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Empowering Women in the UK: Understanding the Role of Financial Access and Digital Literacy in Fostering Business Growth

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Abstract

This study reviews existing research on the impact of financial access and digital literacy on the growth of women-led businesses in the United Kingdom, employing a cross-sectional qualitative approach with content analysis of secondary sources. Findings reveal that financial access is crucial for business start-up and scale-up, despite persistent gender disparities. Women-led businesses in the UK contribute most to the health and social work sector (5.2%), while their presence in energy remains negligible. Despite accounting for one-third of UK entrepreneurs, women-founded companies secured only 5.8% of total investments in 2024. Female entrepreneurs received just 1.8% (£145 million) of the £8 billion in equity investment, while male-led ventures secured 86% (£6.92 billion). Furthermore, the average loan for women-led businesses was £174,000, significantly lower than £507,000 for male-led businesses. Barriers to financial access include restrictive institutional financing, limited funding options, gender disparities in investment decisions, and inadequate policies supporting financial inclusion. Similarly, obstacles to digital literacy include inadequate education, lack of mentorship and networking programs, and structural challenges in transitioning to digital business models. The study recommends institutional financing reforms, inclusion of women in formal financial decision-making, and increased participation in the development of digital tools to enhance the growth and sustainability.

Keywords: Financial Access, Digital Literacy, Business Growth, Women Entrepreneurs, UK