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 fnancial 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 fnancing 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 diferences in access to fnancial 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 fnance as the frst or second barrier to developing their businesses and in addition, women tend to have less access to fnance and other resources than men. Such diferences create a distortion and oftenresult 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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