Female entrepreneurship in the manufacturing sector: Characteristics and access to institutional financing

This research aims to see whether characteristics of manufacturing firms lead by women are likely to hinder access to funding. Results show no difference between male and female entrepreneurs in terms of their managerial experience, knowledge of their business sector, the amount of initial capital and growth in the number of employees.

The second OECD conference on women and entrepreneurship held in Paris in 2000 once again confirmed the significant and active presence of women at the helm of small and medium-sized enterprises, and the constant growth of the phenomenon in the last twenty years. According to labour force surveys in OECD member countries (“LFS”), 28% of all entrepreneurs in the last decade were women. Canada’s performance is particularly worthy of mention; in the 1990s, some 37.1% of its entrepreneurs were women. A more detailed analysis of LFS statistics shows that some countries, including Canada, the United States, Australia, New Zealand and Norway, have recorded a very high growth in female entrepreneurship since the early 1970s, while others, such as Germany, Greece and Finland, have recorded a significant decline (Gunseli, 2000). The level of entrepreneurial dynamism among a country’s women appears to be a major factor in explaining the rate of entrepreneurial activity in the country (Bygrave, 2000). Despite these interesting statistics, however, the subject of firms led by women has not yet been properly defined and the research to date is insufficient to provide a detailed description of these firms, whether in terms of their age, size, type of ownership, legal status, growth rate or performance. Data such as these are mostly available from occasional studies carried out by independent researchers using limited samples. This research aims to fill the gap, at least in part. Its goal is to throw light on the characteristics of manufacturing firms in Québec led by women, to compare them with those led by men, and to examine in more details the variables most likely to hinder or facilitate their access to institutional financing. We believe such a study is of particular interest,

1 Virtually all the official data on women entrepreneurs comes from the LFS, because in most countries statistics are not differentiated according to the owner’s gender. However, the LFS sampling unit is the individual, not the firm, and as a result the information on the firms is limited to the sector of activity.
in that several other authors have pinpointed the difficulties often faced by women entrepreneurs in obtaining financing.

We begin by presenting the conceptual framework setting out the problem of access to financing by women entrepreneurs. The research methodology is then described, followed by the results. The paper ends with a conclusion highlighting the interest of the results, the limitations of the study and some avenues for future research.

**Conceptual Framework**

As Carter, Anderson and Shaw (2003) recently noted, some of the most important research work on gender and enterprise has focused on finance and related issues. Several aspects of this area of research have been examined, namely the lower rate of use of institutional financing by women when compared to men and the difficulty for women to meet the credit standards expected by traditional suppliers of funds, this leading to problems in access to funding.

**Use of institutional financing**

A number of studies in both Canada (Coleman, 2000; Thompson, Lightstone, 1998; Belcourt et al, 1991; Lavoie, 1988) and the United States (Haynes and Haynes, 1999; Hisrich and Brush, 1986) show that women entrepreneurs make little use of institutional financing and borrow less than men. Several reasons have been proposed to explain why this should be so. First on the list is firm size. The firms owned by women are generally smaller, and it is therefore easier to fulfill their financing needs by reinvesting profits. Similarly, given that women entrepreneurs tend to aim less for growth than their male counterparts (Cliff, 1998; Buttner and Moore, 1997; Orser, 1997), it may also be that they have less need for financing. A greater aversion to risk has also been observed by several authors (Powell and Ansic, 1997; Sexton and Bowman-Upton, 1990; Kozmetsky, 1989; Hisrich and Brush, 1986), as has the fear of refusal, based on previous negative experiences (Thompson, Lightstone, 1998; Belcourt et al, 1991; Kozmetsky, 1989; Lavoie, 1988; Hisrich and Brush, 1986). Finally, the difficulty women have to penetrate informal financial networks may also explain their reluctance to seek external financing. (Carter and all, 2003; Green and all, 1999).

**Access to funding**

Studies on access to external funding by female entrepreneurs have yielded mixed results. According to St-Pierre, Beaudoin et Desmarais (2001), there is no significant difference between loan approval rates of women entrepreneurs and their male counterparts. A different conclusion was reached by Fay and Williams in a study on gender bias and availability of business loans in New Zealand. More specifically, it appears that “women can experience gender discrimination when seeking start-up capital” (1993, page 363). Another study conducted for the Canadian Federation of Independent Business and based on a very large sample confirms these results (Marleau, 1994). Even after considering the presence or absence of all the features listed in Table 1 (see next page), Marleau concluded that loan applications were still refused more frequently for women than for men. In addition, the study showed that the terms of credit offered to women
entrepreneurs tended to be less favourable (higher interest rates and more collateral required) than those offered to men. With regard to this latter point, Coleman (2000) reached the same conclusion based on data from the 1993 National Survey of Small Business Finance. The fact that women need to do more in order to achieve the same rate of success as their male counterparts is also an indicator of greater difficulty in obtaining funds (Bouhachi and St-Cyr, 1995). Indeed, all previous studies seeking to measure women’s perceptions of their access to financing have shown that approximately one-quarter feel they are treated differently by their financial institutions simply because they are women (Lafortune and St-Cyr, 2000; Belcourt, Burke and Lee Gosselin, 1991; Wynant and Hatch, 1991; Stevenson, 1986; Hisrish and O’Brien, 1982; Pellegrino and Reece, 1982). These results contrast sharply with those from a recent case study in France (Orhan, 2001): none of the 13 female entrepreneurs interviewed considered they had been discriminated against.

While many researchers have stated that women are less successful than men in seeking financing, they do not necessarily agree on the reasons for this. Some authors have suggested that it may be due to the characteristics of the firms and the women entrepreneurs themselves (Coleman, 2000; Haines, Orser and Riding, 1999; Fabowale, Orser and Riding, 1995; Wynant and Hatch, 1991; Riding and Swift, 1990). If this were so, discrimination would not be a factor. The reasons given by these authors to explain the funding access problems encountered women entrepreneurs are set out in Table 1.

This overview of the most recent literature highlights the fact that we are still far from having reached a consensus as to whether female entrepreneurs face more difficulties than men when seeking institutional financing. As Carter et al state, « while the research in this area is strong, there is still conflicting evidence about whether finance poses problems for women starting and running businesses. (...) This area remains marred by a lack of theoretical underpinning. While some studies draw on gender theories of inequality, others have no such underpinning, preferring to view gender differences in isolation from other structural factors.” (2003, page 81) This state of the literature, coupled with the fact that few studies have focused on the manufacturing sector, has prompted us to investigate whether manufacturing firms lead by women showed characteristics that could explain possible difficulties in obtaining financing. We make no a priori assumption that there exist inequalities based on gender; we rather take the view that other objective factors related to the entrepreneur, the firm or the sector in which it operates are likely to explain why women may expect to encounter more hurdles than men when seeking external financing.

**Operational Framework**

**Building the Research Sample**
Data was collected by means of a survey of 250 owner-managers of manufacturing firms in Québec (125 men and 125 women), using a telephone questionnaire. The 1996 Scott-CRIQ

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2 This large survey (4,500 respondents) is administered by the Federal Reserve Board and the US Small Business Administration.
database\textsuperscript{3} was used as the starting point for building the sample. A sample of 1,881 firms was first constituted. The databank contained 962 firms led by women, all of which were included in the sample. In addition, 919 firms led by men were selected at random, without the use of control variables. In all, 1,400 of the 1,881 firms had to be contacted to obtain 250 respondents (123 women and 127 men), giving a response rate of 18%. The main reason for this low rate of response is that many of the firms were no longer in existence.

**Data Collection and Analysis**

The information available from the database included contact information for the firm, the name and gender of the principal director, the Scott industrial classification code, the number of employees and the date on which the firm was created. A questionnaire containing 23 closed questions designed to collect information on the firm’s characteristics, especially with regard to growth and performance, was administered by telephone. This collection method helped ensure the quality of the information obtained, both in terms of the respondent’s qualifications and his or her comprehension of the questions. The information gathered in this way can be classified as follows:

- **Characteristics of the firm**: Type of ownership (one or more owners, gender of owners), legal status, number of employees, total amount of sales in the last two years, net profits after tax for the last two years, owners’ equity for the last year of operation, presence or absence of exporting activities, location of target market and initial start-up investment.

- **Characteristics of the entrepreneur**: Age of the principal director with decision-making power, number of years of managerial experience, number of years of experience in the sector prior to taking over the firm, level of education.

The task of defining the term “women entrepreneurs” for this type of research is always delicate. Given the type of database used for this research, we opted for the gender of the principal director, not the owner, to classify the firms in the “male” or “female” categories. This seemed appropriate because the principal director is the most likely person to be responsible for financial applications. In any case, 94% of the women in the sample who described themselves as the “principal director” were also the owner of the firm. This ratio was similar for the male entrepreneurs.

With regard to data processing, the first analysis variable was the respondent’s gender. The following tests were used: $\chi^2$ to establish the variables for which the differences between the two samples were statistically significant, proportional equality tests using the hypergeometric function to identify the categories of the variables characterizing the samples (SPAD software), and mean equality tests for the continuous variables (Anova). Other variables were also used to analyze the sample as a whole, namely type of ownership, legal status and activity sector. Again, $\chi^2$ and mean equality tests were carried out to identify significant differences. More detailed cross-comparisons were performed where necessary.

\textsuperscript{3} This databank contains basic information on Quebec small and medium enterprises (less than 100 employees) from the manufacturing sector.
Results

General Characteristics of the Firms

Two indicators of firm size were used, i.e. number of employees and sales volume. They revealed that the women’s firms were smaller: 48% of the firms led by women had five employees or less, compared with 38% of those led by men. The difference was greatest for firms with 25 employees or more: 14% of the firms led by men had more than 25 employees, compared with just 5% of those led by women. As regards sales, only 155 respondents were willing to provide this information (62% of the sample: 68 women and 87 men). The results are consistent with those for firm size, since 78% of the women respondents reported sales of less than $500,000, compared with just 46% of the men. For both variables, the Chi² tests were significant to 5%. Proportional equality tests using the hypergeometric function also indicated significant differences to 1% for firms led by men having a turnover of more than $500,000 and more than 25 employees. The data therefore support the findings of previous research showing that firms led by women tend to be smaller. Clearly, even in the manufacturing sector, firms led by women are generally smaller than those led by men. The firms led by women were also younger than those led by men: 37% of the women’s firms had been in existence for less than ten years, compared with just 22% of the firms led by men. Inversely, more of the firms in existence for more than 20 years were led by men (42% for men, 24% for women). The Chi² test was significant to 1%, and the difference was greatest in the 21 to 30 years of age category (proportion test significant to 1%). Again, these data tend to confirm previous findings reported in the literature.

The analysis of activity sectors also revealed differences between male and female entrepreneurs. The women tended to work in the clothing and garment sectors, and men in the mineral, petroleum, chemical products and metal products sectors. Again, these results support previous findings to the effect that women entrepreneurs in Québec’s manufacturing sector tend to be concentrated in sectors where less collateral is available, and that are consequently less attractive to the financial institutions.

Legal status also varied significantly according to gender. First, women were more likely to have sole proprietorships than men (36% versus 17%), and second, more of the male respondents had joint stock companies (82% versus 63%). Here, too, the differences are significant to 1%.

In short, our analysis of the characteristics of the firms led by women showed that:
1) The characteristics of the firms in our sample were similar to those found more generally in the literature;
2) These characteristics are such that the women are likely to encounter difficulties when seeking financing.

The analysis of type of ownership yielded interesting findings (see Table 2 below). It revealed that an equal number of men and women in the sample are at the helm of firms with just one owner, which is contrary to previous results reported in the literature. It also highlighted the fact that firms led by women are more often owned in equal partnership with a man than those led by

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4 Table 3 in Appendix presents a summary of our findings compared to existing literature.
men (35 versus 15). Finally, results suggest that men are more likely than women to have business partners of the same gender (41 versus 11).

[Insert Table 2 here]

Cross-comparison of type of ownership with the variables considered earlier revealed more information about the sample firms. First, using the number of employees as a proxy for size, there was a strong link between type of ownership and firm size, in that the firms owned by one person were smaller, regardless of whether their owner was male or female. This suggests that sole ownership generally explains the smaller size of firms, but not of firms led by women in particular, as often seen in the literature. Results also show that the firms in which a woman is in equal partnership with a man are generally as small as sole ownerships. The largest firms of the sample are those co-owned by men only or in which men have a majority status. When women are present, except when they have a minority status, firms tend to be smaller.

Type of ownership also seems to be associated with age of the firm. Firms run by a single woman are more common in the category of firms under ten years of age, while those run by a man are significantly over-represented in the category of firms aged 21 to 30 years. Legal status was also linked to type of ownership. Firms led by one woman are more likely to be sole proprietorships than those led by one man, and conversely, they are less likely to be joint stock companies.

To sum up, the factors characterizing the firms led by women in our sample are size, age and legal status. Type of ownership is also a distinguishing factor but not the sole ownership element, as might have been expected. What stands out is that women tend to run their firm with a man as equal partner more often than men do, these latter favouring partnerships with male colleagues.

**Personal Characteristics of Women Entrepreneurs and the Start-up Process**

Generally speaking, the women entrepreneurs in our sample are better educated than the men; 45% had finished college, compared with just 36% of the men. In terms of age, they are only slightly younger than the men (65% were under 50, compared with 62% of the men). This tends to contradict the argument often put forward in the literature to the effect that the younger age of women entrepreneurs is one of the reasons for a higher refusal rate for their finance applications. The women in our sample tended to have less knowledge of the sector when they started or bought their firm (48% had worked in the sector for less than five years, compared with 38% of the men), but these results are not statistically significant.

Somewhat surprisingly, virtually two-thirds of the business leaders questioned had no managerial experience when they first went into business, and they still managed to survive. Yet, many authors have stated that managerial experience is a crucial success factor in business start-up and survival (Côté, 2001; Gasse and Carrier, 1992; Robidoux, 1980; Perreault and Dell’Aniello, 1981; Charbonneau, 1985). The men in our sample were no better than the women in this respect (63% for men and 68% for women). Results also show that the firm’s activity sector has no impact on the number of years of experience of its leader prior to going into business.
According to the literature, women tend to start their businesses with less start-up capital than men. Our data show that the only gender-based difference is with firms requiring high capital investments, 22% of the men investing more than $250,000 to start their businesses, compared with just 11% of the women. As these results contradict previous research findings, data were analyzed in more depth in order to identify the factors that might have an influence on the amount of start-up capital. First, data from entrepreneurs who had started their businesses, as opposed to buying or inheriting them, were isolated. Interestingly, the percentages of men and women who started their business were the same. We then checked to see whether there was a link between the firm’s current age and the amount invested at start-up. No correlation was found between firm age and start-up investment. This is very surprising, because given the inflation rates of the last few decades, it would be reasonable to expect that the older firms would have required less start-up capital. The link between amount invested and type of ownership was then investigated. No relationship was observed between the two factors. Therefore, we can deduct that there is no significant gender-based difference between the start-up investments of male and female entrepreneurs going into business alone.

A closer look at the findings by activity sector reveals that:

- Regardless of gender, there are some significant differences between activity sectors in terms of start-up investments.

- For the women in the sample, there was no significant difference in terms of start-up investment by activity sector, but the garment sector was the one where the average start-up investment was the smallest ($22,573.68).

- For the men in the sample, there were some significant differences between activity sectors. The sectors in which the start-up investments were smallest were the furniture, wood, garment and metal products sectors, and those where the start-up investments were largest were the non-metal mineral product and food sectors.

- Generally speaking, there was no significant difference between the start-up investments of women and men by activity sector, except for the non-metal mineral sector (average capital amount for men was $275,000, compared with $70,667 for women) and metal products sector (average capital amount for men was $55,000, compared with $16,250 for women). However, these were marginal cases, since only 16 of the sample firms operated in these two sectors.

As there is generally no significant difference between men and women in terms of start-up investment in a given sector, it is reasonable to think that for comparable business projects, both men and women have invested comparable capital amounts. Since the ratio of the entrepreneur’s capital stock to the amount of the loan is one of the key elements in the decision to finance a start-up, women should not be at a disadvantage in that regard.

To sum up this section, the women respondents were better-educated than their male counterparts, and slightly younger too. When they started or acquired their firms, the men and women were equally inexperienced in business management. Although the results suggest that the women knew slightly less about their activity sectors than the men, these findings were not
statistically significant. Lastly, the capital amounts invested by the women at start-up were comparable to those invested by the men. Thus, there is no justification for women to receive a cooler reception than their male counterparts from the financial institutions.

Growth and Performance of Firms Led by Women
Firm growth was measured by two elements, namely sales growth between 1998 and 1999, and growth in the number of employees between 1996 and 1999. The firms were classified into four groups: downsizing, stable, growing and not known. This last category was necessary because many respondents refused to provide sales figures. The results show that there is no significant difference between firms led by men and those led by women in terms of employee growth. In both cases, approximately 40% of the firms were either downsizing or stable, and 58% of the firms led by men were growing, compared with 52% of those led by women. The results are very different and somewhat surprising for sales growth. In fact, more women than men reported growth: 31% of the women who answered the question reported growth, compared with only 21% for the men (note however that the difference is not statistically significant). Considerable care is needed in interpreting these figures since nearly half the women in the sample refused to provide information on their turnover. It is reasonable to suppose that those who refused were mainly those whose firms had performed less well, and it is therefore difficult to ascribe any validity to these particular results. Additional analyses were performed to see whether there was a link between firm size and growth. The results did show a statistically significant link: more of the firms that had downsized (in terms of number of employees) fell into the “1 to 4 employees” category.

In terms of profits, the same problem arose with data collection, in that just 171 of the 250 respondents disclosed their profit figures. Although the amount of profit is not very meaningful unless firm size and activity sector are taken into account, firms led by women generally made fewer profits than those led by men. Nearly 68% of the firms led by women recorded profits of less than $25,000, compared with 42% of those led by men. In addition, the higher profit figures (over $50,000) were generally reported by firms led by men (30%, compared with just 3% for women).

When sales are brought into the equation (profit/sales), there is no significant difference between the firms led by women and those led by men, for both 1998 and 1999. This supports Watson's results (2002): after controlling for a number of potentially confounding variables, no significant difference in the performance of male and female owned SME was found. It also echoes results from DuRietz and Henrekson's study (2000): in a multivariate regression using a large sample of Swedish SME owners (405 female and 3795 male) female underperformance disappeared for three out of four performance variables. In fact, in our sample the variables that appear to be the most important in explaining profitability are legal status and size, followed by activity sector and firm’s age. Gender, exports and the manager’s level of education were found to be non-significant. Firms operated as sole proprietorships were twice as profitable as those operated as joint stock companies (12% versus 6%). The difference was greater among smaller firms, where average profitability was 15.3% for sole proprietorships and 9.1% for joint stock companies. Among the larger firms, the difference was not significant. Firms with fewer than five employees recorded by far the highest profitability rate (11.8%). Size thus appears to be an important factor when analyzing profitability rates. So seems to be the activity sector as
differences in profitability were found between sectors. More specifically, the wood and furniture sectors proved to be the most profitable while the machinery and food sectors were the least profitable ones. We must stress the fact that these findings have to be interpreted very carefully since more than 36% of respondents did not disclose financial information. The results are therefore not representative of the sample as a whole.

The literature suggests that women entrepreneurs have less desire for growth than their male counterparts, which might explain to some extent why the firms managed by women tend to grow more slowly. In return, the lower growth rate appears to make firms led by women less attractive in terms of development potential for the financial institutions. However, results from the current study do not show that gender is an explanatory variable for growth. It is size that has the greatest impact on growth, since the smaller firms in the sample were also those that had grown the least. As for profitability, it appears to be associated more with contextual variables (size, legal status, etc.) than with gender. Again, these results do not permit to predict more difficulties for women when they apply for a loan.

**Conclusion**

The main objective of this research was to identify the characteristics of small and medium manufacturing firms in Québec led by women and see whether those characteristics were likely to hinder access to funding, as suggested by the literature. Our findings certainly throw some interesting light on the subject.

With regard to size, the firms led by women were in fact smaller than those led by men. The difference between the number of firms led by a woman and those led by a man was the greatest in the “25 employees and over” category. Firms led by women were also younger than those led by men. In terms of activity sector, there were more women in the garment sector, and more men in the mineral, petroleum, chemical and metal products sectors. These data are consistent with other findings reported in the literature, and suggest that, in these conditions, women may well find it more difficult to obtain financing. On the other hand, our analysis of type of ownership contributed new information. Contrary to previous findings, our results show that there are no more women than men at the helm of firms with a sole owner.

If we consider the personal characteristics of the entrepreneurs, it becomes more difficult to understand why women would have problems obtaining financing. Contrary to some previous research, the women in the sample were only very slightly younger than their male counterparts and they were better educated. Furthermore, lack of managerial experience and poor knowledge of the sector can hardly be reasons for the financing problems of women entrepreneurs since the men were no better than the women in this respect.

Our results also call into question certain other postulates from the literature. For example, it is inaccurate to say that women start their businesses with less initial capital than men and have less training (making them less credible in the eyes of investors). Better still, in our sample there was no significant difference in employee growth between firms led by women and those led by men. Turnover growth (based on the answers given by the respondents who were willing to disclose information on turnover and profits) was actually higher in the firms led by women. It is firm size, rather than entrepreneur gender, that appears to have the greatest impact on growth.
achieved. The fact that some respondents refused to answer questions pertaining to turnover and profits is certainly a limitation of our study, and it means that we are unable to draw more definite conclusions regarding performance. It would certainly be worth replicating the research with a much larger sample over a fairly long period, with more refined performance indicators.

The most interesting aspect of this study was that it led us toward some new research questions. It invalidated some of the factors proposed in the literature to explain the problems encountered by women in obtaining financing, thereby forcing us to look elsewhere. Why, for example, are firms led by equal male/female partnerships as small as sole proprietorships and smaller than other firms with multiple owners? This question is of particular importance because, according to our findings, size has an impact on future growth. And what about the motivations of women entrepreneurs? Do they have sufficient access to potential support networks? What about their management styles? The answers to these questions might help us explain the smaller size of their venture and offer some interesting avenues for future research.

References


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Institut de la PME de la Banque de Montréal. (1996), Mythes et réalités: le pouvoir économique des entreprises dirigées par des femmes au Canada.


Appendix

Table 1

Characteristics Mentioned in the Literature to Explain Funding Access Problems of Women Entrepreneurs

<table>
<thead>
<tr>
<th>Characteristics of firms owned by women that explain the higher rate of refusal</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td>Firms owned by women are smaller than those owned by men. Thus, the amounts of financing involved are smaller, making them of less interest in terms of profitability for the financial institutions.</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>Firms owned by women are younger than those owned by men. Thus, their credit record is less well-established and women entrepreneurs tend to have less proven track records.</td>
</tr>
<tr>
<td><strong>Activity sectors</strong></td>
<td>Women tend to operate in more risky sectors offering less potential for growth, for example the retail and service sectors where less collateral is available to guarantee the loan.</td>
</tr>
<tr>
<td><strong>Legal status</strong></td>
<td>Women generally opt for sole proprietorships, which are perceived as more risky by financial institutions.</td>
</tr>
<tr>
<td><strong>Type of ownership</strong></td>
<td>Women are often the sole owners of their firms, and this constitutes an additional risk for the lending institution.</td>
</tr>
<tr>
<td><strong>Growth and performance</strong></td>
<td>Firms owned by women tend to under-perform and exhibit lower growth rates than male-owned firms, hence less potential for development, which makes them less attractive to financial institutions. The lower potential may also reflect skill deficiencies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics of women entrepreneurs that explain the higher rate of refusal</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>Women entrepreneurs tend to be younger, and their youth is perceived as a risk factor by lenders.</td>
</tr>
<tr>
<td><strong>Prior experience</strong></td>
<td>Businesswomen have less managerial experience than their male counterparts, hence the reticence of the financial institutions.</td>
</tr>
</tbody>
</table>

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Results of studies on performance do vary depending on the definition of the latter. As far as stability is concerned, the survival rate of women-owned businesses is as good if not better than those of men. If performance is defined in terms of size, women entrepreneurs under-perform men. However, if performance is measured in terms of return, gender differences are not significant.
### Table 2

**Type of Ownership by Director’s Gender**

<table>
<thead>
<tr>
<th>Type of Ownership</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole owner</td>
<td>65</td>
<td>66</td>
<td>131</td>
</tr>
<tr>
<td>Mixed ownership – equal partners, M and W</td>
<td>35</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td>Several owners – M only or a majority of M</td>
<td>10</td>
<td>41</td>
<td>51</td>
</tr>
<tr>
<td>Several owners – W only or a majority of W</td>
<td>11</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td><strong>Chi 2: 30, 356 p&lt;0.01</strong></td>
<td>123</td>
<td>127</td>
<td>250</td>
</tr>
</tbody>
</table>

When calculating the Chi2, the “Other” category was grouped with the firms owned by several women.

### Table 3

**Summary of our findings compared to existing literature**

#### Characteristics of firms owned by women that explain the higher rate of refusal

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Literature</th>
<th>Our findings</th>
<th>( \chi^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Smaller businesses</td>
<td>Agree</td>
<td>No of employees: p &lt; 5 %</td>
</tr>
<tr>
<td>Age</td>
<td>Younger businesses</td>
<td>Agree</td>
<td>p &lt; 5 %</td>
</tr>
<tr>
<td>Activity sectors</td>
<td>Offer less collateral</td>
<td>Agree</td>
<td>p &lt; 0,1 %</td>
</tr>
<tr>
<td>Legal status</td>
<td>More sole proprietorships</td>
<td>Agree</td>
<td>p &lt; 5 %</td>
</tr>
<tr>
<td>Type of ownership</td>
<td>More sole owners</td>
<td>Disagree</td>
<td>More equal partners</td>
</tr>
<tr>
<td>Growth</td>
<td>Smaller growth</td>
<td>Disagree</td>
<td>No significant differences</td>
</tr>
<tr>
<td>Performance</td>
<td>Mixed results</td>
<td>Disagree</td>
<td>Profit margin: no significant differences</td>
</tr>
</tbody>
</table>

#### Characteristics of women entrepreneurs that explain the higher rate of refusal

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Our findings</th>
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<tbody>
<tr>
<td>Age</td>
<td>Younger</td>
<td>Disagree</td>
</tr>
<tr>
<td>Prior experience</td>
<td>Less experience</td>
<td>Disagree</td>
</tr>
<tr>
<td>Management experience</td>
<td>Less experience</td>
<td>Disagree</td>
</tr>
</tbody>
</table>