

## How Women's Growing Financial Power Is Unlocking Wealth

**When one looks at the boardrooms of today and the boardrooms just before the millennium, one can see an incremental change in the number of women sitting around the table. Whether through invitation or through their own initiative, women have had to work hard and be resilient in their pursuit for a career.**

According to the January 2022 S&P 500 list, women currently hold 32 (6.4%) of the CEO positions at those companies. Worldwide in 2020, women held just 20% of board director seats, and despite representing half of the world's total population, only 40% of the global workforce is female. <sup>1</sup>

According to the International Labour Organisation, the current global workforce participation rate for women is just under 47% compared to that of men at 72%. Despite the conspicuous 25% difference, some countries have an even wider gap of over 50%.

These statistics clearly show a lack of female representation both in decision-making as well as in formal employment. Also, for many women, their careers do not go in a straight line as they may have to balance family commitments such as raising children.



In Africa where women are over-represented in industries that were hard hit by the COVID-19 pandemic – such as retail and hospitality – unemployment of women was exacerbated. According to the Mastercard Index of Women Entrepreneurs 2021 report: 90% of women who lost their jobs during the pandemic did not return to work and 80% of women-owned businesses with credit needs are either unserved or underserved.

Women have been left in a particularly vulnerable position; the inherent disparate landscape in funding plus the disproportionate impact the pandemic has had on women when it comes to childcare responsibilities.

Significant venture capital disparities in funding make the gap even wider.

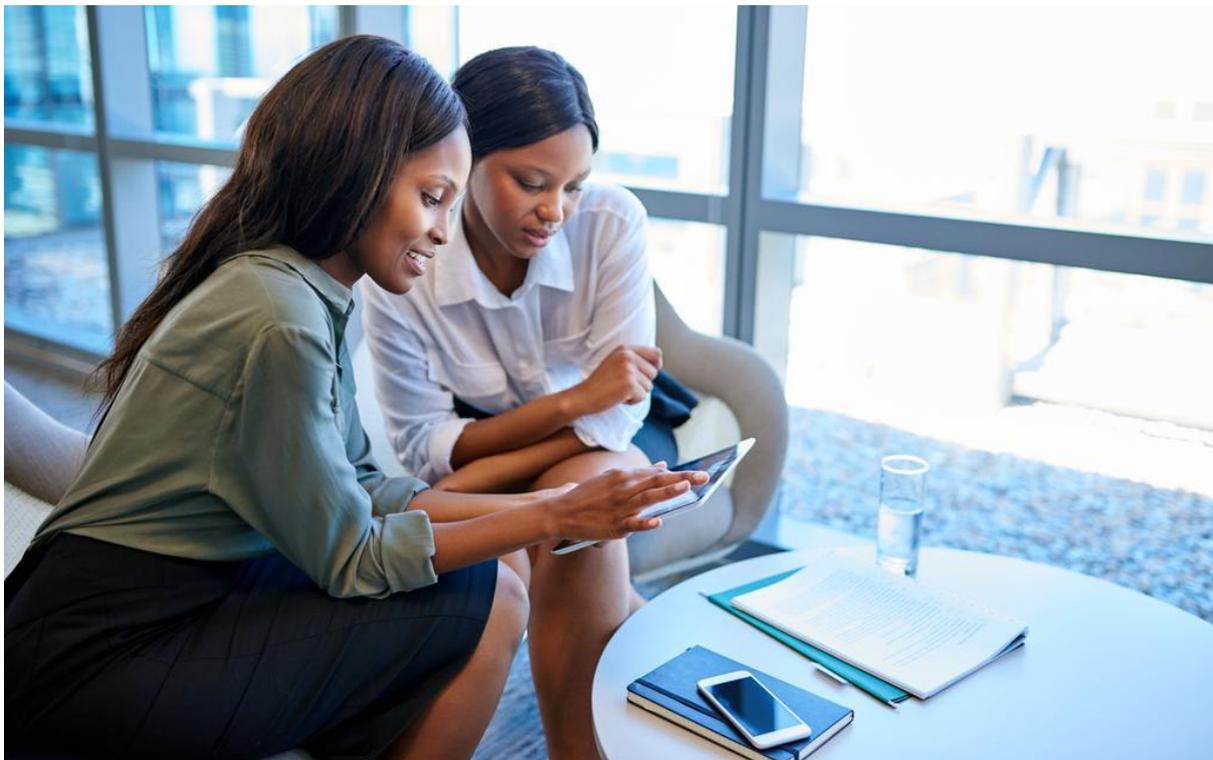
Raising capital to start or grow a business is a real challenge. Research has found that all-male teams attracted 80% of capital, while all-women founded companies attracted only 2% of funding.<sup>2</sup>

Other research showed that only 2.5% of venture capital funding across Africa went to women founded or co-founded start-ups. It is clear that access to funding is one of the biggest barriers for women who want to either start or scale up their business. Capital raising for business owners can be achieved through seeking expert and experienced advisors in international finance centres (IFCs), such as Jersey, a politically and economically stable jurisdiction which offers the right environment to act as an investment gateway for African investors to the UK, European and global markets. Last year, for example, South African fund assets in Jersey rose by 38%, highlighting Jersey's appeal.<sup>3</sup>



As an IFC, Jersey plays a critical role as a facilitator of economic activity globally by pooling capital that is subsequently redistributed worldwide – translating to employment opportunities and wage payments for individuals. According to the Centre of Economics and Business Research (Cebr) between 2017 and 2020, Jersey supported £6 billion of Africa’s gross domestic productivity.

Thinking of the challenges faced specifically by women, an interesting anomaly is Sub-Saharan Africa; the only region in the world where women entrepreneurs outnumber men. In addition, the region has almost four times more women entrepreneurs than those in Europe. <sup>4</sup> In many cases, this was not a voluntary outcome; socio-economic drivers such as having to provide for a family are a key driver pushing women forward.



Women bring the diversity dividend. It has been shown that women starting up in business tend to provide an immediate contribution to the economy. Women founded businesses can deliver higher returns to investors, promote womenpreneurship and inspire their societal peers, which can have a positive knock-on effect on economic prosperity. <sup>5</sup>

Starting a business is not just about passion and a burning desire to solve a societal problem, it is about ensuring that all the processes, requirements and support is available to the founder to make it a success.

Jersey is committed to creating an environment that fosters women in entrepreneurship as it is an important driver of growth for Africa. With extensive experience in providing support to business owners, corporate and families globally, Jersey’s IFC has the international pedigree to appeal to women and entrepreneurs across Africa, helping them to grow and protect their wealth.

For example, last year [Standard Bank chose to launch a foundation in Jersey](#) to support the African Women Impact Fund (AWIF) – an initiative which will create a sustainable investment platform to grow the number of women asset managers in Africa. The fund was created with the intent to strengthen the economic empowerment of African women who will drive economic growth, create jobs and enable prosperity.<sup>6</sup> Through the AWIF foundation, Jersey's IFC shows that it is an enabler of funding to African-led organisations in a way that is less demanding and more equitable.

The economic potential of women is quite apparent and what is clear is that they need support to unleash this potential. South Africa boasts exceptional women entrepreneurs who are already playing a critical role in jump-starting the economy and getting the country's food security, job creation and financial stability back on track after a tumultuous year.

To women, wealth is a means to several ends and not the end itself. As women's focus is not on short-term gains, they tend to outperform investments by men in the long run.<sup>7</sup> While women rise in accumulating financial wealth, they are profoundly changing the meaning of wealth by ensuring that more wealth created through womenpreneurship can sustain future generations, communities and the African continent.

<sup>1</sup> When Women Thrive 2020 Global Report, Mercer, 2020

<sup>2</sup> Female Founders Got 2% of Venture Capital Dollars in 2017

<sup>3</sup> Monterey Insight Jersey Report, 2021

<sup>4</sup> Jersey's Contribution to Global Value Chains, 2021

<sup>5</sup> InclusiveBusiness.net Finding Innovative Funding, July 2021

<sup>6</sup> Mastercard Index of Women Entrepreneurs, 2021

<sup>7</sup> Warwick Business School, 2018