

Women angel investors key to unleashing female entrepreneurship in Wales

The Rose Review recently showed that just under 5,000 companies were established by women in Wales in 2021 – a record figure that has more than tripled since 2018.

This is great news, but this trend highlights a need to ensure that female founders have access to the right support and resources to help their businesses thrive.

Access to and awareness of funding is key. Women running businesses in Wales need to know what money is available and how they can secure what they need to grow their companies.

A code of conduct designed to make sure investors do just that now has more backing than ever. New figures show 160 institutions – ranging from high street banks, to venture capital firms, to individual angel investors, have signed up to the Investing in Women code.

Data from signatories of that code shows we are making some progress. For example, the average amount of funding that all female teams sought from angel investors in 2021 almost matched the amount asked for by men. That was a big jump forward from 2020, when female entrepreneurs requested less than half as much as their male counterparts.

But there's a long way to go and challenges remain for female entrepreneurs in Wales trying to scale their businesses. Despite asking for more funding, women-led businesses still tend to get less than men. If we look across the whole angel market, data from the British Business Bank shows that only 10% of all angel investment currently goes to all-female teams and only around 22% to mixed teams. Nearly 60% goes to all

male teams.

There are many reasons for this shortfall, but we know that it is partly down to the lack of female investors, who are themselves more likely to invest in female entrepreneurs and tend to have a portfolio made up 30-50% of female-led businesses.

But, at present only 15-18% of angel investors in the UK are women and with 57% of these located in London and the South East, the proportion of women investing in Wales is even lower. This under representation stems from many factors. One being the perception that angel investment is too risky for women and only for the very rich.

But this isn't the case. Investors can overcome this by investing via syndicates, which enable angels to spread the risk, share knowledge and skills, and invest smaller amounts in each deal. It can also be a way of meeting and working alongside interesting people, which makes it all the more fun.

Another major barrier for female investors is a lack of knowledge and not knowing where to start.

Many women are looking for support at a local level and that is why Angels Invest Wales (part of the Development Bank of Wales) held their first female business angels event earlier in the spring, bringing women from different professional backgrounds together to share their experiences and learn more about the opportunities angel investing can offer.

A key outcome of this event was the launch of Women Angels of Wales as a major new initiative to increase awareness and knowledge amongst women about angel investment, encourage them to get involved and grow a powerful angel community in Wales. Angels Invest Wales connects investors with innovative and inspiring Welsh businesses seeking private investment.

And there are plenty of inspiring local businesses to choose

from. Health & Her, for instance, is a great example of a female-led businesses that has gone from strength to strength with the help of angel investment. Specialising in women's health, the company secured a six-figure investment in 2019 from the Development Bank of Wales alongside funding from an angel syndicate and the Wales Angel Co-Investment Fund. Co-founder and chief executive, Kate Bache, was so inspired that she has now become an angel investor herself.

I was delighted to take part in the launch of this exciting new initiative which reflects the spirit of our objectives at the Women Angel Investment Taskforce, in setting up our nationwide Women Backing Women campaign to empower many more women across the UK to invest in female founders.

The campaign's mission is to work with angel groups, such as Angels Invest Wales, at regional levels, to inspire, educate and support women across the UK to become business angels and early-stage investors. By increasing the number of female angels, our intention is that more female founders across the UK will have a better chance to access funding to scale their business, wherever they are based.

Of course, making change is not down to women alone. Clearly, men have their part of play and there are a large number of male angels who are doing just that. But the data doesn't lie and we know that the low level of female angels is a problem that we need to change to shift the dial.

There is plenty of energy and appetite for change across the UK. We need to make sure we translate this energy into real action and reach women who might previously have thought that angel investing wasn't for them.

These women hold the key to unlocking the potential of current and future female founders across Wales and building a thriving and innovative ecosystem of entrepreneurs.

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