analysis shows that women remain systematically underrepresented as entrepreneurs, top managers, and workers in formal firms with five or more workers. Women-owned firms play a critical role in expanding women's formal employment, hiring about 20 percentage points more women in permanent full-time positions than men-owned firms across income groups, firm sizes, sectors, and regions. In low-income economies, this gap is even more pronounced, with women-owned firms hiring about twice the share of women compared to men-owned firms. This pattern may partly reflect women's concentration in sectors that employ more women, but it persists across all sectors. However, structural barriers such as limited access to finance, training, and markets often constrain women's business performance and job growth, resulting in fewer net jobs per firm compared to men-owned firms. These findings suggest that gender gaps in job creation reflect structural features of labor markets. Removing barriers to women's entrepreneurship could not only unlock additional job growth but also expand women's access to full-time employment.

The untapped economic potential of women entrepreneurs and workers

Women represent a powerful yet largely untapped source of economic growth, both as entrepreneurs and workers. Although women account for nearly half of the global working-age population and demonstrate entrepreneurial intentions comparable to those of men, they remain systematically underrepresented in entrepreneurship and labor markets (GEM 2025). World Bank Enterprise Surveys (WBES) data from 2006 to 2025 show that only 13 percent to 20 percent of formal firms have a woman as the top manager. Women's representation in formal firm ownership is similar, ranging from 11 percent in lower-middle-income economies to 19 percent in high-income economies (refer to figure 1). This pattern indicates that economic development alone does not ensure gender parity in firm ownership and leadership.

Women account for 32 percent of full-time workers in formally registered firms, highlighting persistent gender gaps in access to formal employment. Regional variation is substantial: women's participation is highest in East Asia and the Pacific (41 percent) and Europe and Central Asia (38 percent), but significantly lower in the Middle East and North

Africa (17 percent) and South Asia (16 percent). Even in formal full-time employment, women remain concentrated in administrative, support, and sales roles, with limited participation in technical and operational positions across all regions.

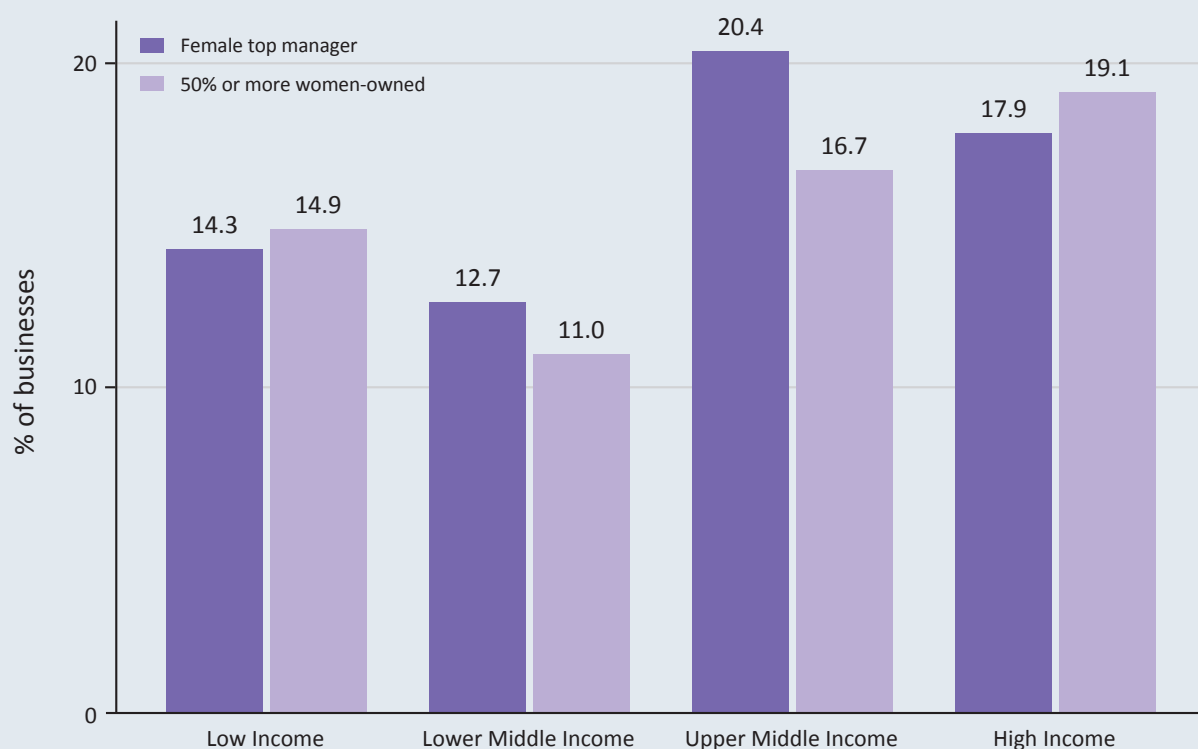
In the sample, women represent 38 percent of workers in non-production roles but only 28 percent in production roles, a pattern with direct implications for wages and career progression. This occupational concentration not only reflects gender differences in job quality (Petrongolo and Ronchi 2020) but also suggests that existing training and skills development opportunities may not sufficiently support women's pathways into higher-paying technical and operational roles that offer greater growth potential and are less likely to be displaced by artificial intelligence.

Closing the occupational gaps could yield substantial economic gains: income per capita would be almost 20 percent higher if women were employed at the same rate as men (Pennings 2022), and an additional \$5 trillion to \$6 trillion could be added to the global economy if women entrepreneurs started and scaled their businesses at the same rate as men (We-Fi 2022). Expanding women's

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Objective and disclaimer: This series of Policy Indicators Briefs synthesizes existing research and data to shed light on a useful and interesting question for policy debate. Data for this Brief are extracted from the World Bank Enterprise Surveys database. This Brief carries the names of the authors and should be cited accordingly. The findings, interpretations, and conclusions are entirely those of the authors. They do not necessarily represent the views of the World Bank Group, its Executive Directors, or the governments they represent.

Figure 1 Across all income levels, women remain underrepresented in firm leadership and ownership

Source: Firms managed and owned by women by income group, World Bank Enterprise Surveys (2006–25) for 168 economies.

Note: The analysis includes 109,111 formally registered firms with five or more workers, of which 16.5 percent are managed by women and 83.5 percent by men. Additionally, 15.3 percent of firms report that women hold at least 50 percent ownership. These figures do not represent the entire economy because the data cover only formally registered private firms and exclude agriculture, mining, and the informal sector. The Brief uses World Bank Enterprise Survey definitions of firm ownership and management based on self-reported firm-level data. In this Brief, “women-owned firm” refers to a firm in which women hold 50 percent or more of ownership. A firm is classified as “women-led” if the top manager, defined as the highest-ranking manager responsible for day-to-day operations, is a woman.

entrepreneurship can have a multiplier effect, increasing female labor force participation and improving overall productivity and resource allocation in the economy (Chiplunkar and Goldberg 2024).

This Brief analyzes the contribution of women entrepreneurs to job creation, including their role in creating more jobs for women. It draws on WBES data from across 168 economies over 19 years, enabling rigorous cross-country analysis of firm performance, job creation, and workforce composition.

In additional analysis, we compare managerial practices between women-led and men-led firms using the WBES management practices index. Women-led firms show slightly higher average scores in simple comparisons; however, these differences are small and generally not statistically significant once firm characteristics, ownership structure, sector, and country-level factors are taken into account.

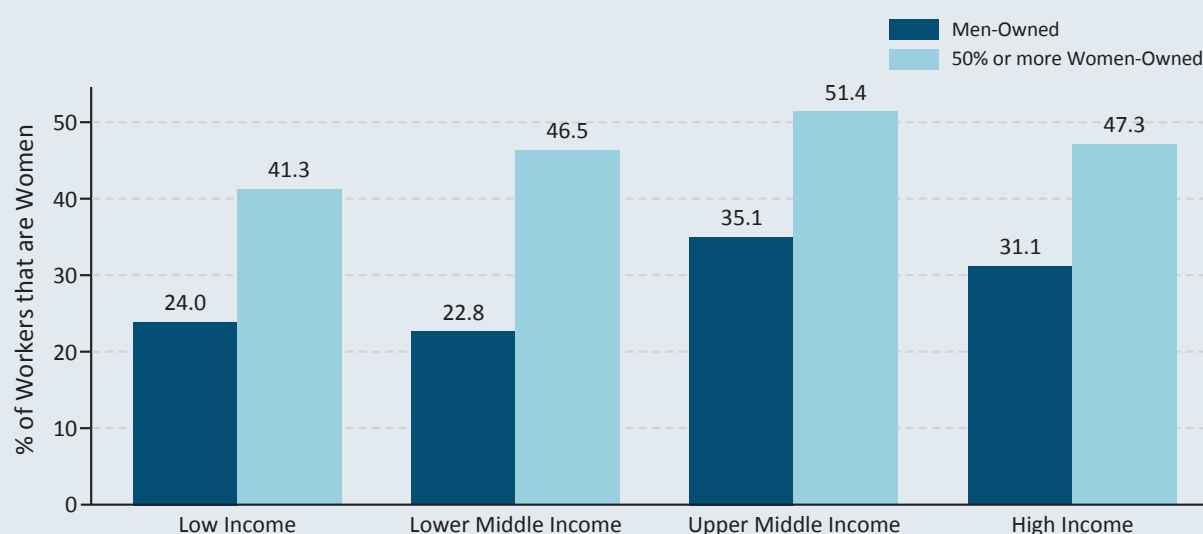
Women entrepreneurs are driving job creation for other women

In the sample of 168 countries, 48 percent of full-time workers in women-owned firms are women, on average, compared to 28 percent in men-owned firms, meaning that

women-owned firms employ a 20 percentage-point higher share of women full-time workers than firms owned by men. This finding holds across firm age, region, and size, despite variation in baseline levels across contexts. By firm size, 54 percent of workers are female in small women-owned firms, compared with 29 percent in men-owned firms, with the gap narrowing but remaining present among medium firms (47 percent versus 30 percent) and large firms (45 percent versus 31 percent).

Examining differences across economy income levels, women-owned firms employ a higher share of women full-time workers than men-owned firms in both high- and low-income economies. In low-income economies, women hire about twice as many women as men do, in terms of the share of women full-time workers. In high-income economies, the shares are 48 percent and 31 percent, respectively (refer to figure 2). In both groups, the ownership gap exceeds 20 percentage points, but this gap is particularly consequential in low-income economies, underscoring the critical role women-owned firms play in generating employment opportunities for women where such opportunities are most limited.

This pattern could partly reflect the fact that women are disproportionately represented as owners in sectors that hire

Figure 2 Across income groups, women-owned firms hire a larger share of women full-time workers

Source: Women Full-time Workers by Gender of Owner and Income Group, World Bank Enterprise Surveys (2006–25) for 168 economies.

more women. Women-owned firms are more likely to operate in low-margin sectors such as services, retail, care, or tourism, while men tend to dominate manufacturing sectors (World Bank Group 2022). However, when controlling for sector, the pattern holds. In women-owned firms, 47 percent of workers are women in services and 41 percent in manufacturing, compared with 31 percent and 26 percent in male-owned firms, resulting in gender gaps of 16 percentage points and 15 percentage points, respectively. Similarly, firms with female top managers employ 48 percent women in full-time positions in services, compared with 31 percent in firms with male management, a gap of 17 percentage points; in manufacturing, the figures are 42 percent versus 26 percent, a 16-percentage-point gap (refer to table 1). These results indicate that higher female employment in women-owned firms is not simply due to sectoral composition. Moreover, firm ownership structure is a stronger driver of female workforce representation than the sector of economic activity.

Some previous studies explore the link between the gender of firm ownership and the gender composition of a firm's permanent workforce. For example, Chiplunkar and Goldberg (2024) model the effects of removing barriers to women's entrepreneurship and show that easing these constraints would increase female labor force participation because women entrepreneurs tend to hire and promote other women. In a model of India's formal and informal economies, female labor force participation doubled, aggregate productivity rose by 3 percent, and welfare increased by 43 percent. Similarly, Amin (2025) finds that firms led by women in European Union countries tend to employ a higher share of women workers, and this effect is much stronger in firms that already have relatively high female employment. These findings show that women-owned firms play a key role in expanding inclusive employment by creating job opportunities for other women.

Closing the job creation gap for women entrepreneurs

Understanding the dynamics of job creation can help inform policies aimed at improving women's access to quality employment and supporting more inclusive labor markets. However, a substantial body of evidence shows that women entrepreneurs face persistent barriers, including limited access to finance, training, and markets, as well as legal and regulatory constraints, restrictive social norms, and unequal care responsibilities, all of which can restrict business growth and job creation (Abebe et al. 2025; Behr and Xi 2026; Siegrist 2025; Ubfal 2024).

For instance, access to credit is often constrained by factors such as collateral requirements, subjective credit assessments and gender biases, and limited financial education, among others, making it more difficult for women-owned businesses to obtain financing. When women do get access to credit, they often receive smaller loan amounts and must pay higher interest rates (OECD 2025). At the same time, gaps in technical, financial, and managerial skills alongside lower participation in business networks and support programs reduce opportunities for women to expand their firms (GALI 2020). Women-owned firms also face structural barriers in accessing value chains, public procurement, and digital platforms, limiting their market reach and business performance (Hjort et al. 2020; Poole and Volpe 2023). In many contexts, discriminatory laws and deep-rooted social norms further restrict women's economic participation (Hyland et al. 2020), while care responsibilities make it harder to start a business and slow the growth of existing firms (Anukriti et al. 2023).

As a result, women-owned firms tend to be less profitable and productive than men-owned firms, leading to lower business growth and average job creation (Hardy and Kagy

Table 1 Women-owned and led firms employ more women, across sectors

| Sector | Ownership | | | Management | | |
|---------------|-------------|-----------|-------|------------|---------|-------|
| | Women-owned | Men-owned | Gap | Women-led | Men-led | Gap |
| Services | 47% | 31% | 16 pp | 48% | 31% | 17 pp |
| Manufacturing | 41% | 26% | 15 pp | 42% | 26% | 16 pp |

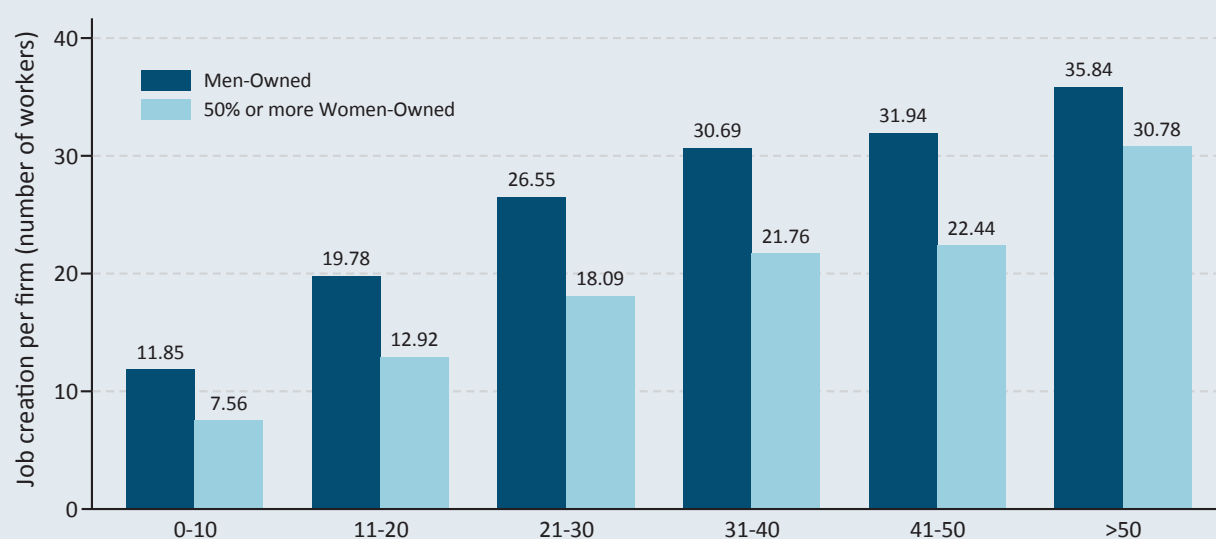
Source: Share of women in permanent full-time positions, by sector and firm ownership and management, World Bank Enterprise Surveys (2006–25) for 168 economies.

Note: pp = percentage points

2018; Islam et al. 2020). Consistent with these findings, WBES data show that women-owned firms create fewer jobs than men-owned firms. Firms with a woman as the top manager generate, on average, 15 net jobs per firm, compared to 21 in firms managed by men. A similar pattern holds for ownership: firms with at least 50 percent female ownership create an average of 14 net jobs, while men-owned firms generate about 21. For fully women-owned firms, defined as formal firms where women hold 100 percent of ownership, this number declines to 10 jobs, on average. These findings indicate that job creation tends to be lower in firms with higher shares of women ownership.

Women-owned firms also tend to start smaller than men-owned firms: on average, men-owned firms begin with 50 workers, while women-owned firms start operations with just 21. This smaller initial size can contribute to persistent differences in growth and scale. WBES data provide firm-level information on employment levels at two points in time,

allowing for the estimation of net job creation: the difference between the number of workers when the firm started operations and the number of workers at the time of the survey over the firm's life cycle. Net job creation increases systematically with firm age for both women-owned and men-owned firms. Younger firms (0–10 years) create fewer jobs on average, while older firms generate substantially larger employment gains over time (refer to figure 3). Across all firm age groups, however, men-owned firms create more net jobs per firm than women-owned firms. For example, firms that are more than 50 years old have generated about 36 jobs on average when owned by men, compared with about 31 jobs among women-owned firms. The gap is also present among younger firms, suggesting that differences in firm growth trajectories emerge early and persist over the firm life cycle. It is worth noting that this measure is subject to survivor bias: if women-owned firms are more likely to close, the observed gap may partly reflect differential survival rates rather than differences in job creation capacity alone.

Figure 3 Women-owned firms create fewer jobs across firm age groups

Source: Average net job creation per firm, by gender of owner and age of the firm, World Bank Enterprise Surveys (2006–25) for 168 economies.

Unlocking women entrepreneurs' potential to create more and better jobs

This Brief highlights two key patterns. First, women-owned firms consistently employ a significantly higher share of women in permanent full-time positions across income groups, firm sizes, sectors, and regions. Second, women-owned firms generate fewer net jobs per firm on average than men-owned firms, reflecting structural barriers that limit their ability to grow and create jobs. A growing body of research points to promising public and private sector interventions and policies that remove barriers and support women entrepreneurs in growing their businesses (Abebe et al. 2025; Behr and Xi 2026; Siegrist 2025; Ubfal 2024). Policy makers are therefore encouraged to consider the following:

Enhancing WSMEs' access to financial products and services. This includes expanding access to debt, equity, early-stage financing, and insurance through financial products and services that mitigate bias in loan and investment approvals, including alternative credit assessments, innovative financing models (such as revenue-based financing, crowdfunding), and flexible repayment structures.

Providing opportunities for skills training, mentorship, and networking. Well-designed and targeted training programs are critical for translating learning into business

growth, including training on digital skills to adopt new technologies and tools. In parallel, networks can play a key role in expanding access to finance, markets, and growth opportunities.

Strengthening connections to domestic and global markets and value chains. Public procurement can play a catalytic role by opening predictable demand for women-owned businesses, while digital platforms reduce barriers to market entry by improving access to buyers, information, and cross-border opportunities.

Addressing barriers in the entrepreneurial environment, including restrictive legal frameworks and discriminatory social norms. For example, policy reforms that expand access to affordable care through targeted tax incentives, subsidies, and public childcare can reduce and redistribute unpaid care work and create a more enabling environment for women entrepreneurs.

As modeled by Chiplunkar and Goldberg (2024), removing barriers to women's entrepreneurship could significantly expand women's business growth and contribute to overall economic growth, because women entrepreneurs are more likely to employ other women, and show broadly similar managerial practices to men entrepreneurs. The potential gains are substantial and would benefit not only women but the broader economy through higher aggregate productivity and improved welfare.

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