Are there gender differences among entrepreneurs?

Entrepreneurs drive the economy by creating products, services and – most importantly – jobs. Self-employment isn’t for the faint of heart, but the nature of those who decide to go it alone may surprise you.

Main reason for becoming a small business owner

37% wanted greater freedom and flexibility

How small business owners define success

Making enough money to live comfortably: 36% MALE, 33% FEMALE
Doing something I feel passionate about: 28% MALE, 30% FEMALE
Allows me more time to spend with family: 14% MALE, 18% FEMALE

Biggest challenge faced by small business owners

Managing everything myself: 37% MALE, 35% FEMALE
Growing or expanding my business: 34% MALE, 31% FEMALE
Confidence in my abilities: 8% MALE, 11% FEMALE
Arranging or accessing financing: 8% MALE, 6% FEMALE
Current knowledge or experience: 6% MALE, 5% FEMALE
Finding a suitable successor: 3% MALE, 3% FEMALE

Small business owners’ perception of risk in regards to their business

“It should be calculated, assessed, and managed.” 64% MALE, 57% FEMALE
A means to generate opportunity: 51% MALE, 40% FEMALE
A necessary pre-requisite of innovation: 35% MALE, 25% FEMALE
A means to achieve strategic objectives: 31% MALE, 23% FEMALE
A means to achieve social and economic goals: 25% MALE, 23% FEMALE
It should be avoided at all cost: 4% MALE, 6% FEMALE

Primary source of funds used to start/grow business

56% used their personal savings

Female entrepreneurs tend to focus on long-term relationship building and design their businesses to grow and adapt over time. Male entrepreneurs have a propensity for rapid growth in preparation for the future sale of the business.

Setting yourself up for business success.

CREATE a business plan that outlines how your business will function and grow.

CONSIDER contingencies such as an emergency fund, disability insurance, long-term care insurance and critical illness insurance.

PLAN for the inevitable. Life insurance can be used as a means to protect your family and protect your business.

EXPLORE various ways of sourcing capital.

For more insights and information, visit bmo.com/wealth/reports/entrepreneurgenderdifferences