

Economically empowered women are major catalysts, as they usually re-invest their money in their children's health, nutrition, and education. Reducing gender inequality in financial resources and improving the status of women is thus "smart economics." There is mounting evidence to show that women's economic activity results in better bargaining power in the home.

External financing and, in particular, the availability of business loans is especially relevant for women's new ventures as they have less access to property or resources such as employment. Gender differences in access to financial services can thus potentially have negative repercussions not only for women entrepreneurs but for the overall economy.

Women entrepreneurs are more likely to cite access to finance as the first or second barrier to developing their businesses and in addition, women tend to have less access to finance and other resources than men. Such differences create a distortion and often result in a situation where women's economic activities are under-resourced and undercapitalized, reducing the overall aggregate output and inhibiting economic growth.

### **Reference documents (PDF)**

- [Access to finance.pdf \(pdf, 6.28 MB\)](#)

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