



Bringing a Gender Lens to Supporting Small and Growing Businesses:

Insights from Brazil

May 2020



Partners

The Aspen Network of Development Entrepreneurs (ANDE) is a global network of organizations that propel entrepreneurship in emerging markets. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs can create jobs, stimulate long-term economic growth, and produce environmental and social benefits. As the leading global voice of the SGB sector, ANDE believes that SGBs are a powerful, yet underleveraged tool in addressing social and environmental challenges. Since 2009, we have grown into a trusted network of nearly 300 collaborative members that operate in nearly every emerging market. ANDE grows the body of knowledge, mobilizes resources, and connects the institutions that support the small business entrepreneurs who build inclusive prosperity in the developing world.

ANDE is part of the Aspen Institute, a global nonprofit organization committed to realizing a free, just, and equitable society.

The Institute of Development Studies (IDS) is a research, teaching and learning institution, known for its work on gender empowerment, amongst many other areas. Based at the University of Sussex and working with partners around the world, we contribute to the building of equitable and sustainable societies, locally and globally, where everyone can live secure, fulfilling lives free from poverty and injustice.

ANDE and IDS gratefully acknowledge the financial support for this work, provided by the Developing Creative and Inclusive Economies (DICE) programme supported by the British Council. The DICE programme takes a holistic approach to addressing entrenched issues of economic and social exclusion with a creative mindset.

Acknowledgements

Text and content: Jodie Thorpe and Mar Maestre (Institute of Development Studies), and Rob Parkinson (independent consultant).

Workshop participants: We are extremely grateful for the time and insights of the many interviewees, workshop and webinar participants involved in the discussion that led to the development of this knowledge brief. It would have been impossible without them.

Reviewers: Thanks to Tiana Vilar Lins (The Womanity Foundation), Jiselle Steele (Social Starters), and Matthew Guttentag (ANDE) for their valuable comments and feedback.

Executive summary

Within the entrepreneurial community there is growing recognition of the benefits of diversity, and more specifically of investing in women and gender equality. Despite this rising interest, most investors and intermediaries working with social enterprises and small and growing businesses (SGBs) are still in the early stages of understanding how best to incorporate a gender lens. This knowledge brief aims to share lessons and innovations from the Brazilian ecosystem on bringing a gender lens to supporting Brazilian SGBs. It focuses on four key topics, which emerged through a series of engagements, convened by the Aspen Network of Development Entrepreneurs (ANDE) and supported by the Institute of Development Studies (IDS), to catalyse thought leadership on gender inclusion and investing in Brazil.

Key Topics	Entry points identified
Understanding biases: structural barriers or internalised stereotypes that disadvantage women	<ul style="list-style-type: none"> • Understand the reality of gender bias • Address biases in the investment environment
Recognising gender 'intersects' with diversity issues	<ul style="list-style-type: none"> • Recognise the needs of different women entrepreneurs • Raise visibility of these diverse profiles • Redefine impact data
Linking to investors: connecting different investors/products with different women founders	<ul style="list-style-type: none"> • Communicate the finance needs of different types of women founders • Help women founders navigate different sources of finance • Identify, amplify, and enable appropriate finance • Advocate for more women becoming investors themselves
Attracting and retaining women in entrepreneur support programmes	<ul style="list-style-type: none"> • Ensure support of leadership with respect to gender lens investment • Design programmes recognising care responsibilities • Promote diversity among staff of support organisations

Together, these topics and entry points inform four overarching conclusions for support organisations to take action:

1. Promote better data on women founders, including reflecting on their different and overlapping identities and how these affect the founders' barriers faced and ultimate needs.
2. Improve outreach to women founders, while being intentional in reflecting women founders' needs, challenges, and aspirations in programme ethos and design.
3. Build understanding of the range of funds and assets classes relevant for the financing needs of different types of businesses, including flexible loans, impact investment and crowdfunding sources; and increase women entrepreneurs' exposure to them.
4. Cultivate economies and entrepreneurial ecosystems that are more inclusive of qualities associated with women.

Finally, in addition to supporting more women-led enterprises, there is a need for support programs that better enable enterprises to offer products or services that substantially improve the lives of women and girls or enable greater employment of women under better working conditions.

Introduction

Women are key drivers of economic and social growth around the world. However, women experience significant inequality in the form of high levels of poverty, low labour market participation and wages, and limited participation in private and public decision-making. These challenges of gender inequality are as present in Brazil, yet there are particular characteristics that shape these dynamics in the Brazilian context.

Thanks to the #metoo movement and other recent trends, these issues have been gaining increased attention in Brazil and worldwide. Within the entrepreneurial community, there is growing recognition of the benefits of diversity, and of investing in women and gender equality, for returns, productivity, communities, families, and poverty reduction.¹ However, most investors and intermediaries working with social enterprises and SGBs are still in the early stages of understanding how best to incorporate a 'gender lens.' This refers to investing in or supporting SGBs through the lens of female empowerment; considering the issues that affect women and girls around the world, the power of women's participation and leadership, and the solutions to these challenges.

This knowledge brief shares the outcomes of deliberations within the Brazilian ecosystem of how to bring a gender lens to supporting Brazilian SGBs. It is the result of a series of engagements, convened by ANDE and supported by IDS over the course of 2019, that were designed to catalyse thought leadership on gender inclusion and investing in Brazil (Figure 1). Through these engagements, the organisations involved (Box 1) identified challenges, invited speakers to discuss key issues, and shared with each other their current experiences of how to better bring a gender lens to supporting SGBs. Participants also identified a number of key topics that were particularly important for bringing a gender lens to supporting SGBs in Brazil, and which were the subject of follow up webinars.

Figure 1: Inputs to knowledge brief



Box 1: Snapshot of participating organisations

1. Most were capacity providers, although investors were also interested
 - 60% were primarily capacity providers, accelerators and incubators
 - 25% were involved in investing
 - 15% were involved in network building
2. Most had a high number of women employees
 - 90% had at least 50% women employees
3. Most were already working with a gender lens
 - 85% already work with a gender lens to some degree
4. Of those already working with a gender lens, the most cited approach focused on increasing the number of women-owned businesses supported
 - 31% have specific programs for women-led companies
 - 25% work with companies that provide products or services for women (regardless of who owns or leads the company)

This brief provides an overview of the insights from these deliberations on how investors and support organisations can better work with women-owned or women-led SGBs. However, participants also recognised that working with SGBs that offer products or services that substantially improve the lives of women and girls or that promote workplace equity are other potential avenues.

Setting the scene

A key starting point for the engagements in Brazil were scoping interviews and desk research on the exclusion of women, and what could be changed by bringing a gender lens to investing and supporting SGBs. These research findings included:

- 46% of women entrepreneurs encounter barriers because of their gender,² and in particular structural economic barriers, sectoral segregation, and cultural and unconscious biases.
- Although women in Latin America are very entrepreneurial (often out of necessity), 73% of them don't receive the financial services they need. It means that women-led SMEs in Latin America represent a USD \$93 billion untapped opportunity.³
- When women do secure investment, the results are positive for the economy and society. On average, companies with higher percentages of women in leadership positions (WLP) outperform companies with the lowest percentage of WLP as measured by return on sales (ROS), return on assets (ROA), and return on equity (ROE). Specifically, companies in the top quartile of WLP had 18.1% ROS, 3.9% ROA, and 8.6% ROE compared to -1.09%, 0.3%, and 4.4% respectively for those companies in the bottom quartile.⁴
- From 2000 to 2010, women's increased labour force participation rates in Latin America and Caribbean countries were credited for decreasing extreme poverty by 30%.⁵
- If women and men participated equally in the economy, an additional \$28 trillion would be added to global gross domestic product (GDP) by 2025.⁶
- The research also identified existing knowledge and recommendations of how best to incorporate a gender lens in the activities of investors and intermediaries. One recent scoping study conducted by Value for Women (VFW) with support from the ANDE Catalyst Fund⁷ provided ten recommendations for intermediaries that informed the workshop discussions:

10 recommendations for incorporating a gender lens

1. **Develop the business case data for gender lens investing**, with data that links gender lens investing with business performance.
2. **Make more data publicly available on gender composition of governance and management structures.**
3. **Identify what works to support the growth of women-led social enterprises:** what barriers do women-led enterprises face, and what is needed to overcome them.
4. **Improve outreach to women-led businesses** by engaging women's business networks and developing targets for them to participate in applications for support.
5. **Make women social entrepreneurs visible:** enabling impact investors to identify women-led businesses in which to invest.
6. **Build the capacity of intermediary employees and of social enterprises** to invest with a gender lens and improve gender diversity.
7. **Create gender lens investing tools for Latin America.**
8. **Include gender lens investing funding opportunities and concepts as part of training curricula.**
9. **Define key market drivers** that can trigger greater uptake of gender smart practices in businesses, and sensitize ecosystem intermediaries on these opportunities.
10. **Develop landscaping studies at the country level** to identify key gaps, challenges and opportunities for SMEs, investors and ecosystem actors for gender lens investing.

Key topics in bringing a gender lens to supporting SGBs

Four key topics emerged from the workshop and follow up deliberations. Two are cross-cutting themes: 'understanding biases' and 'recognising gender intersects with other diversity issues.' Two topics were specific issues selected by participants for further exploration in follow up webinars: 'better linking investors with women entrepreneurs' and 'attracting and retaining women in entrepreneur support programs.' Each section below presents the relevant issues and how they affect the activities of women-led enterprises, as well as entry points to address challenges, identified through these discussions.

1. Understanding biases

The issue: Those in the investment and support sector commonly perceive that they are 'gender blind' and therefore that they are assessing neutrally every opportunity, seeking to identify the best candidates, regardless of gender. There are a number of problems with this premise. The first is that so-called 'gender blind' approaches are also often blind to structural barriers that systematically disadvantage women. The second is that everyone suffers from some degree of 'unconscious' or 'implicit biases' related to gender or race, for example, which means that internalised stereotypes affect our decision-making, even when we are making a conscious effort not to discriminate.

Structural barriers include an unequal distribution of assets or educational opportunities between women and men. According to the World Bank, for example, less than 20% of landholders in the world are women.⁸ Access to land affects access to credit, thus constraining entrepreneurial opportunities for women. Women are also at a distinct disadvantage as they often have a heavy and unequal share of care and household work (often referred to as 'time poverty'), especially as women's growing involvement in paid work has not been accompanied by increased participation of men in unpaid domestic tasks.

The system in which SGBs operate is also significantly rooted in networks and relationships. Where these are dominated by men, especially in more powerful leadership roles, the structural exclusion of women can be perpetuated. For instance, it has been shown that venture investors prefer to associate with and invest in those that are similar to them (a tendency known as 'homophily'), while those outside this groups are likely to be treated differently in myriad ways.⁹

Many studies show that unconscious biases regarding gender exist in society, and these views are held by both men and women; that is, women also tend to think men perform better. This is equally true for investment selection processes. For example, according to one study in the United States,¹⁰ investors' questions exhibit biases that disadvantage women entrepreneurs. When investors interviewed male entrepreneurs, they asked 'promotion questions' (about hopes and achievements) 67% of the time, but when questioning women entrepreneurs, they asked prevention questions (about safety and responsibility) 66% of the time. Companies that were asked prevention questions raised \$2.3 million on average, versus \$16.8 million raised among those asked mostly promotion questions. Similarly, in the venture capital sector, investors preferred pitches delivered by male founders even where the content of the pitch was word for word identical.¹¹

Brazilian perspective

In the experience of the workshop participants, women are creating more companies now than men, but structural barriers and unconscious bias, especially among investors, mean that they do not achieve their potential. Being an entrepreneur is still considered a masculine trait in Brazil, which is exacerbated and perpetuated by the particular culture around entrepreneurship. If attending meetings accompanied by men, for example, women are often not heard, even if they are the expert on the matter being discussed or speaking about their own business.

Entry points for stakeholders to confront these biases included the following actions:

- **Understand the reality of gender bias.** Unless bias is understood within the SGB ecosystem, it will be difficult to develop adequate strategies to deal with it. In working with women, recognise that their exposure to gendered stereotypes, sexism or gender-based violence will affect their own self-esteem and may influence their perception of other women (e.g. with respect to their entrepreneurial capacity). On the investors' side, addressing gender bias is a challenge since investors may be resistant or fail to recognize that there is a problem. However, support organisations could offer investor training on unconscious bias.
- **Address biases in the investment environment.** In the short term, investors can support women founders by helping them to understand and respond to biases and other challenges they face in securing investment, including through access to support networks. Through these processes, women founders can be prepared for an environment which is often extremely 'masculine.' Longer term, participants emphasised the need to bring women's characteristics into the investment world, rather than pushing woman to become 'more male' to be heard.

Box 2: Laís Xavier, Founder, Mídias Educativas, Recife

Lais Xavier never felt unfairly judged while studying computer science at university, despite women being vastly outnumbered by the men on her course. This all changed, however, when she started her own IT company, finding herself in an environment dominated by men much older than her. 'In meetings people would avoid talking to me, directing questions to my male colleagues even though I'm the CEO,' she explains. 'Often I was treated as if I was only there to take notes.'

She has encountered prejudice and bias particularly strongly in the investing market, which she has found to be an extremely masculine environment. 'There really are no women there.' As an example, she has noticed a difference in the questions that she is asked by investment panels compared to her male colleagues. 'They don't seem interested in my technical or managerial abilities or my track record – they want to know about my family situation, when I might plan to have children.' Lais also noticed a big difference when she became pregnant. 'Socially, people treat you with more kindness. But professionally, especially if you occupy a leadership position, being pregnant seems to diminish your status even further.' She considers this especially unfair given that being pregnant actually helped her to be more efficient by making more conscious decisions about how to prioritize her time.

However, eleven years after starting her business, Lais feels that the bias of others no longer affects her as it used to. 'I've realized that it's the other person's problem, not mine, and I don't let it diminish my self-esteem,' she explains. She does acknowledge, however, that over the years this thought process has used up valuable cognitive resources that could have been invested in her business. She has also benefited from having a support network of women entrepreneurs with whom she can share experiences. One current example is the cohort of entrepreneurs she has met through Aceleração Itaú Mulher Empreendedora, an acceleration program for women-led social enterprises, run by one of Brazil's largest commercial banks in partnership with Yunus Corporate Social Innovation and FGV business school's Center for Entrepreneurship.

Despite these positive trends, Lais – who is from Recife, in northeastern Brazil – ends with a note of caution. 'When I travel for work to some other parts of Brazil, I'm unfairly judged twofold – once for being a woman, and once for being from the Northeast. People assume that my knowledge is inferior, and don't give me the credibility I deserve.'

2. Recognising gender intersects with other diversity issues

The issue: Workshop participants raised the question, ‘Who are the women we are talking about?’ noting that there is no single category of woman who faces the same set of challenges and has a common set of needs. Including all women in one category masks other facets of their identity, such as race or class. Gender bias may ‘intersect’ biases related to race and poverty, creating multiple challenges and systems of discrimination for women entrepreneurs.

This ‘intersectionality,’ the term for the interaction between gender and other facets of identity, such as race, sexual orientation, education or income, means that different women entrepreneurs experience different challenges. It shapes their financial and other needs in order to grow, as well as the type of biases they experience. For example, one study found that in Brazil, India, and Pakistan, while women with a university degree from comfortable economic backgrounds are more likely to lead formal social enterprises, women from poorer neighbourhoods and with lower levels of education are more likely to be involved in informal community-level entrepreneurship.¹²

At the base of the economic pyramid, women entrepreneurs are likely to need different forms of public, social, and business support. One study found that women from low income backgrounds running informal SGBs in Mexico face a high level of unpaid care work which society expects them to be responsible for; a lack of financial and strategic experience and skills, meaning difficulties in planning; a need to offer clients credit, leading to irregular cash flow; and frequent relocations, affecting access to support networks.¹³

Brazilian perspective

In the view of the workshop participants, understanding these intersecting inequalities can enable organisations to provide better and more targeted support and link women founders with capital sources appropriate to their needs.

Entry points for stakeholders to understand intersectionality included the following actions :

- **Recognise the needs of different women entrepreneurs.** More disaggregated information is needed to better understand the profiles of different women and the challenges facing their businesses, in order to design support programs appropriately. Particular needs may include generating cash flow quickly, managing unpredictability or raising self-esteem, for example.
- **Raise visibility of these diverse profiles.** With improved data, support organisations can also increase visibility of the profiles and needs of diverse groups of women entrepreneurs.
- **Redefine impact data.** Focusing impact data only on the number of women-led businesses supported or number of women employed is limiting. Better indicators would capture impact on gender inequality and empowering women, including improvements in life quality or working conditions that are catalysed through the support provided.

Box 3: Illustrating intersectionality: Aliança Empreendedora and Feira Preta

Aliança Empreendedora supports private, public, and social sector organisations in developing projects that support entrepreneurs in low-income communities. Most of the entrepreneurs supported are women, and many of them face the challenge of being simultaneously the main or only breadwinner and having sole responsibility for childcare. According to Florian Paysan, Impact Evaluation Coordinator at Aliança, this leads them to open businesses that they can run from their homes with flexible hours, and that generate positive cashflow quickly. 'As a result, their businesses are typically smaller and have higher failure rates than those run by their male counterparts.'

Given the time constraints, Aliança activities last for a maximum of 3 hours, and are run close to the communities where participants live and at times when childcare alternatives are more readily available. As well as business knowledge, Aliança's methodology has a strong emphasis on self-awareness and entrepreneurial behaviour. 'We help them to see themselves as businesswomen, which increases their self-esteem,' explains Paysan. 'But the increase in income can cause conflict in their family relationships, and we need to help them to manage this.' There is also a focus on identifying short-term goals and priorities, as the unpredictable environment, scarcity of financial resources and lack of customized services for underserved people, such as banking, make it very difficult to plan or invest for the long term.

Feira Preta, the biggest festival of black culture and entrepreneurship in Latin America, started out offering black entrepreneurs visibility and an opportunity to make money. Its founder, Adriana Barbosa, is very clear that today it offers much more than this. 'Most black entrepreneurs in Brazil are women, and many start out purely for survival,' she adds. Barbosa first had the idea for Feira Preta when she was unemployed and selling clothes at street markets. She found that she met few other black entrepreneurs, which contrasted with the dynamism of the black artistic scene. 'The black rights movement in Brazil has a long history of advocating for political and cultural representation, but less so for economic empowerment,' she explains.

Today Feira Preta also offers capacity building. As well as providing business knowledge and skills, it supports women and men entrepreneurs to become more self-confident and assertive, and encourages them to take creative inspiration from their African heritage. 'We need to understand the emotional and cultural legacy of a history of slavery and discrimination, which affect self-esteem among black entrepreneurs, and also to celebrate the creative traditions and strengths of our African roots,' explains Adriana. 'I'm uniquely placed to do that as a successful black entrepreneur who has had to overcome many of the same challenges.'

3. Better linking investors with women entrepreneurs

The issue: There is a significant gap in financing for women entrepreneurs. The International Finance Corporation estimates it at \$320 billion for female entrepreneurs in formal sector SMEs in developing countries.¹⁴ Filling this gap will require different types of investors and different products based on a spectrum of motives, objectives, and risk and return strategies.

One global survey of investors found that over 70% of investors who claimed to use a gender lens also identified venture capital as their asset class, versus private equity or debt.¹⁵ Yet the processes used by venture capital funds are often designed with a certain profile of entrepreneur in mind, and are drawn from experiences in Silicon Valley and Wall Street. While these are suitable for some women founders, they are a poor fit for other types of businesses, such as micro-, small-, and medium-sized enterprises in the informal sector.

Women leading enterprises in the informal sector have a diverse profile, but they may particularly suffer from time poverty, low education, and low financial literacy. They may have good networking capabilities but lack capacity to raise funds, and are unable to rely on their inner circles for support, as wealthier counterparts can often do. Their capital needs are likely to range to long-term loans, working capital loans, or more patient capital and grants. Therefore it is important for support organisations to identify different asset classes and types of capital for different types of SGBs (Figure 2).

Figure 2: The Spectrum of Capital and Gender Lens Investing Opportunities¹⁶

	TRADITIONAL	RESPONSIBLE	SUSTAINABLE	THEMATIC	IMPACT FIRST	PHILANTROPY
FUND FOCUS	Finance only investments	Focus on ESG risks	Focus on ESG opportunity	Focus on one or a cluster of opps, no financial trade off	Focus on one or a cluster of opps with some financial trade off	Focus on one or a cluster of opps with 100% financial trade off
Fund focus and return expectations	Competitive returns					
	ESG risk management					
	ESG opportunities					
				High impact solutions		
Gender lens opportunities	Ensure fund and SIFI operational practices are gender aware					
	Incorporate a gender lens within due diligence assessment of all investment opportunities					
	Adopt an ESG filter that includes equality factors					
				Target gender equality as social outcome		

However, although bank loans can be more suitable to address the capital needs of smaller businesses that don't fit the 'Silicon Valley' profile, interest rates are high in countries like Brazil. In addition, there is a particular challenge with respect to finance in the range of US\$5,000–50,000,¹⁷ which many traditional and impact investors see as too small to warrant the transaction costs involved, or too risky for the returns. The transaction costs are also a barrier for many early stage businesses, which may not be in a position to present the documents and information required, leading impatient entrepreneurs to pursue faster but far more expensive solutions such as credit cards. Alternative lower transaction cost alternatives include crowdfunding and peer to peer loan platforms. Interestingly, there is some evidence to suggest that women may do better at crowd-funding than men,¹⁸ in part because crowdfunding seems to attract more women as investors, and in part because women may use more appealing and inclusive language in their pitch descriptions.¹⁹

Brazilian perspective

Workshop participants highlighted the availability of alternative loan products in Brazil. These offer more appropriate loan sizes or more flexible payment terms. Some – although not all – are specifically targeted at women. Examples include:

- **SITAWI Finance for Good** a Brazilian organisation that provides innovative financial solutions designed for social impact. These include a rotating credit fund offering loans of BRL 50,000–70,000 (approximately USD \$10,000–15,000) to social enterprises. Interest rates on these loans are fixed at the Central Bank base rate, with repayment periods varying from 6 months to 3 years. Although not targeting women entrepreneurs specifically, the Sitawi solution directly addresses three of the key challenges facing many women founders in Brazil: 1) lack of credit available to entrepreneurs; 2) shortage of mid-level finance; and 3) high interest rates typically offered by Brazilian banks.
- **Pronaf Mulher** is a credit line offered by Brazil's National Development Bank (BNDES) exclusively for women who work as agricultural producers. Loans are available up to US\$75,000 per annum, with repayment periods up to 10 years, a longer time period that is also better suited to agricultural lending. The credit can be used for purchasing machinery and commercial vehicles, installing irrigation systems, connecting to the electrical grid or telephony system, among other purposes.

Entry points for stakeholders to explore additional financing options included the following actions:

- **Communicate the finance needs of different types of women founders.** Intermediaries can identify and convey to investors the finance needs of different types of women-led enterprises. Intermediaries may organise events or spaces to engage different types of investors, including banks, other lenders and individuals. Here they can help investors to recognise the untapped opportunities of women-led enterprises, showcase examples, and directly connect investors with entrepreneurs.
- **Help women founders navigate different sources of finance.** Intermediaries and peer support networks can help women understand the different types of investment available, as well as other practical support, such as helping them to understand technical language used by investors or to plan time for the 'bureaucratic procedures' required to access funding.
- **Identify, amplify, and enable appropriate finance.** Intermediaries can identify and amplify diverse types of finance being offered by investors, which may be appropriate for different profiles of women entrepreneurs. Going one step further, they can also support and partner with investors to create new more gender inclusive financial vehicles.
- **Advocate for more women becoming investors themselves.** There is a need to advocate for more women becoming investors themselves, so that they are in a position to change systems to better meet women's needs. Measures may include engaging individual women investors and highlighting the role that they can play in the sector.

Box 4: VOX Capital

VOX Capital is an impact investor that has been managing venture capital funds since 2010. In 2019 VOX realised that the prevailing model of VC in Brazil – with minimum ticket sizes typically above USD \$500,000 for entrepreneurs and \$2 million for investors – limits access to a very small minority. Most entrepreneurs are not able to access resources or networks needed to finance their businesses through the initial ‘valley of death,’ in order to reach a scale where they are eligible for a VC investment. Very few potential investors have sufficient resources available to invest in what is a relatively high-risk asset.

VOX therefore piloted a new line of investing, aimed at ventures at an earlier stage, using equity crowdfunding. In addition to the capital, VOX helped selected ventures in planning how to use the funds and defining their exact investment needs. ‘Entrepreneurs from under-represented groups typically underestimate the potential value of their business and how much capital is needed to reach that potential,’ explains Jessica Rios, a partner at VOX Capital.

Equity crowdfunding also opens up access to a more diverse investor pool, with individuals able to invest as little as \$250. Recognising the huge untapped potential for more women to be impact investors, VOX organised two events to highlight the role women can play in the investment industry, showcase examples, share experiences and connect prospective investors with entrepreneurs. Women represented 38% of the investors in the pilot, contributing 18% of total funds invested.

For its crowdfunded investments, VOX also diversified its target sectors, which helped to attract a more diverse profile of entrepreneur. ‘The sectors where women are most represented as entrepreneurs tend not to attract the attention of VC investors, introducing another source of structural bias,’ explains Rios.

4. Attracting and retaining women in entrepreneur support programmes

The issue: Workshop participants raised the question of how to improve both attraction to and retention of women in entrepreneur support programmes. One key point was to develop a better understanding of the barriers women experience, which prevent them from applying to or succeeding in selection processes. However, it is crucial not just to attract women, but also to ensure they find an inclusive environment once they are selected.

Data from ANDE's Impact Survey of support organizations show that nearly half of respondents do not incorporate a gender equity assessment into the SGB screening or selection process.²⁰ However, even programs that have specific commitments to increase the number of women have often found it more difficult than expected. This relative absence of women starts right from the candidate pool, since women entrepreneurs may have different networks, contacts and peer groups, and so may never become aware of opportunities. Where women do apply, the selection process and environment can be the problem. Women may lack the skills or experience to engage in an aggressive pitch process – or may simply not 'see' themselves in this environment. Women may not want to ask men, who often dominate selection panels, for support.

Measures that are being used to attract more women into the pipeline involve reaching out to spaces where women are better represented, such as corporations, universities or co-working spaces, and identifying partners with high numbers of women in their networks. Another measure is to ensure selection committees are gender balanced and selection processes offer a conducive environment for women.

Once women are selected, however, programme design and cultural issues can lead to attrition. Inflexible schedules or locations mean programme activities can conflict with family priorities. More generally, women face greater time poverty than men, affecting time available to travel to and engage in programmes. The lack of women role models and a masculine culture within programmes is another challenge. Programmes which include networking over evening drinks, for example, means those with care duties are excluded. It can also create an environment in which alcohol sparks sexual harassment. One obvious response is to adapt programme schedules to accommodate the care responsibilities of entrepreneurs, which may include mixing virtual and in-person meetings. Marketing and other materials can also be redesigned to reflect diversity. Addressing a programme's culture means going beyond eliminating practical barriers, however, to be proactively encouraging, with practices, processes and leaders that are intentional in promoting diversity. These measures can also be supported through staff, including leadership, taking unconscious bias training.

Brazilian perspective

There is a clear need for different types of support programmes, responding to the requirements and challenges faced by a more diverse cohort of entrepreneurs. The starting point is having sufficient information to recognise these needs and retention barriers, and design programs in response. Existing programme data can provide some of the answers, supplemented through discussions and interviews with female founders, including participants who drop out.

Entry points for stakeholders to increase female retention included the following actions:

- **Ensure support of leadership with respect to gender lens investment.** Participants recognised that in many cases, changing mindsets among existing leadership with respect to gender lens investment is an important enabler. Alongside formal unconscious bias training, the use of more active listening by leadership can be encouraged, allowing leaders and others to better understand and therefore meet women founders' needs and aspirations.
- **Design programmes recognising care responsibilities.** The participants felt that more inclusive acceleration programs need to reflect on constraints that mothers (or women in other care roles) face in leaving their homes. Suggestions included implementing a 'kids space' within intermediary premises which offers childcare, and using videoconferences in place of some in person trainings.
- **Promote diversity among staff of support organisations.** Having diversity among staff at all levels within support organisations, including in leadership roles, can better enable intermediaries to identify, understand and reach a stronger and more diverse candidate pool. Interestingly, one organisation, led by women, found that their networks and leadership style seemed to have enabled them to reach a high proportion of women entrepreneurs, although this was not a proactive strategy priority. The workshop made them consider how to make this a more intentional part of program design and communication.

Box 5: B2Mamy

B2Mamy offers entrepreneurs training, business acceleration, a co-working space, and connection to the entrepreneurial ecosystem. It was founded by Dani Junco, herself a successful entrepreneur whose perspectives changed in 2014 when she was expecting her first child. As well as considering the practical aspects of combining maternity and a career, she was increasingly concerned with the kind of world that her son would grow up in. 'The world of tech entrepreneurship is extremely masculine, and I heard repeatedly that starting a business was a full-time commitment, and was therefore impossible to do as a mother,' she explains. 'While this was painful to hear, I came to realise that it was true in the context of the way the system was organised.'

At a 2015 meeting bringing together 80 women in a similar position, Dani identified two overriding feelings – solitude and fear of being excluded from the world of work. The idea for B2Mamy was born at this meeting, with an aim to create spaces that would be more flexible, more empathic and more inclusive, and to celebrate and communicate the results and contributions of successful women entrepreneurs. Since 2016 it has trained more than 700 women to put their business ideas into practice and supported 170 women-led businesses through its accelerator program. The accelerator allows entrepreneurs to participate in-person or virtually, making it easier for those who find it difficult to travel. To date, it has welcomed participants from seven different countries, illustrating that the need for more flexible solutions goes beyond Brazil's borders.

Interestingly, while B2Mamy was founded to catalyse female entrepreneurship, it does not work exclusively with women. As well as organizing specific activities for men to challenge gender stereotypes, around one fifth of its program participants are men. Some of these are drawn by the expectation of a less judgemental environment, some are encouraged by their partners, and some take part out of curiosity. B2Mamy's own team currently consists of 3 men and 15 women. 'One of my biggest mistakes was not having any men in my team at the beginning. I could have benefited from that diversity,' adds Dani.

Conclusion

This knowledge brief provides an overview of four topics that are critical to bringing a gender lens to supporting SGBs: understanding biases, recognising gender intersects with other diversity issues, linking investors with SGBs, and attracting and retaining women in support programs. It is grounded in international evidence and learning, but offers examples and entry points based on the experiences of capacity providers, investors and network builders in Brazil. While these entry points were discussed in the context of Brazil, they will clearly resonate in many other places. In particular, they enrich existing guidance on gender lens investing and support in four important ways.

There is a well-recognised need for more gender-specific data, including information on women in leadership roles, data on the gender composition of investment cohorts, and evaluation of the impact of acceleration programs on women-led enterprises. However, this brief points to a need for much better information on women founders and entrepreneurs themselves. In particular, this information should reflect the different and overlapping identities of these founders, and how these identities affect their needs and the barriers they face, including within support programs.

Organisations that aim to boost the number of women-led businesses they support need to improve outreach to these founders. However, attracting more women will be insufficient unless programmes are proactive and intentional in including them once they arrive. The ethos and design of programs need to reflect women founders' needs, challenges, and aspirations.

There is considerable scope to build an understanding of the range of funds and assets classes that can address the different financing needs of different types of businesses, as well as to increase women entrepreneurs' exposure to them. These sources should go beyond venture capital and private equity to include options like flexible loans, impact investment and crowdfunding sources, which may better fit the needs and profiles of some groups of women entrepreneurs.

Ultimately, the participants in the workshop stressed that real transformation towards gender equality and the empowerment of women will come from creating economies and entrepreneurial ecosystems that are more inclusive of qualities associated with women, rather than attempting to make woman adapt to be heard in a male world.

Finally, although this work has focused on how investors and intermediaries can support women-owned or women-led enterprises, it is important to keep in mind other ways or other types of enterprises which impact women, and how these can be supported. In particular, support programs may identify and seek to support SGBs that offer products or services that substantially improve the lives of women and girls, or those that enable greater employment of women, especially in non-traditional sectors and jobs with better working conditions. These topics were discussed in the workshop, and deserve more attention in future.

Endnotes

- 1 McKinsey Global Institute (2015) The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth
www.mckinsey.com/global-themes/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth
- 2 Richardson, M. and Tsui, J. (2017) Activist to Entrepreneur. The role of social enterprise in supporting women's empowerment, British Council.
- 3 Value for Women (2019) A Landscape Report: Impact Investing with a Gender Lens in Latin America, Value for Women and ANDE
- 4 Kumbuli, N., Moran, L. and Pryce, J. (2018). Just good investing: Why gender matters to your portfolio and what you can do about it, Calvert Impact Capital.
www.calvertimpactcapital.org/storage/documents/calvert-impact-capital-gender-report.pdf
- 5 ANDE (2019) Gender Equality in the SGB Sector, ANDE Issue Brief.
https://cdn.ymaws.com/www.andeglobal.org/resource/resmgr/research_library/sgb_gender_equality_report.pdf
- 6 McKinsey Global Institute, *op. cit.*
- 7 Value for Women, *op. cit.*
- 8 World Bank (2019) Women, Business and the law. A decade of reform, Washington, DC.
- 9 Chilazi, S., Asundi, A., Bohnet, I. (2019) 'Venture Capitalists Are Using the Wrong Tools to Improve Gender Diversity', Behavioural Scientist.
<https://behavioralscientist.org/venture-capitalists-are-using-the-wrong-tools-to-improve-gender-diversity/>
- 10 Kanze, D. and Huang, L. (2017). 'Male and Female Entrepreneurs Get Asked Different Questions by VCs and It Affects How Much Funding They Get', Harvard Business Review, 27 June.
- 11 Chilazi, S., Asundi, A., Bohnet, I. *op. cit.*
- 12 Richardson, M. and Tsui, J., *op. cit.*
- 13 The Failure Institute and Promujer (2017) Low Income Female Entrepreneurs: Failure and Empowerment, The Case Study of the Valle de Mexico Metropolitan Area <https://promujer.org/report/>
- 14 International Finance Corporation (2017). MSME Finance Gap – Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets, Washington, DC.
- 15 Biegel, S., Hunt, S.M. and Kuhlman, S. (2019) Project Sage 2.0: Tracking Venture Capital With a Gender Lens, Wharton Social Impact Initiative.
- 16 Source: Adapted from Goddard, C., & Miles, K. (2016) The Sky's the Limit, The Young Foundation.
https://youngfoundation.org/wp-content/uploads/2016/05/2016.05.05-YF_The-Skys-the-Limit_report_AW_web.pdf
- 17 Estimates of the range vary between sources and context, but it may be as low as US\$5,000 to US\$50,000, but it could go as high as US\$2 mn.
- 18 Greenberg, J. and Mollick, E. (2014) 'Activist Choice Homophily and the Crowdfunding of Female Founders' Administrative Science Quarterly 62(2): 341-374
- 19 Gorbatai and Nelson (2015) The Narrative Advantage: Gender and the Language of Crowdfunding, manuscript.
<https://faculty.haas.berkeley.edu/gorbatai/working%20papers%20and%20word/Crowdfunding-GenderGorbataiNelson.pdf>
- 20 ANDE (2019), *op. cit.*