



The Entrepreneurs Club

Who really gets to start a
business in modern Britain?

2024

Hatch 

Foreword

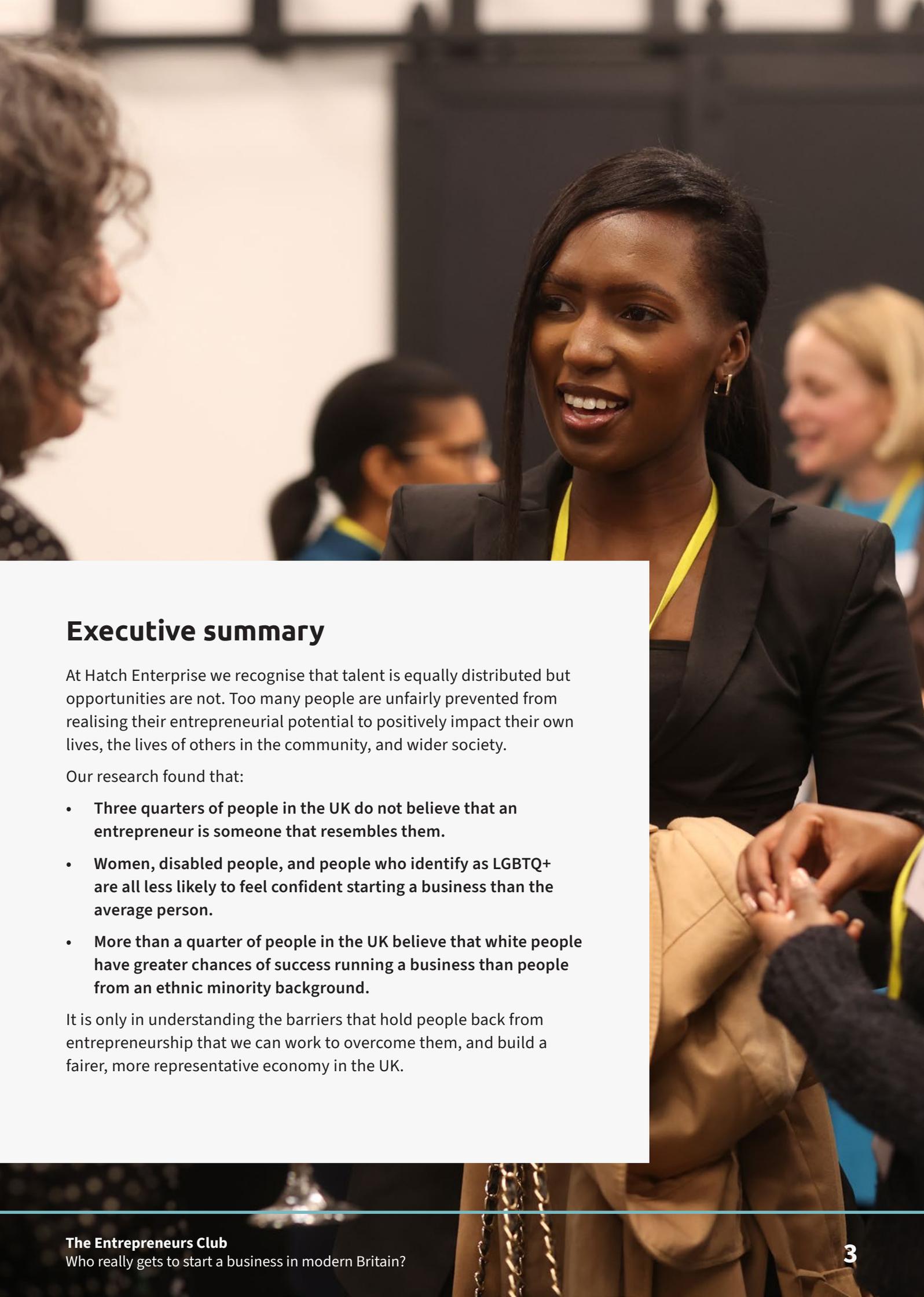
Having worked in this sector for over a decade, we at Hatch know that entrepreneurship has the power to give people autonomy over their lives, enabling them to manage their own working hours, pursue projects they are passionate about, and unlock salaries that can transform their quality of life and the community around them. Sadly many people in Britain feel excluded from this sector. For too long entrepreneurship has been the privilege of a select few with the wealth, networks, and financial safety net to make their dreams a reality. This report explores the unequal systems that place entrepreneurship out of reach for so many as well as the perceptions that are holding people back from success. Over five million people across the UK are running a small business, so why do so many of us still feel so disconnected from entrepreneurship?

Rebekah Capon
Managing Director, Hatch Enterprise



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Executive summary

At Hatch Enterprise we recognise that talent is equally distributed but opportunities are not. Too many people are unfairly prevented from realising their entrepreneurial potential to positively impact their own lives, the lives of others in the community, and wider society.

Our research found that:

- **Three quarters of people in the UK do not believe that an entrepreneur is someone that resembles them.**
- **Women, disabled people, and people who identify as LGBTQ+ are all less likely to feel confident starting a business than the average person.**
- **More than a quarter of people in the UK believe that white people have greater chances of success running a business than people from an ethnic minority background.**

It is only in understanding the barriers that hold people back from entrepreneurship that we can work to overcome them, and build a fairer, more representative economy in the UK.

What does an entrepreneur look like?



of people in the UK do not believe that an entrepreneur is someone that resembles them.

When asked whether they felt an entrepreneur was someone that resembled them, the vast majority of respondents said no. While there is no set of characteristics that defines an entrepreneur, and people from all walks of life can and do start and grow successful businesses, this perception of an entrepreneur as the ‘other’ is important.

Feeling unrepresented in a sector can be a huge barrier to entry, and this feeling of not belonging is holding many people back from realising their entrepreneurial potential. Representation is important, and so is shifting the assumption that entrepreneurs have to look or act a certain way.



Approximately four years ago, twenty-three percent of UK adults felt confident about starting their own business. In 2024, this confidence has decreased to seventeen percent.



“I think in society we get given a particular image of what an entrepreneur looks like, how an entrepreneur should relate to people, how they should be pitching for things. What excites me is doing things very differently from that.”

Isabella McDonnell, founder of Roots of Belonging

Who is most likely to succeed?

Gender and Sexuality

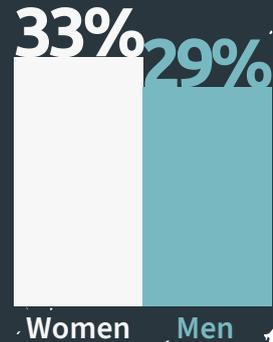


people in the UK believe that men have greater chances of success running a business than women.

58%

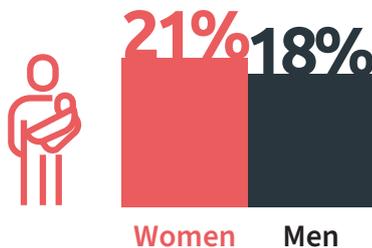
thought men and women have an equal chance of succeeding in running a business.

Women were more likely to say that social enterprises were 'very important' than men.

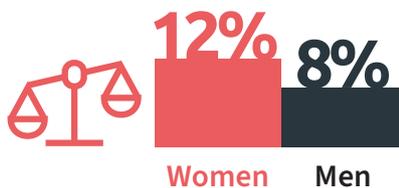


Barriers to success

Caring responsibilities



Unequal opportunities



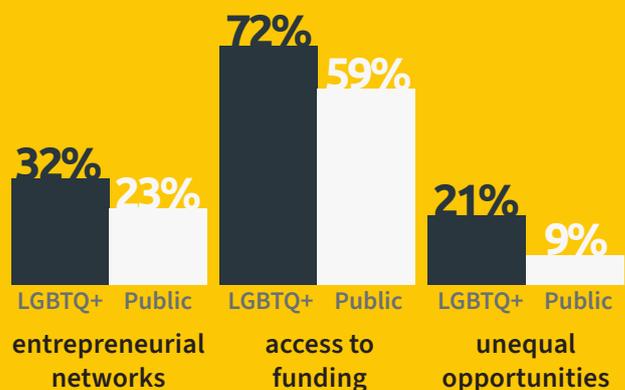
Twice as many men had at least ten entrepreneurs in their network

It is surprising to see that over half of respondents believe men and women have an equal chance of success in starting a business. Our work in the sector and a wealth of research on the topic has revealed that it is more challenging for women and those from marginalised genders to succeed in entrepreneurship than men, with barriers in access to funding, mentors, and networks, as well as societal determinants such as imposter syndrome and the unequal burden of care.

While this should be recognised and addressed, being an entrepreneur is actually more accessible than many people perceive it to be, and can be a good fit for women, marginalised genders, and those who identify as LGBTQ+ because it helps to challenge the glass ceiling and provides self determination, as well as the opportunity to build community and have an impact.

Looking at responses from the general population a huge 63% thought that queer and non-queer people would have equal chances of entrepreneurial success. Conversely, only 39% of LGBTQ+ respondents to the survey thought the same, taking a more pessimistic view.

People who identified as LGBTQ+ were more likely to struggle with:



Who is most likely to succeed?

Ethnicity



people in the UK believe that white people have greater chances of success running a business than people from an ethnic minority background.

Only 4%

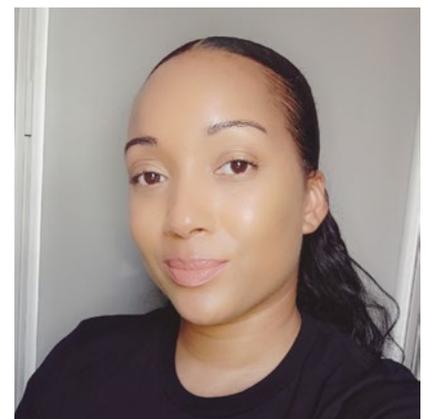
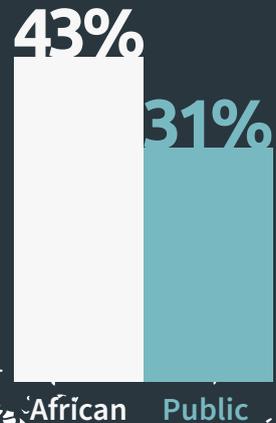
of respondents felt that those from an ethnic minority background were more likely than a white person to succeed in running their own business.

The lack of confidence in the success of ethnic minority entrepreneurs demonstrated in this research correlates with the reality of a demonstrably unequal entrepreneurial ecosystem. There are a range of barriers that currently exist for entrepreneurs in the UK from ethnic minority backgrounds, particularly in access to funding and advantageous professional networks. Nearly half of Asian and other ethnic minority entrepreneurs, and 58% of Indian aspiring entrepreneurs appear to have stopped developing their business idea because of difficulties getting finance compared with only 25% White British.¹

Two in three (67%) Black business owners have been negatively discriminated against in their past entrepreneurial efforts and 73% of Black business owners said they are concerned with not having access to equal opportunities.²

More than four in 10 (43%) social enterprises have at least one leader from a Black, Asian or minority ethnic background. This is much higher than SMEs more widely (5%).³ Businesses run by ethnic minority entrepreneurs are crucial to building a more representative economy, and challenging outdated perceptions of what an entrepreneur looks like. Those who are more underrepresented in entrepreneurship are more likely to establish enterprises that serve their communities, focusing on social impact over profit, and developing innovative products that meet the needs of specific communities.

Those from African backgrounds were more likely to say that social enterprises were 'very important' than the general public.



“Launching and running a business has come with its challenges. As a Black female entrepreneur, I have experienced bias due to both my race and gender. The limited peer support groups, accessible mentorship programmes and lack of funding for Black female entrepreneurs at times created difficulty for me.”

Donelle Grant, founder of The Brave Project CIC

Who is most likely to succeed?

Disability

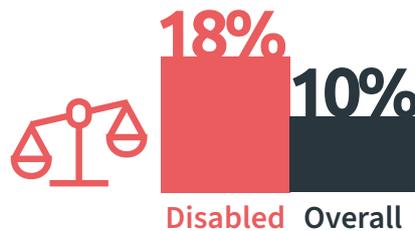


42%

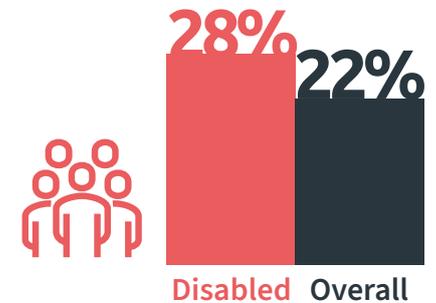
people in the UK believe that disabled people have an equal chance of success running a business.

Barriers to success

Unequal opportunities



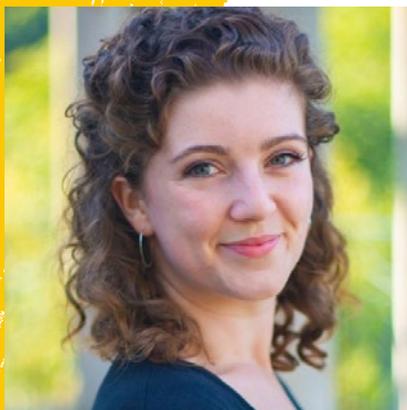
Know no-one who has their own business



It is surprising that almost half of the respondents in our research did not recognise that additional barriers exist for disabled entrepreneurs, demonstrating an ignorance of or refusal to acknowledge the ableism embedded in society. Discrimination, lack of confidence, and underestimation can hold disabled entrepreneurs back from opportunities to launch and grow impactful businesses.

The traditional workplace can present a number of barriers for people with disabilities, particularly in regard to travel requirements, rigid schedules, and lack of accommodations or understanding of individual needs. About half of disabled working aged people in the UK are in employment compared with about 80 percent of those without a disability.⁴

Entrepreneurship can present a real opportunity for disabled people to work with flexibility and autonomy, building a working environment that meets their needs and addressing niches that are often overlooked, offering solutions through lived-experience. Lived experience of having a disability or neurodiversity is also a huge strength on the operations side of being a business owner and can make people more empathetic, inclusive employers.



“I kind of had this idea that business was very serious and straight laced before I started running one myself. Entrepreneurship lends itself really well to people with disabilities because it just offers you that degree of flexibility.”

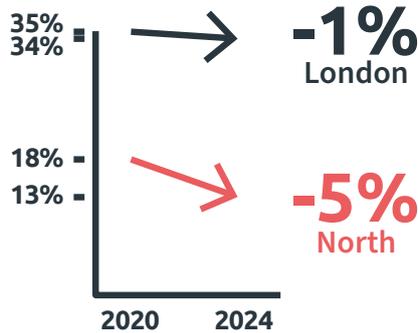
Martha Bennett, founder of Ludo Tutors

Who is most likely to succeed?

Geography

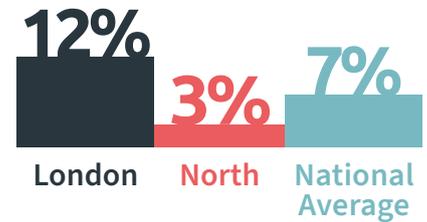


Those in London were more than twice as likely to say that an entrepreneur was someone that resembled them than respondents from almost anywhere else in the country.



Considering entrepreneurial confidence four years ago compared to now, there was a drop in confidence across the board, though with regional differences.

Currently running a business

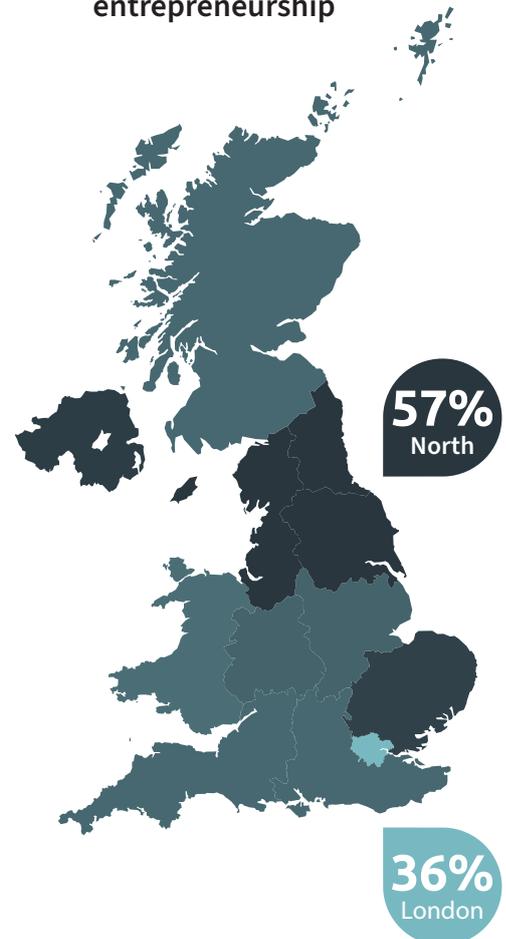


Unsurprisingly, where you live in the UK shapes your views on the power and accessibility of entrepreneurship. Regional disparities in this research are stark, with Londoners repeatedly reporting higher confidence and higher appetite for entrepreneurship. This ties again into the perception of what an entrepreneur looks like, and who is welcome into this 'exclusive club'.

Talent and ability is not concentrated in the capital, but historically opportunity has been, leaving those across the rest of the UK feeling excluded, and none more so than those living in the North of England. There is no reason for entrepreneurial success to be tied to a particular location, particularly in an increasingly digital age, and higher visibility of entrepreneurs across the UK is desperately needed to demonstrate the accessibility of business ownership to all.

Problems within individual communities are best addressed by the people living in them, so with talk of 'levelling up' increasingly on the agenda we should be looking to the ideas and the talents of people living in affected communities, providing them with the tools and opportunities to enact meaningful change.

Have never considered entrepreneurship



Recommendations

Entrepreneurship on the whole doesn't feel accessible to the vast majority of people, even more so for those part of one or more underrepresented group. We need to build a fairer system where everyone has access to the right opportunities, knowledge, and funding to grow their own enterprise.

Our recommendations from this report are:

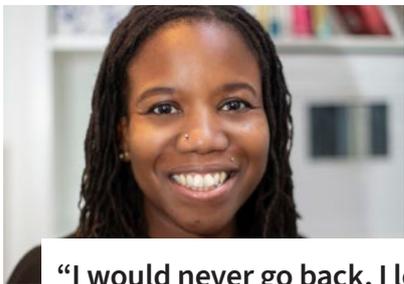
- 1.** Specific funding opportunities for those typically underrepresented in entrepreneurship.
- 2.** More visibility of entrepreneurs from different backgrounds, which longer term will encourage others to consider this as an option more seriously.
- 3.** Tailored opportunities for groups underrepresented in entrepreneurship to network with like minded individuals.
- 4.** Broader acknowledgement of the challenges that underrepresented founders face when launching and growing a business.

There needs to be a conscious effort to reverse the damage that gatekeeping of knowledge and opportunities has done to the sector. Diversity of thought, opinion, and experience is desperately needed in order to build a fairer system and challenge the perception of entrepreneurship as an exclusive club.



“Completing the Hatch Enterprise course changed my life. It feels amazing to finally call myself a business owner. Without it I would never have reached this point”.

Sylvia Mac, founder of Love Disfigure



“I would never go back, I love running my own business. As a Black woman, in an organisation I always hit a ceiling. Running a business is liberating, there aren't those limits.”

Collette Philip, founder of Brand by Me



“I think I'm so passionate about this entrepreneurial space because when I was employed, you could not tell me that I was going to be an entrepreneur and have freedom and be passionate about the work that I do and give back because I was so stuck in this fixed mindset that this is what it is and this is what it needs to look like.”

Tameeka Smith, founder of Trimenco

Methodology

The aim of this research was to collect data on the perceptions of entrepreneurship in the UK as well as comparing the personal aspirations and challenges of different demographics in regards to entrepreneurship. This research was conducted by YouGov, a global public opinion and data company, on behalf of Hatch Enterprise collecting insights from a representative sample of 2,065 people across the UK between 9-12th February 2024.

YouGov[®]





About Hatch Enterprise

Hatch Enterprise is a national charity that supports underrepresented entrepreneurs from across the UK to imagine, launch, and grow businesses that are sustainable, successful, and have a positive and lasting impact on their communities. We're committed to building a fairer society by helping develop entrepreneurs' skills, knowledge, and confidence through our unique programmes designed by entrepreneurs for entrepreneurs, and our sustainable, compassionate financial support offering.

Hatch

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References

- ¹ British Business Bank: Alone together: Entrepreneurship and diversity in the UK
- ² Black Business Network: Black, British, In Business... and Proud
- ³ Social Enterprise UK: Mission Critical – State of Social Enterprise Survey 2023
- ⁴ ONS Outcomes for disabled people in the UK: 2021

Hatch Enterprise is a registered charity 1161801

