

Today's Girls, Tomorrow's Entrepreneurs

Transforming Interest and Aptitude into Success



What is entrepreneurship, and why does it matter for girls?

To many, entrepreneurship is synonymous with start-ups or capital ventures. But at Girl Scouts, we know that entrepreneurial innovation can also be used to solve social problems and make the world a better place.

ENTREPRENEURS are people who create new businesses, products, services, or processes or find ways to improve what currently exists. They stand out for their courage to try something different and their ability to solve problems in novel ways.

Helping girls enter the business and entrepreneurial workforce is beneficial for girls *and* the world. If girls are left out of the entrepreneurial space, they can suffer from long-term financial and career consequences that contribute to the leadership and wage gap between men and women. But when girls' and women's ideas for how to change the world are put into action, the economy gains revenue and society gains ingenuity.

Encouraging girls' entrepreneurship prepares them for any future career. The social and emotional qualities that lead to successful entrepreneurship, like curiosity, confidence, and innovation, are also crucial for all types of academic and career success.¹ That's because entrepreneurs take an idea, run with it, and turn it into action—an essential life skill as well as an important business skill. Building girls' "entrepreneurial mindset" (the skills or qualities that we know are linked to entrepreneurial success) prepares them for workforce readiness no matter where they go or what they decide to do.

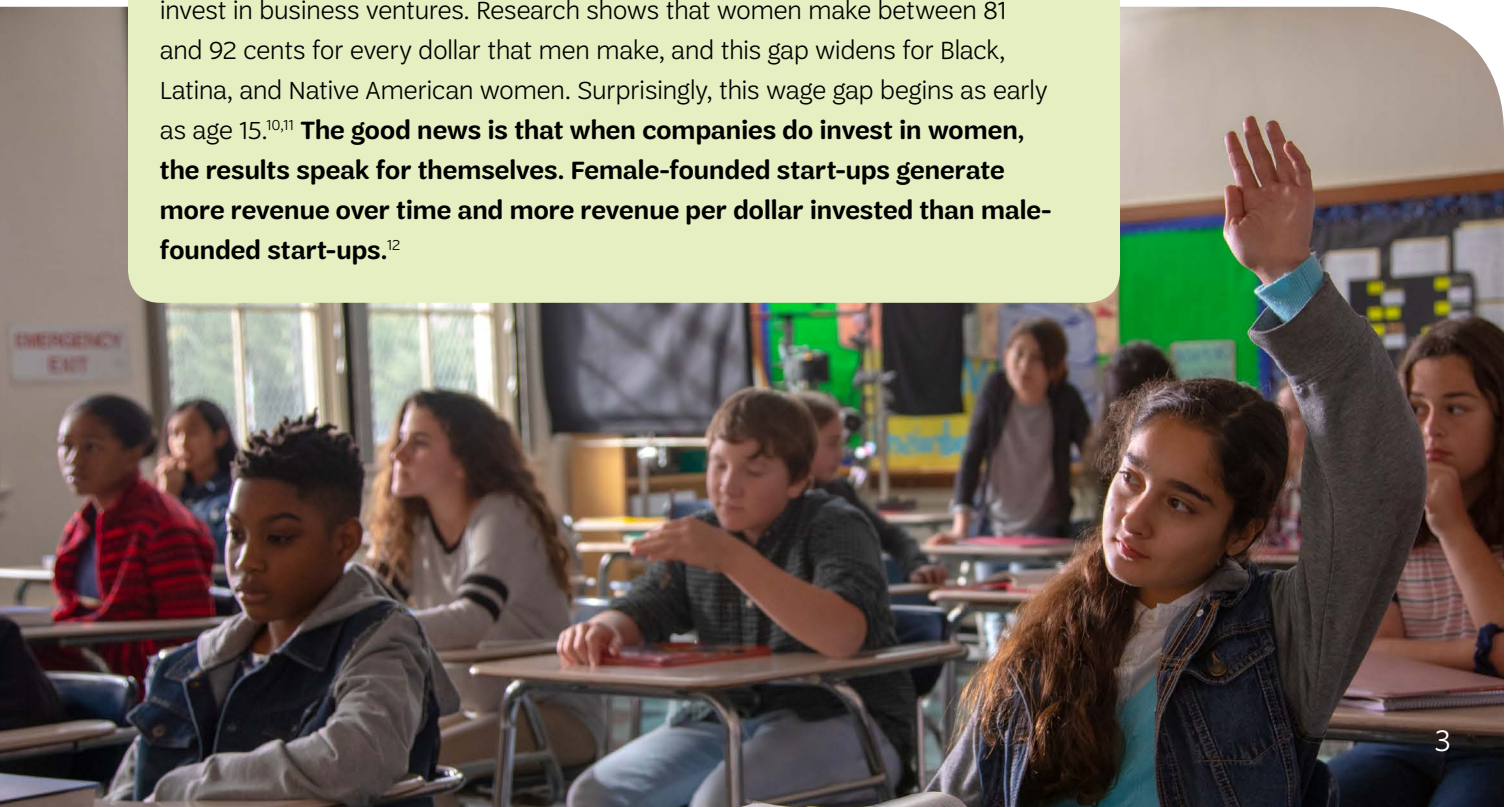
Insight into how girls experience and aspire toward entrepreneurship is key to supporting their potential. Although there is a good deal of information available about women in business and entrepreneurship, it doesn't tell us how today's girls think and feel about these subjects. To address this, the Girl Scout Research Institute conducted a nationwide study with 1,506 girls ages 8–17 to discover which skills they need now to be the entrepreneurs of the future and how their experiences and attitudes affect their career goals. Additionally, what role can families and youth organizations like Girl Scouts play to help girls empower themselves in this space?

What We Know About Women in Entrepreneurship

Research indicates that women still face hurdles to entry into and success in business and entrepreneurship. Although change is happening, women in top leadership positions are still scarce, and women in business and entrepreneurial positions are still underrepresented overall. Just 5% of CEOs and 12% of other top executives in the S&P 500 are women.² Although the number of start-ups with a female founder doubled between 2009 and 2014, this still translates to less than 20% of start-ups with a female founder.³ Fewer women are preparing for careers in business leadership compared to men; only 37% of full-time students pursuing a master of business administration degree are women.⁴

The number of female-owned businesses is growing, but women remain underrepresented and are less likely to pursue entrepreneurship compared to men. In the United States, women own 39% of all businesses and employ over 9 million people. Yet female-owned businesses employ only 8% of the workforce and produce 4% of national revenues^{5,6}—closing this gap will not only help women but also strengthen the economy overall.

A top issue that women in business face is a lack of investments and financial backing. When women do pursue entrepreneurship, they are less likely to receive capital investment than men.⁷ Female-owned businesses receive only 2% of venture capital money⁸; fewer of these business owners ask for loans or financing, and when they pitch their ideas to investors, they receive less money.⁹ **This investment gap presents an extra layer of challenge for women because they already earn less than men** and have less personal capital to invest in business ventures. Research shows that women make between 81 and 92 cents for every dollar that men make, and this gap widens for Black, Latina, and Native American women. Surprisingly, this wage gap begins as early as age 15.^{10,11} **The good news is that when companies do invest in women, the results speak for themselves. Female-founded start-ups generate more revenue over time and more revenue per dollar invested than male-founded start-ups.**¹²



Main Finding #1: Today's girls are already thinking like entrepreneurs. They possess many traits we know are linked to entrepreneurial success and are socially conscious problem-solvers.

Defining “Entrepreneurial Mindset”

Girls with an entrepreneurial mindset have a set of skills or qualities—like curiosity and confidence—that we know are linked to entrepreneurial success. Girl Scouts’ definition of entrepreneurial mindset* merges innovation and strategic risk taking with a focus on social impact and collaboration.

Girls with entrepreneurial mindsets are:

- ✓ Confident in their abilities
- ✓ Socially conscious problem-solvers
- ✓ Curious learners
- ✓ Innovative and flexible thinkers
- ✓ Challenge-seekers and risk-takers who learn from setbacks
- ✓ Collaborative teamsters

Girls’ entrepreneurial outlook is bright! Most girls:

■ Know they **want to change the world and are confident in their own abilities to make their mark.**

Most girls want to make the world a better place to live in (95%), and many agree that when they see a problem in their community, they think of multiple ways to solve it (72%). Nearly all girls believe they are smart enough to become an entrepreneur (92%).

■ **Embrace challenges, take risks, and see failing as an opportunity to learn and grow.** About nine in ten (87%) girls say that even when they’re afraid of making a mistake, they still try new things and that they learn from making mistakes (93%). Eight in ten say they aren’t afraid to try things that are hard (84%) and that failing at something makes them want to try harder (82%).

■ **Are curious and innovative self-starters,** and many already think about how products or services can be made better. They like to ask a lot of questions (85%) and like to find new ways of doing things (89%). Additionally, they often have ideas about how products, services, or processes could be improved (79%).

■ **Are collaborative team players open to new ideas and knowledgeable about where and when to ask for help.** An impressive 90% are willing to try other people’s ideas about new ways of doing things. These girls are resourceful and know how to find others who can help them complete their goal (86%), which is especially important because social capital is necessary to getting new businesses off the ground; only 25% of women sought funding for their business even though over half would like funding.¹³

Six in ten girls have an entrepreneurial mindset.*



The girls who are still developing their entrepreneurial mindset need the most support when it comes to community problem solving, innovative thinking, and challenge seeking—that is, they are less likely to see failure as an opportunity to try again.

Main Finding #2: Girls are already exploring their entrepreneurial interests. And when it comes to future careers, girls care about gaining gender parity, having financial stability, and being able to use their talents to make an impact.

78%
of girls are interested in becoming an entrepreneur in the future

76%
are interested in starting their own company

84%
want to lead a cause or campaign for something they believe in

Many of the things girls want to do as part of their future career are the very things required of entrepreneurs, including:

- Coming up with new ideas (92%)
- Taking on new challenges (88%)
- Challenging the ways things are done (80%)
- Creating jobs for other people (80%)

Most girls are already actively engaging in entrepreneurial activities.

Nine in ten (89%) girls have already done something related to entrepreneurship:


- One-third found a new way to use an existing product or service (35%) or created a new product or service (34%)
- 25% encouraged someone else to join a social issue or cause
- 19% started their own YouTube channel, blog, or vlog
- 14% started their own business (e.g., a lemonade stand, babysitting club, etc.)
- 10% organized a fundraiser for a cause or campaign
- 10% started a new club, campaign, or organization

When it comes to future careers, girls want to use their talents, make an impact, and be financially stable. Girls have five requirements for their careers:

- ✓ Doing something they're good at (98%)
- ✓ Making positive changes (98%)
- ✓ Helping people (98%)
- ✓ Working in an environment where men and women are treated equally (97%)
- ✓ Having a steady income (95%)

Demographic Differences

Girls from higher-income households and older girls are more experienced with entrepreneurial-type activities, like volunteering, selling items as part of a fundraiser or school club, encouraging someone to join a social cause, or being an elected officer of a club or organization.



For older girls, motivation to do entrepreneurial-type activities is more tied to gaining experience and preparation for the future (college, career, etc.). For younger girls, motivation is more focused on having fun, making friends, and creating something new.

Main Finding #3: Although girls express confidence in their ability to be entrepreneurs, they also identify key challenges to getting started, including a fear of risk and gender stereotypes.

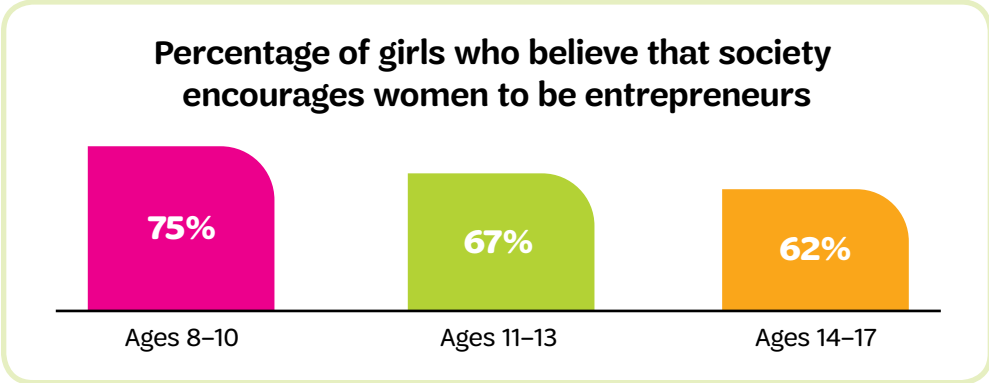
Despite girls’ high interest, less than half of new entrepreneurs today are women.¹⁴ Much of what girls identify as common barriers we know that adult women continue to face, such as limited access to information about how to get started, how to access the social and financial capital and technology to succeed, and perceptions of an entrepreneurial glass ceiling related to gender.

Three in four girls believe they would have to work harder to succeed in entrepreneurship roles because of their gender.

For girls, a few key stumbling blocks emerge when they consider entering the entrepreneurship space:

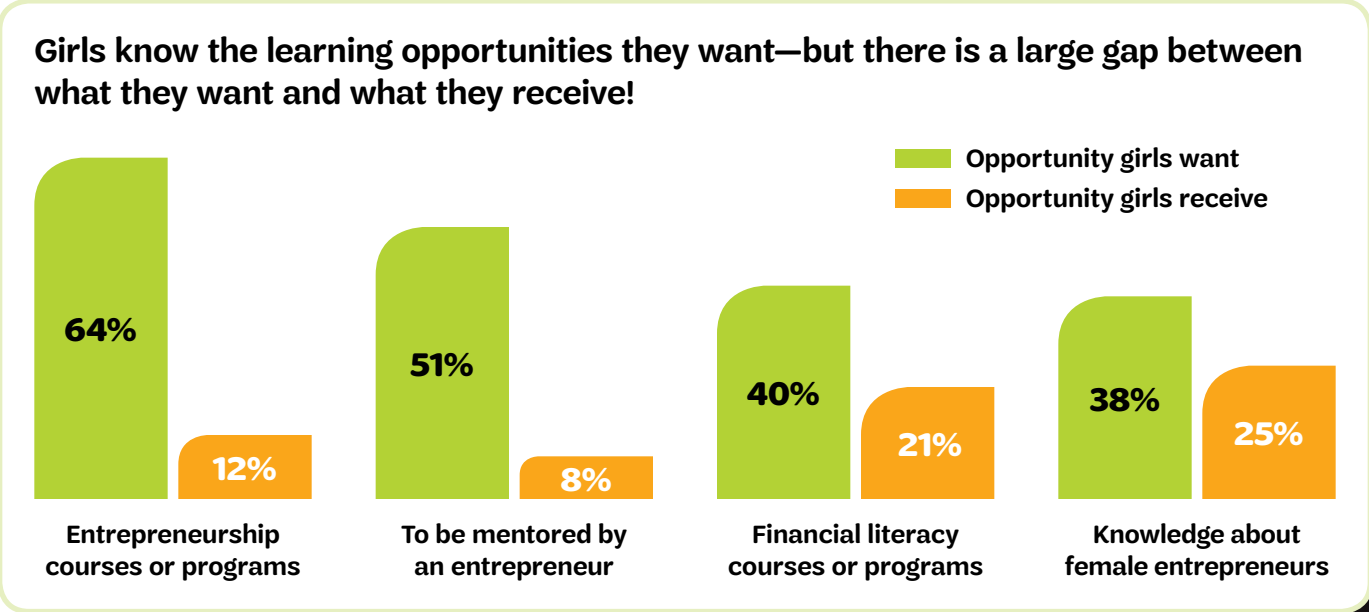
- **Not knowing where to start.** This is the number-one barrier girls cite (34%).
- **Entrepreneurship not being worth the risk/fear of failure.** Despite expressing comfort with failure, 29% of girls list it as a barrier (being afraid to fail or being afraid to try something new and different). And about one in three girls agree that entrepreneurship is not worth the stress or the risk of failure, while 36% of girls want help overcoming a fear of failure.
- **Perception of an uphill battle because of their gender.** Three in four girls believe they would have to work harder to succeed in entrepreneurship roles because of their gender. Other gender assumptions are also at play; while most girls agree that men and women are equally capable of being the CEO of a company or starting their own business, many believe that men are more likely than women to actually do it. This is particularly important given research that suggests that stereotypes depicting entrepreneurs as men may deter girls and women from considering this career path.¹⁵ For example, we often celebrate male entrepreneurs (e.g., Steve Jobs, Bill Gates, Jeff Bezos, Elon Musk, etc.) without also highlighting women’s achievements.

As girls get older, not only does their interest in being an entrepreneur decrease slightly (85% of older girls ages 14–17 vs. 91% of younger girls ages 8–10), but they are also less likely to feel like society supports women in entrepreneurship.



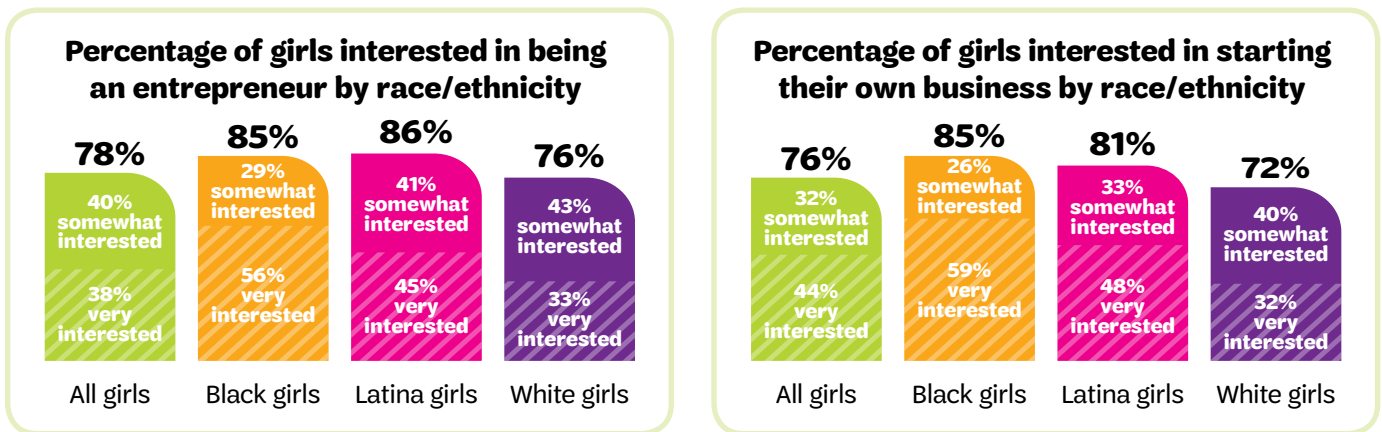
Main Finding #4: Girls need additional support and encouragement in the entrepreneurial space. They're clear about what they want: more learning opportunities and real-life access to role models.

- Even though nearly **half of girls have actively been encouraged by someone to be an entrepreneur**, we need to ensure that *all* girls with interest feel supported.
- **Many girls have already taken part in various activities related to entrepreneurship**, but girls themselves want additional opportunities.



Main Finding # 5: Black and Latina girls are especially interested in and particularly poised to become leaders in entrepreneurship*; we need to support their interest and help them reach their goals.

This mirrors national growth trends among female-owned businesses—in 2018, 20% of all female-owned businesses were owned by Black women and 17% were owned by Latinas, a number reflecting consistent annual growth since 2007.⁵ Yet one of the challenges faced by Black and Latina business owners is lower investment and lower overall business revenue.⁵



We need to elevate girls' strengths and provide support for their unique challenges.

All girls think they are smart enough to be an entrepreneur and would like more access to entrepreneurial classes or activities, but girls do face differences in the encouragement they have received.

- **Overall, Black girls are the most likely to feel encouraged to be an entrepreneur.** Nearly half (47%) of Black girls say their parents have encouraged them to be an entrepreneur, compared to 37% of Latina girls and 32% of White girls.
- **When it comes to societal messages, 41% of Latina girls don't believe society encourages women to be entrepreneurs,** compared to 33% of White girls and only 22% of Black girls.
- **Black girls are more likely to personally know an entrepreneur** (36%) compared to Latina girls (23%) and White girls (24%); however, **only about one in ten overall have been mentored.**

As the United States grows into an increasingly racially and ethnically diverse society, it is critical to close the gap in leadership and opportunity for girls (and women) of all backgrounds. Supporting Latina and Black girls' entrepreneurial interest by investing in educational opportunities and adult mentorship is crucial to their success—and to the success of our national economy.

*Girls of other backgrounds did complete the survey, but the numbers, although reflective of U.S. Census data, were too small to make comparisons against.

How can we support girls?

By encouraging girls to enter the entrepreneurial space with the socially minded outlook so many already possess, we're not just preparing them for success in the marketplace but also giving them the tools to solve problems generally. We can transform what leadership looks like in the country by ensuring girls have the mindset and important business skills they need to succeed and by breaking down barriers to entry and success by removing the obstacles that girls themselves identify.

The United States was recently ranked the top country in the world for women's entrepreneurship on the Female Entrepreneurship Index,¹⁶ which measures how well the conditions in a country pave the way for women's entrepreneurial success. Research found three key areas that improve conditions for women in business: **networking** (increased access to other female entrepreneurs), **opportunity start-up** (whether entrepreneurs start their business out of a market opportunity or necessity [because they were unable to find other work]), and **cultural support** (improved attitudes toward women in executive roles and access to necessary supports, like childcare).

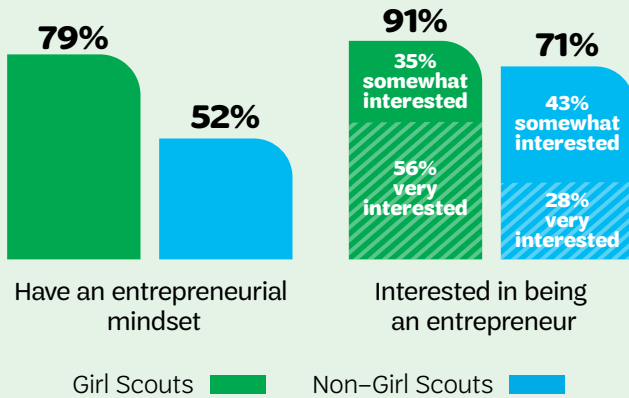
To pave the way for more girls' entrepreneurial success, they must have access to networking, role models, and mentors. Entrepreneurs who have a mentor are more likely to start a business that succeeds over time. And mentors help close the gender gap in business—when mentored, female-owned businesses are as successful as male-owned businesses (measured by equivalent growth, job creation, and longevity).¹⁷

We know that qualities such as risk taking, problem solving, self-confidence, creativeness, and innovation contribute to women's success in business.¹⁸ Fortunately, it's these very qualities that girls build through their experiences during Girl Scouting, which is why the organization is a prime solution.¹⁹



The Girl Scout Difference

Girl Scouts are more likely than other girls to have an entrepreneurial mindset and are more likely to want to be an entrepreneur in the future:



These differences hold true even when controlling for education, family income, and girls' ages.

- **Girl Scouts particularly shine** when it comes to community problem solving, innovation (e.g., ideas about how products, services, or processes could be improved), social capital (e.g., knowing how to link with others who can help them achieve their goals), and using failure as an opportunity to learn.
- **Girl Scouts have had more opportunities to do the types of activities that support entrepreneurship.** On average, Girl Scouts were two times as likely to have done entrepreneurial activities than other girls.

Through Girl Scout experiences, girls develop the attitudes, skills, and behaviors they need to succeed in life, giving them the courage to fail and keep trying, the tools to create an independent future, and the power to do good in the world.

Tips for Adults

How to Encourage More Girls to Become Entrepreneurs

Parents, caregivers, teachers, troop leaders, and other advocates of girls can help them become entrepreneurial leaders by:

- 1. Recognizing and celebrating the great things girls are already doing, and making sure they know these activities are the foundation for entrepreneurship.** Help them see that their experiences innovating, leading, organizing, and fundraising are a starting point to or actual entrepreneurship and a means to change the world.
- 2. Acknowledging and encouraging girls when they're working on the elements of an entrepreneurial mindset, such as—**

- Being curious about how things work
- Adapting to a changing environment
- Collaborating with others to accomplish a goal
- Taking initiative on a project or even a simple task
- Embracing challenges, even when things are difficult
- Trying again when things don't work the first time

- 3. Encouraging girls to overcome the fear of failure.**

Challenge them in ways that channel their desire for creativity and their aptitude for risk taking into opportunities to fail, ultimately helping them learn from and overcome their fear of failure. When working with girls, don't just recognize their finished product or project but celebrate and encourage them when they persist through challenges and setbacks along the way.



- 4. Giving girls the chance to “try on” entrepreneurship in safe places.** The Girl Scout Cookie Program—the largest entrepreneurial program for girls in the world—is one such example where girls get hands-on practice with a variety of skills, including goal setting, decision making, money management, people skills, and business ethics as they learn to think like entrepreneurs. Through the program, they learn from setbacks; collaborate with other girls to reach common goals; and, over time, take on more responsibility for their cookie business as they progress through Girl Scouts.
- 5. Ensuring girls have access to financial literacy education that grows as they grow.** Girls are curious about how to become financially independent and interested in ways to learn more about it. Talk to girls about finances and give them hands-on experience managing their own money. Girls can earn a Financial Literacy badge every year they're in Girl Scouts, allowing them to build skills over time.

Download the tip sheet for more ways to support girls!

www.girlscouts.org/success

- 6. Connecting girls to mentors.** Schedule face-to-face time between girls and female entrepreneurs or innovators. These women can clarify some of the ambiguity about how to get started; answer questions about how they have handled stereotypes about women in business, stress, and the risk involved; and, ultimately, inspire girls to work hard to meet their fullest potential.
- 7. Asking adult role models to make an ongoing commitment to eliminate gender biases from dialogue and to nurture girls' interest in entrepreneurship.** This includes using female examples of entrepreneurs and inventors when talking about entrepreneurship and eliminating gender-biased language like “businessmen,” which can alienate girls.
- 8. Teaching girls about social entrepreneurship.** We know that girls want to make the world a better place, so we should teach them about social entrepreneurs—those particularly focused on finding solutions to problems in their communities or in the world—so they can see the full power of entrepreneurship. Let older girls do their own research and find a social entrepreneur who inspires them.

Girls are poised to be leaders in entrepreneurship—they have the interest and the aptitude, so we just need to support them as they get there! Help us advocate for girls. Share this research with someone you believe can take action on behalf of girls, whether it's a seasoned entrepreneur who can serve as a mentor or an investment firm that has exclusively male partners. We need more advocates to make sure the world is ready for entrepreneurial girls, because we know they're ready to take on the world! ■

Study Methodology

The Girl Scout Research Institute partnered with Decision Analyst, LLC to conduct qualitative research with 1,506 girls ages 8–17 across the United States (31% ages 8–10, 41% ages 11–13, and 28% ages 14–17). These national samples aligned with U.S. Census data for youth ages 8–17 with respect to race/ethnicity, urbanicity, geographical region, and household income. Additionally, 24% of the sample were Girl Scouts.

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The *Girl Scout Research Institute* delivers data-driven insights across the Girl Scout Movement and beyond, leading national conversations about girls and their development via groundbreaking original studies.

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