



The Barriers and Opportunities for Women Angel Investing in Europe

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PROJECT CO-ORDINATOR



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Based on Research led by UKBAA and Angel Academe, UK

In collaboration with the following Partner Organisations:
France Femmes Angels; BeAngels, Belgium; IESE, Spain; IBAN, Italy; Women WinWin, Portugal

The WA4E project is co-ordinated by Business Angels Europe

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Executive Summary

1. BACKGROUND

This research has been done in the context of the European-funded programme, **Women Business Angels for Europe's Entrepreneurs WA4E** which represents a consortium of partner organisations from six countries of Europe, comprising UK Business Angels Association and Angel Academe in UK; Femmes Business Angels, France; Be Angels Belgium; IESE, Spain; IBAN, Italy and Women WinWin, Portugal and the project is co-ordinated by Business Angels Europe, the European association for national angel federations and trade bodies. WA4E was launched in January 2017 and runs to December 2018.

The programme has the objective of increasing the number of women business angels in the six partner countries, recognizing that the current proportion of women angel investors across Europe is very low compared to their male counterparts and that there is a vital untapped source of equity finance to support the growth of entrepreneurs, especially women entrepreneurs.

The aim of this research, supported by the European Commission under the WA4E programme was therefore to understand the common characteristics and drivers of women who do invest and to understand the barriers and challenges for women who do not invest; how might we reach the women who fit the profile, but don't currently invest?

The results of this research will be used to increase understanding in each of the partner countries to support the delivery of a concerted programme of actions at local, regional and national level to recruit and mobilise more women angel investors and also to identify any specific policy recommendations that might be made for implementation at Member State level and at the level of the European Commission and Parliament to address this issue of the lack of women angel investors.

2. METHODOLOGY AND APPROACH:

The Research was led by UK Business Angels Association, the trade body for Angel and early stage investing in the UK in partnership with Angel Academe, a leading angel network focusing on investing in women in technology. It was supported by the WA4E partner organisations in the other five EU countries. The survey integration on the online platform and analysis of results was carried out by Cass Business School, a highly experienced academic institution with strong market research expertise, especially in SME finance.

The research comprised a detailed online questionnaire produced in 6 different versions relevant to language and the regulatory and fiscal environment in each partner country. This was accompanied by a proactive campaign to raise awareness of the research and encourage participation in the survey. The partners reached out to a total of over 6,000 women across the six partner countries. By the end of the collection period, a total of **640 with** valid responses were obtained across the 6 countries. This was 10% of the survey target market and thus represents a statistically robust sample of women in the partner countries and included 310 women who were already angel investing and 330 women were not angel investing, so this was a useful split to benchmark the characteristics of these two groups.

The online research was accompanied by a qualitative survey based on detailed interviews among 225 women across the 6 partner countries who had completed the survey to give a more detailed personal perspective on women's approach to angel investing.

3. KEY FINDINGS OF THE RESEARCH

Characteristics of the women respondents:

The women respondents were mainly aged between 31 - 50 and the majority of the women respondents (70%) were highly experienced business women with a significant proportion of the women respondents (42%) having had 21 - 30 years of business experience.

The Women respondents were highly experienced business women and were active in business across a range of industry sectors. Whilst those who are angel investing have more years business experience than those not yet investing

A significant proportion of women investors and non-investors had founded at least one business and nearly 72% of women who had founded a business have also positively exited at least one business.

The women respondents had a strong level of annual income overall, with the majority having modest disposable assets

Characteristics of Women respondents who were angel investors:

Women who had founded at least one business were more likely to be aware of or get involved in angel investing

Financial capacity and disposable wealth have some influence on women's decision to be an angel investor

Many of the women were running their own business or having a portfolio career, and this had been shown to be a strong driver to start angel investing

Women angels are backing a wide range of industry sectors from deep tech to food with significant focus on making a social impact

There is a strong propensity for women investors to back women led businesses

However the women angel market lacks maturity with many women have made only a small number of investments - and only a small proportion of the women investors have an investment portfolio or track record

Many women are not committing much finance annually to angel investing

Many women investors were not investing in syndicates, potentially reflecting a lack of opportunity to join women friendly groups, or the lack of understanding about the opportunity to invest in syndicates to mitigate risk and pool finance and skills

What were the key drivers for women to start angel investing

Supporting entrepreneurs to grow their business, “putting something back” and supporting their local economy was regarded as the primary motivation for women to become angel investors – and this was more significant than making a financial return.

Keeping up to date with business and technological innovations and developments was also a strong motive for many women investors

The opportunity of meeting like-minded people and making new friends and contacts within a network, making new social contacts and exchanging experience with their peers was also seen as important for many women.

What were the concerns and barriers to angel investing identified among the women respondents who were not investing

Women non-investors lacked understanding of the core process of angel investing and identified angel investing as risky

Many women were unaware of tax breaks for risk mitigation

Women thought that angel investing was only for the super-rich, with the belief that you have to commit very significant amounts of finance in each company.

Women lacked understanding of how to find and invest in quality deals

Many women identified a lack of confidence in making a financial decision about making an investment in a small business

Over half of the women non-investors felt that life stage and other family financial priorities as a major reason for non-engagement in angel investing, as well as a lack of time, rather than actual financial capacity.

Over half the women non investors (54%) thought that life stage and other priorities prevented them from angel investing

Women have not been made aware by their Financial Advisors about angel investing, or the tax breaks to mitigate risks, whilst the Financial Advisory community tend to direct women towards low risk areas of investment.

The lack of access to angel groups or angel investors and the lack of visibility of this area of investing is seen as one of the main reasons why there are so few women angel investors compared to men.

Most of the women non investors did not know any female peers or female role models who were angel investing

4. IMPLICATIONS FOR ACTION IN THE WA4E PARTNER COUNTRIES:

The results of these research findings will be used to help us to understand the barriers and drivers relating to angel investing and will be used to frame the delivery of the ongoing programme of actions being carried out by the WA4E Partners and most notably will be used to support the development of relevant actions and key messages for awareness and recruitment of women to address the identified barriers to angel investing. This includes:

Targeted Awareness and Recruitment Campaign This should reflect understanding of how to reach the core target groups of women, including through professional women’s networks and using key messages aimed at increasing overall understanding of the opportunity for angel investing and aimed at addressing women’s core concerns about risks, time and financial commitments. Actions would also address the lack of information and guidance to women on investing offered through financial advisors and financial media.

Women Investor Role Models and Case Studies: Many women identified the need to have more women involved in angel investing speaking about their activities and imparting their rationale for getting involved and talking about their investments and outcomes, especially about the entrepreneurs they have backed and the impact their investment has had on their growth, especially any successful exits. This could be in various fora, both at face-to-face events and in the media/online, as well as women investors willing to act as mentors.

Education and Mentoring On Angel Investing: Nearly all women interviewed felt that there was a need for access to more bespoke education programmes, such as workshops, aimed at helping women understand the process of investing and to demystify much of the jargon around it. There is a need for better understanding of what the angel investing process entails and specific aspects like financial, legal and tax knowledge that will help women feel more knowledgeable and in control. This,

combined with mentoring and support from women who are already investing, was seen as an important aspect

Enabling women to invest in more female-friendly networks/syndicates: Many women cited the lack of access to angel investing groups that were female friendly and diversity in investor groups and that this was more important than women only. There was need for a targeted campaign directed at existing angel groups across the partner countries to encourage them to welcome and support women angel investors and to support the development of more diverse, female focused angel groups or syndicates. The concept of a dedicated national or regional level forum for women offering peer to peer support and exchanging experiences on angel investing was felt by many to be more useful than encouraging women-only investing groups.

5. RECOMMENDATIONS FOR ACTION AT NATIONAL AND REGIONAL LEVEL

The research also indicted the opportunity to improve existing policy at national and EU level. This includes :

Support for National/Regional Women Angel-Co-Investment Funds: Opportunities should be explored for the establishment of a national or regional focused Women Angel Co-investment fund in each of the partner countries. This would have the aim of stimulating and leveraging women focused angels, providing further fire power for women angels and encouraging syndication and the development of more lead women angels. These funds could potentially draw on support from ERDF or EIF/EIB funds alongside private sector funds in the countries concerned, and build on existing co-investment fund models where these already exist in the Member States

Establishment of an EU wide Women Angel Co-investment Fund: We also propose that the European Commission consider the opportunity to establish a **European Women Angel Co-Investment Fund**. This would be aimed at stimulating and leveraging an increased level of women angel investment specifically in key countries where this market is especially underdeveloped, by providing matching funding alongside deals led by women investors, including those investing in women entrepreneurs. Also offering the opportunity to women investors to come together across borders to support entrepreneurs and pool their investment capacity and business expertise.

1 Introduction

1.1. BACKGROUND AND AIM OF THE RESEARCH

Angel Investment is the most significant source of risk capital for start up and early stage businesses across Europe, bringing not only finance, but vital business experience and expertise to enable businesses to achieve their high growth potential. Yet the proportion of women business angels of the total number of angel investors remains extremely low. Among the six partner countries in this study the proportion of women investors in the total angel investment market in each country in 2017 is estimated as follows: 14% in the UK are at 14% of the total market; with 10% for Belgium, 23% for Italy, 9% for Spain, 5% for France, and less than 5% for Portugal.

At the same time many women across Europe are achieving considerable success in their business and professional lives, but are missing out on the opportunity to use their financial capacity and business experience to back early stage businesses across Europe, especially those led by female founders. It is vital for the European economy to access this untapped pool of risk capital to support Europe's entrepreneurs, but we need to understand the barriers and challenges that are holding women back from angel investing, so that measures can be put into action to effectively address these barriers and create a significant increase in the participation of women in angel investing in the Partner countries concerned.

This research has been done in the context of the European-funded project, Women Angels for Europe's Entrepreneurs WA4E and which has the objective of increasing the number of women business angels in the six partner countries. WA4E represents a consortium of partner organisations from six countries of Europe, comprising UK Business Angels Association and Angel Academe in UK; Femmes Business Angels, France; Be Angels Belgium; IESE, Spain; IBAN, Italy; WinWin, Portugal. The WA4E Project is co-funded by DG Grow of the European Commission and was launched in January 2017, running to December 2018 and is co-ordinated by Business Angels Europe.

The core aim of the research survey and analysis was to better understand the common characteristics and drivers of those women who do invest and to understand why women who share these key characteristics and profile do not invest: what are the barriers and challenges; how might we reach the women who fit the profile, but don't currently invest? And what concrete and sustainable actions do women recommend that we should we take to encourage women to invest?

The results would be used to increase understanding in each of the partner countries about what further actions could be taken at local, regional and national level to recruit and mobilise more women angel investors and to identify any specific policy recommendations that might be made to the European Commission and Parliament to address this issue at European wide level.

1.2. METHODOLOGY AND APPROACH:

The Research was led by UK Business Angels Association, the trade body for Angel and early stage investing in the UK in partnership with Angel Academe, a leading angel network focusing on investing in women in technology. It was supported by the WA4E partner organisations in the other five EU countries. The survey integration on the online platform and analysis of results was carried out by Cass Business School, London an experienced academic institution with strong market research expertise, especially in SME finance.

The research consisted of a mix of quantitative and qualitative techniques, comprising a detailed online questionnaire produced in 6 different versions relevant to language and the regulatory and fiscal environment in each partner country. This was accompanied by a proactive campaign to raise awareness of the research and encourage participation in the survey. The partners reached out to a total of over 6,000 women across the six partner countries.

By the end of the collection period, a total of 640 with valid responses were obtained across the 6 countries. This was 10% of the survey target market and thus represents a statistically robust sample of women in the partner countries and included 310 women who were already angel investing and 330 women were not angel investing, so this was a useful split to benchmark the characteristics of these two groups.

The online research was accompanied by a qualitative survey based on detailed interviews among 225 women across the 6 partner countries who had completed. This approach was designed to provide more contextual information and capture a richer understanding of women's personal perspectives on angel investing. This total included 135 investors and 90 non-investors who were interviewed.

1.3. RESEARCH TARGETS:

A core parameter was to ensure that the research was being carried out among women who had the potential capacity and experience to be an angel investor, i.e. to have sufficient financial wealth to be able to make investments that may not return the stake money and to be able to invest sufficient levels to meet the requirements of high growth potential entrepreneurs.

Thus a core set of pre-qualifying criteria were established for both existing investors and non-investors, based on the concept of being either High Net Worth, or professionally experienced (i.e. Sophisticated) and this was applied to both investors and non-investors as the core threshold criteria for survey completion. There were no limits to age and so women were free to respond if they were no longer working and had retired, provided they had the financial wealth or assets or relevant business or finance background to invest.

BELOW

Split of responses across the Partner countries

2 Key Findings Of The Research

2.1.

NUMBER OF WOMEN RESPONDENTS ACROSS THE 6 PARTNER COUNTRIES:

By the end of the collection period, a total of 640 valid responses were obtained across the 6 countries. This was split across the partner countries and this reflected the level of reach that the partners had into existing women business angels and also the level of engagement that partners achieved with women in wider professional and business networks through raising awareness of the importance of the research.

2.2.

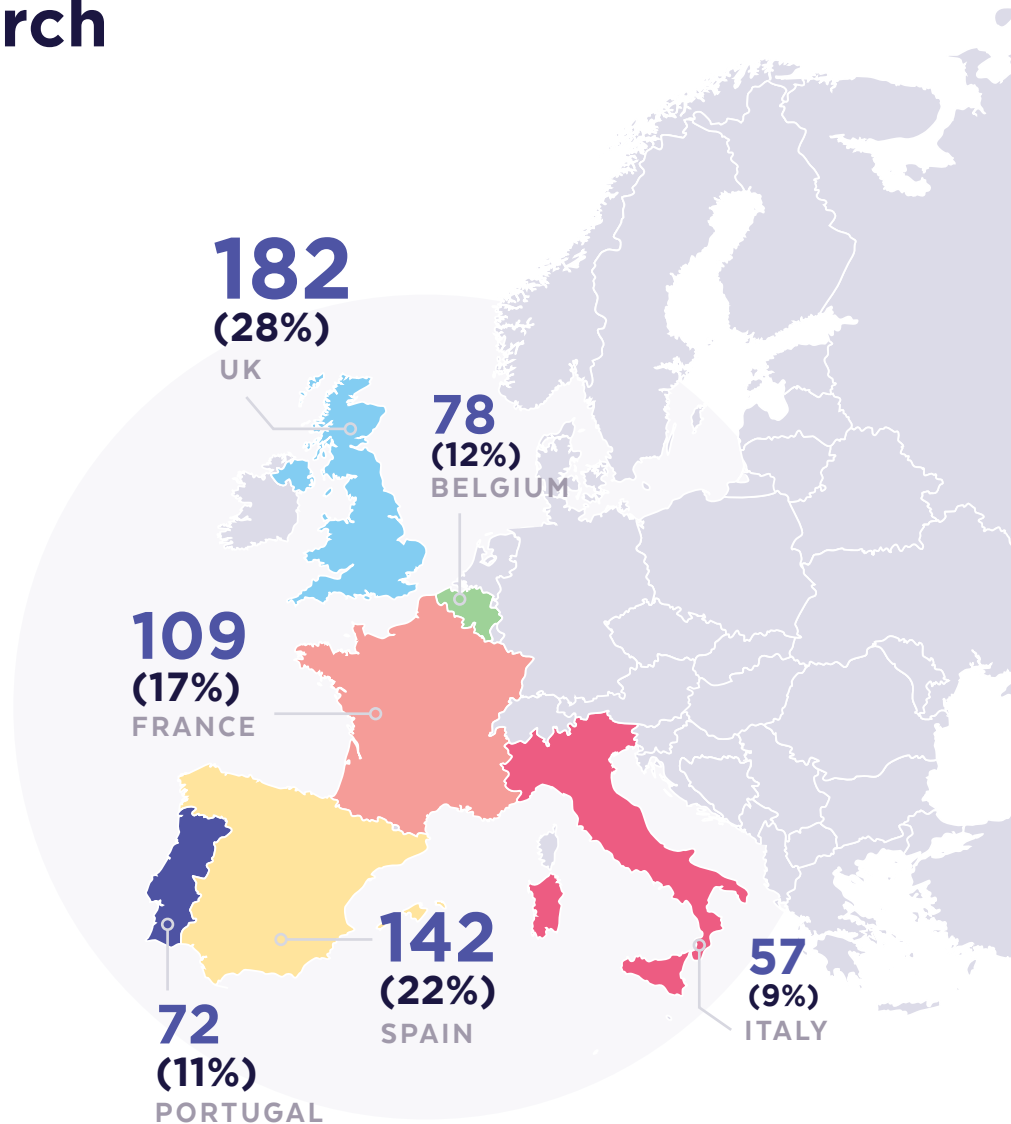
THE CHARACTERISTICS OF QUALIFYING RESPONDENTS

As described above in the methodology, only women who met the core qualifying criteria of being either high net worth or professionally experienced (sophisticated) went on to complete the survey. Of these 83% of the respondents self-classified as high net worth and 17% described themselves as "sophisticated" i.e. professionally experienced, rather than having substantial disposable wealth or assets.

2.3.

NUMBER OF INVESTORS VERSUS NON INVESTORS

About half of our respondents (48%) are currently involved in angel investing (i.e. existing angel investors), while 52% of our respondents are currently not involved in angel investing (i.e. non-investors). In our sample, the split between existing angel investors and non-investors varies across countries. Proportionally speaking, France had the highest percentage of angel investors (72%), followed by Italy (60%) and the UK (57%). However, this cannot be assumed to be reflective of the percentage of investing in any one specific country since the partners used a wide range of sources to target women.



STATUS

330
(52%)
NON-ANGEL
INVESTORS

310
(48%)
ANGEL
INVESTORS

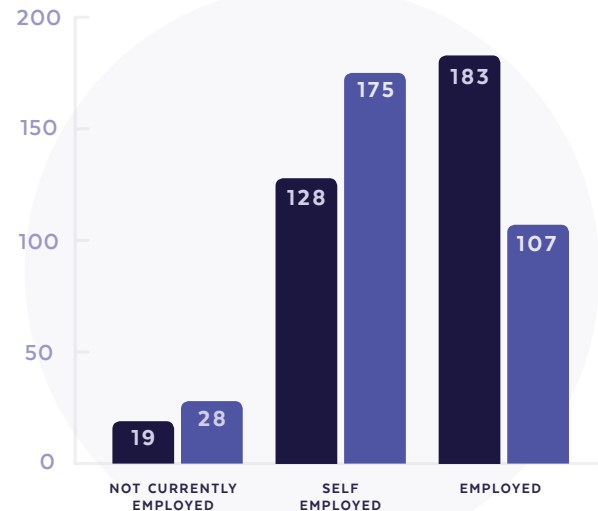
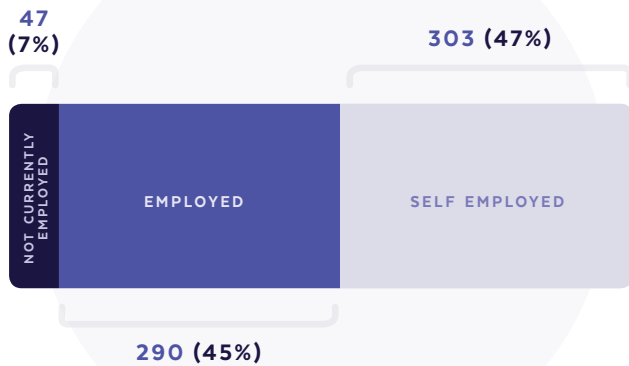
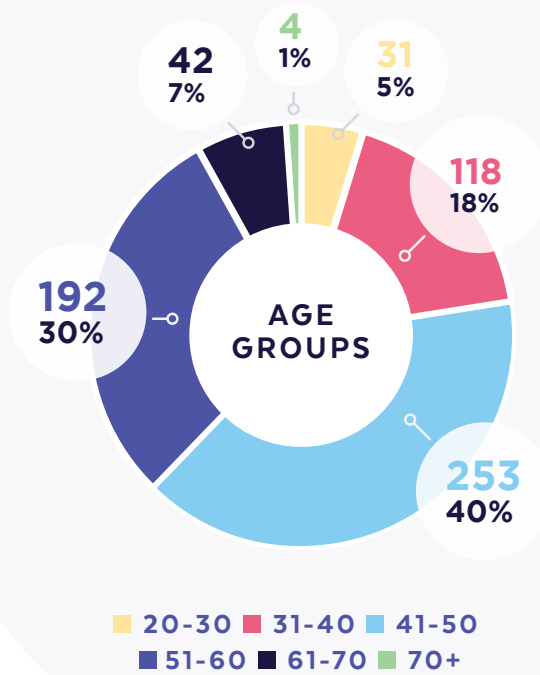
2.4. AGE DISTRIBUTION OF THE WOMEN RESPONDENTS

Women who are angel investing have more years business experience than those not yet investing

There is a moderate correlation (20%) between years of business experience and being an angel investor. This indicates, albeit not substantially, that women with more business experience are more likely to become an angel investor.

The majority of the respondents (69%) are 31 – 50 and 51 – 60 years of age. However nearly 20% were aged between 31-40 and a small minority (4.8%) were investing in their 20s, with 7% investing in their 60s and 70s.

This age distribution may also be seen to reflect the pre-qualifying requirements for disposable wealth and/or professional experience.



2.5. THEIR EMPLOYMENT STATUS

The employment status of the respondents shows a significant number of women (48%) who are either running their own business, or having a portfolio career compared with 45% who are employed, with only a small number not currently working or retired. This was also borne out in the interviews, where many women who had had substantial careers at Director level had opted for a more flexible working, as Non executive Director, to meet their family commitments and investment interests.

2.5.1. Women who are investing are more likely to be self employed or portfolio careers

In terms of the split between investors and non-investors, there were substantially more investors who are currently self-employed, running their own business, freelancing or portfolio career compared to non-investors. There is a potential correlation between this status and angel investing since this can enable women as self employed who are entrepreneurial being exposed to other entrepreneurs to take on a more flexible career path which enables them to have contact with entrepreneurs and the identification of the opportunity to angel invest. This was borne out by interviews with women who had recently changed from a high powered corporate career or as an exited entrepreneur to taking on a more portfolio or flexible career approach.

2.6

MOST OF THE WOMEN HAD EXTENSIVE BUSINESS EXPERIENCE

Most significantly, the majority of the women respondents, both investors and non-investors (70%) were highly experienced business women with a significant proportion of the women respondents (42%) having had 21 – 30 years of business experience, followed by 28% with 11 – 20 years of experience (28%). There was not a wide difference overall in business experience between investors and non-investors. Proportionally speaking, we have a higher percentage of investors with 21 – 30 years of business experience than non-investors in our sample (46% vs. 37%).

Nevertheless it may be seen from the data that there is a small correlation that women with more business experience are moderately more likely to become an angel investor (albeit a low correlation of 20%).

The women were also active in business across a range of industry sectors

Of the 225 women respondents who were subsequently interviewed, both women investors and non-investors, a few were entrepreneurs, but most were senior professionals working in areas including financial services, IT, marketing, wealth management and law, with several being in senior management positions. Others were enjoying “portfolio careers” as consultants working with a few different companies, often having spent their earlier careers working for large corporates.

2.7.

MANY OF THE WOMEN HAD FOUNDED AT LEAST ONE BUSINESS, BUT HIGHER PROPORTION OF INVESTORS HAD FOUNDING EXPERIENCE

A further key finding was that a significant proportion of the women respondents (54%) had founded or co-founded at least one business. However, we have more investors with business founding experience compared to non-investors in our sample (60% vs. 48%). This lower level of entrepreneurial experience may also be a key factor influencing awareness of angel investing and the opportunity to back entrepreneurs. The data also indicates that women with business founding experience are more likely to become an angel investor (though a low correlation of 11%).

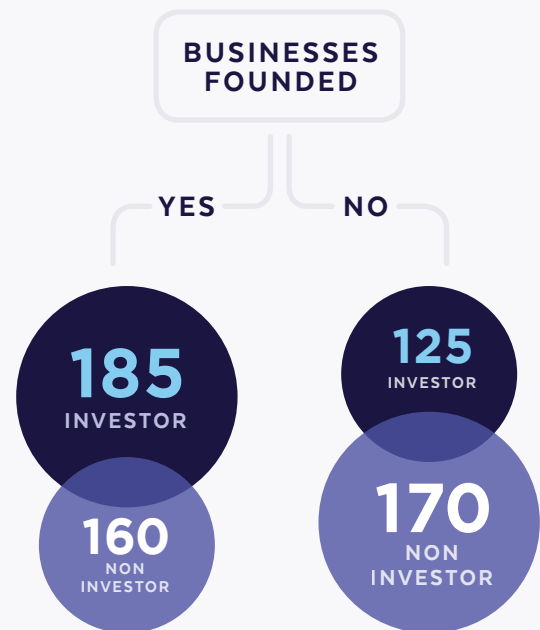
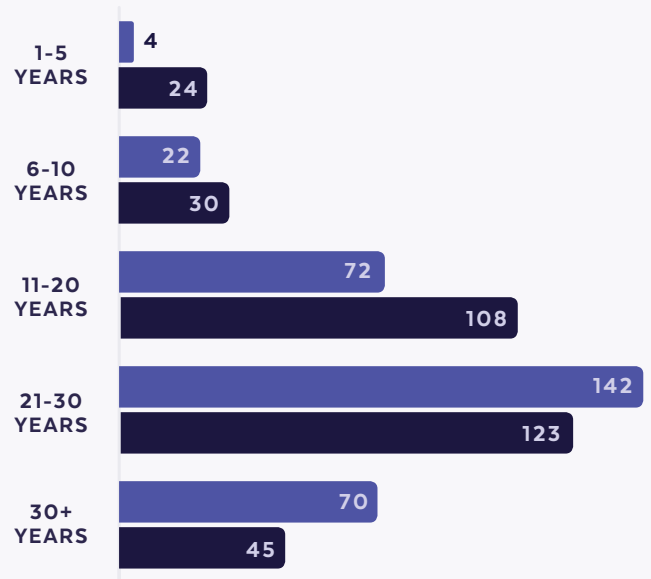
2.7.2.

Significant majority of the women who had founded a business had also positively exited

Nearly 72% of the respondents who had founded a business have positively exited a business, Nearly 18% have exited 2 business and a small group (10%) having had more than 3 exits.

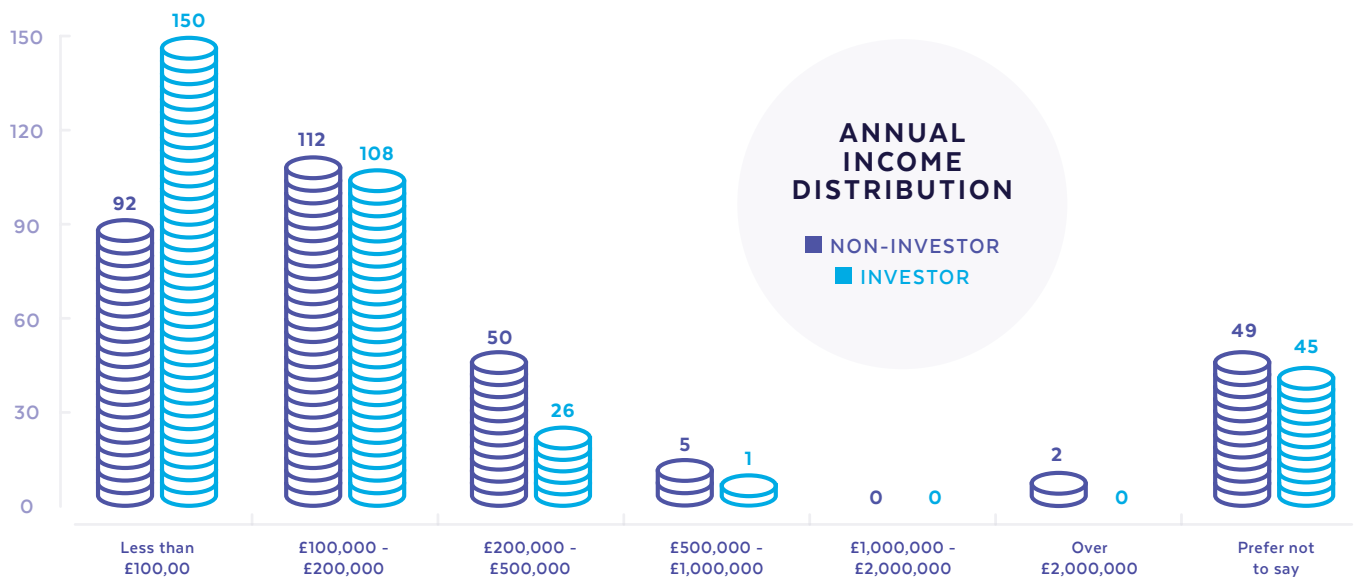
BUSINESS EXPERIENCE DISTRIBUTION

■ NON-INVESTOR ■ INVESTOR



NUMBER OF BUSINESSES EXITED





2.8. THEIR DISPOSABLE/ INVESTABLE WEALTH

2.8.1. Most Women had a strong level of annual income overall but greater financial capacity among investors overall

In terms of annual income, whilst this was a question that women were not obliged to answer. Of the 86% of women who did answer this question, 38% reported an annual income of less than £100,000. However 34% of women reported an income of between £100,000 - £200,000 whilst nearly 12% stated an income of £200,000 to £500,000 and a small minority earning over £500m per annum.

Almost half of the women respondents who gave details of their income had an annual income of over €100,000, with 13% over €200k annually. The annual income of those respondents who were already investing compared to those who were not investing was similar. The majority of the respondents had less than €500m in disposable assets.

However, there are more non-investors who earn less than £100,000 compared to investors (45% vs. 30%) in our sample. This could account for some women feeling they did not have the disposable wealth to invest. However, it is notable that among women earning between £100k and £200k annually, there was a very similar proportion of those who had chosen to angel invest and those who were not investing, suggesting that actual financial capacity is not the most significant factor in the decision to invest, whilst awareness, knowledge and opportunity may be more significant factors.

2.8.2. The majority had relatively modest Investable Assets

In terms of investable assets, of the 84% of women respondents who chose to respond to the question, most respondents (35%) reported less than €250,000 worth of investable assets, whilst nearly 20% reported up to €500,000 investable assets, with 23% reporting up to €3m investable assets, and only 5% up to 10m and less than 1% with assets over 10m. However, in our sample, we have substantially more non-investors with less than £250,000 investable assets as compared with investors (48% vs. 22%). This may account for the perception among the non-investors that they do not have the capacity to invest at this time. It is also important to note that the reference group in each country may vary in terms of comparative wealth i.e. what is considered to be a high level of disposable asset wealth in Portugal compared to UK.

2.9. What specific characteristics differentiated the women who were angel investing from those who were not angel investors?

We may therefore conclude from the above findings the following key factors that may account for women to start investing women

2.9.1. Women who were running their own business or having a portfolio career had more opportunity to start angel investing

Substantially more of the women who were angel investors are currently self-employed, running their own business, freelancing or having a portfolio career compared to non-investors, offering them

the opportunity to get involved in angel investing. This may enable women as self employed who are entrepreneurial being exposed to other entrepreneurs to take on a more flexible career path which enables them to have contact with entrepreneurs and the identification of the opportunity to angel invest. This was also borne out by interviews with women who had recently changed career to taking on a more portfolio or flexible career approach.

2.9.2. Women who had founded at least one business were more likely to be aware of or be involved in angel investing

More women investors had founding experience than non investors- indicating that women with business founding experience are more likely to become an angel investor (though a low correlation of 11%). This lower level of entrepreneurial experience may also be a key factor influencing awareness of angel investing and the opportunity to back entrepreneurs.

2.9.3. Financial capacity and disposable wealth have some influence on women's decision to be an angel investor

Of the 546 respondents who provided annual income data, there is a 21% correlation between annual income and being an angel investor. In other words, women in a higher annual income bracket were shown as moderately more likely to be an angel investor. Similarly, of the 534 respondents who provided data on investable assets those women with more investable assets are moderately more likely to become an angel investor.

3 The Characteristics And Motivations Of Women That Are Angel Investing

3.1.

MOST WOMEN WHO ARE ALREADY ANGEL INVESTING DO NOT HAVE EXTENSIVE EXPERIENCE, REFLECTING THE LACK OF MATURITY OF THE WOMEN INVESTMENT MARKET

Of the 310 women respondents who were already angel investing, only a relatively small proportion of women respondents had extensive experience of business angel investing with 8% having over 11 years experience and 15% having over 6 -10 years experience. The most significant proportion (29%) of the angel investor respondents had 3 - 5 years of experience in angel investment, whilst nearly 20% had 2 years experience and a considerable number (27%) of respondents being new to investing with 1 year of experience. This reflects the fact that women have only relatively recently participated in the angel market and also indicating that women investing is a very recent phenomenon in less developed angel markets such as Portugal and Italy.

Most had made less than 10 investments so far

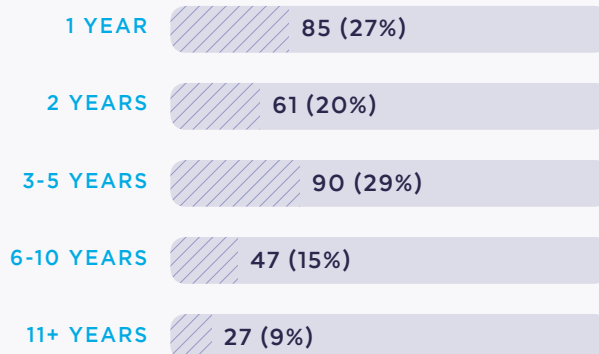
Less than 10% of the women angel investors had made more than 11 investments with a very small proportion (3%) having made more than 21 investments. A significant proportion (40%) of the women angel investor respondents had made 3 - 10 investments or 2 investments (23%) followed by those who made 1 investment (27%). As highlighted above, this reflects the fact that the number of women entering the angel investment market is relatively new across Europe and only a small number of women have been engaging in angel investing for a significant number years. This also reinforces the situation that there are very few role models able to pass on their experience about angel investing to other potential women investors. At the same time, Angel investors with longer experience in angel investing are more likely to have invested in a higher number of angel investments (a moderate correlation of 55%).

3.2.

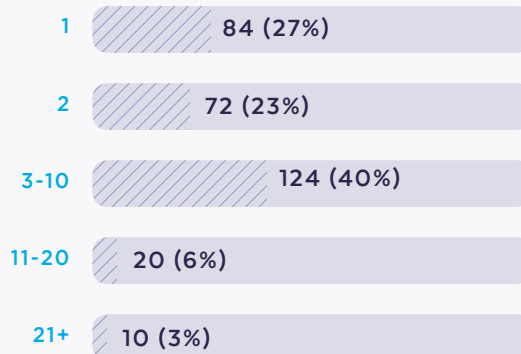
AMOUNT THAT WOMEN ANGELS INVEST ANNUALLY

60% of the women angel respondents were investing less than €20,000 per year, with 25% investing between €20,000 and 50,000 annually just over 8% were investing up to €100,000 per year and a minority (7%) are investing more than £100k per year. Again, this reflects the relative immaturity of the women angel investment market. However, this may also reflect the relatively lower level of investment capacity of women angel investors, many of whom may be supporting extensive family commitments, or feel less able to commit a significant level of disposable income to angel investing. Nevertheless we do not have comparative statistics about the levels of annual commitment by male angels in the partner countries for this study.

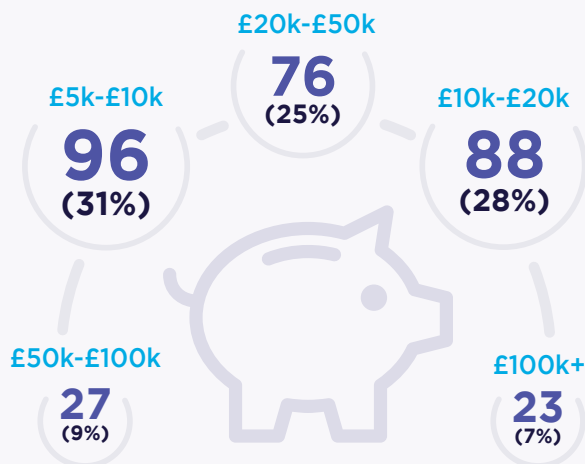
ANGEL INVESTMENT EXPERIENCE



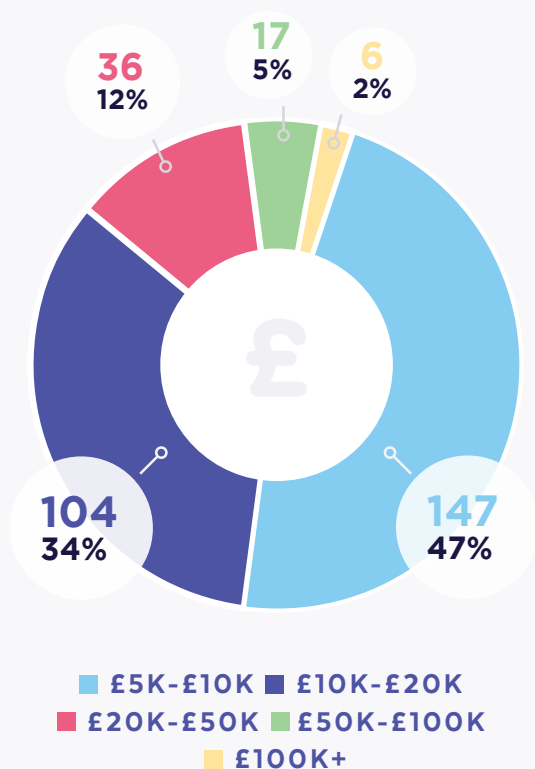
NUMBER OF INVESTMENTS MADE



MONEY INVESTED PER YEAR



MONEY INVESTED PER YEAR



INVESTING ALONE OR IN SYNDICATION



3.3. MANY WOMEN ANGELS ARE MAKING MODEST LEVELS OF INVESTMENTS, WHILST MORE EXPERIENCED ARE TENDING TO COMMIT HIGHER SUMS

Nearly 80% of women investors were putting in less than £20,000 per funding round. The majority of women angel investors (47%) were typically investing between £5,000- £10,000 per company/funding round, reflecting a low risk approach. Just over 11% are putting in between £20,000 and £50,000, with the potential that the majority of these women were investing as a part of a syndicate where this can be a normal level of investment assuming that a number of investors are pooling their investment to build the deal. Only a very small number (5%) of the women respondents are investing £50,000-£100,000 and with less than 2% investing over £100,000 per deal. The data shows that experienced angel investors are more likely to invest more money per company/funding round (though a low correlation of 26%). Nevertheless we do not have comparative statistics about the average levels of annual commitment by male angels in the partner countries for this study. This analysis also does not take account of tax breaks in the partner countries concerned and which may act as incentives to levels of investing and appetite for risk taking

3.4. MANY WOMEN ANGELS ARE NOT INVESTING AS PART OF AN ANGEL SYNDICATE OR NETWORK WHICH MAY ACCOUNT FOR LOWER LEVELS OF INVESTMENT BEING MADE

It is significant that the majority of women angel investor respondents reported that they mainly invested alone (54%) rather than as a part of business angel syndicate or network (46%).

The Data also shows that those women who usually invest as part of an angel group have tended to make a higher number of angel investments (though a low correlation of 13%).

It is widely understood that investing in angel syndicates increases the potential to become an active angel investor, enabling peer support and learning, increased access to deal flow, opportunity to share risks, share due diligence and pool investment capability, notably enabling the development of a portfolio of investments.

Thus there could be a strong co relationship also between the number of women investing on their own and the relatively small level of investments or deal size as reported above.

3.5.

THE MAJORITY OF WOMEN INVESTORS HAVE INVESTED IN WOMEN FOUNDERS

There is a clear appetite among women investors to back women founders or co-founders with a majority (54%), of those who invested in women-founded businesses having invested in at least one company founded by women, with nearly 20% having invested in 3 to 10 women founders and one female investor reporting that she had invested in over 11 founders to date. Whilst only a small minority of male investors back women led businesses with only a few leading male angels investing in a significant number of women founders. This highlights the importance of this pool of women angel capital to increase the level of investment in female-founded businesses.

3.7.

WHAT ARE THE OPPORTUNITIES AND DRIVERS FOR WOMEN TO ENGAGE IN ANGEL INVESTING IN EUROPE?

A key aspect of the research was to understand the opportunities and motivations for women to engage in Angel Investing in the 6 partner countries

3.7.1.

Most women investors found out about Angel investing through Peer networks and interaction with other angel investors as well entrepreneurs

The most significant source of information and opportunity to learn about angel investing was identified as women's own **professional groupings and networks**, with 78% reporting this as the key source where they had found out about angel investing.

A further important source was through **interaction with other angels** (male and female) providing direct awareness of this source of investing and opportunity to engage. This reflects the importance of interaction with existing angel investors and role models as key means to encourage more women to invest.

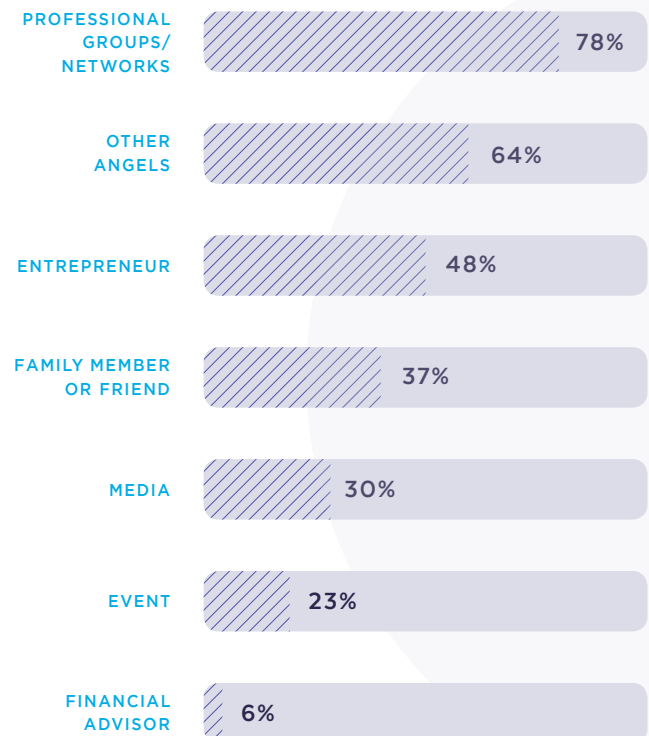
Interaction with entrepreneurs was also identified as an important opportunity to find out about angel investing. This was borne out by women in the qualitative interviews who found that through mentoring entrepreneurs or through their own family members or friends that had become entrepreneurs, they had learned about the need of entrepreneurs for access to finance and found out about the opportunity of angel investing as a key means to provide risk capital to support these entrepreneurs. Other family members who were already angel investors were also seen as a source of awareness and information about the opportunity for angel investing. Some had also heard through media or through attending an event about angel investing or entrepreneurship but this was not by any means as significant as the influence of peers, friends and family or other entrepreneurs.

WHERE DID YOU HEAR ABOUT ANGEL INVESTING?



WHERE DID YOU HEAR ABOUT ANGEL INVESTING?

NB Respondents could select multiple answers.



“IFAs are prone to the view that angel investing is the ‘wild west of investing’. They’re so heavily regulated that they’re afraid of offering angel investing to clients as an asset. They often don’t know much about it”

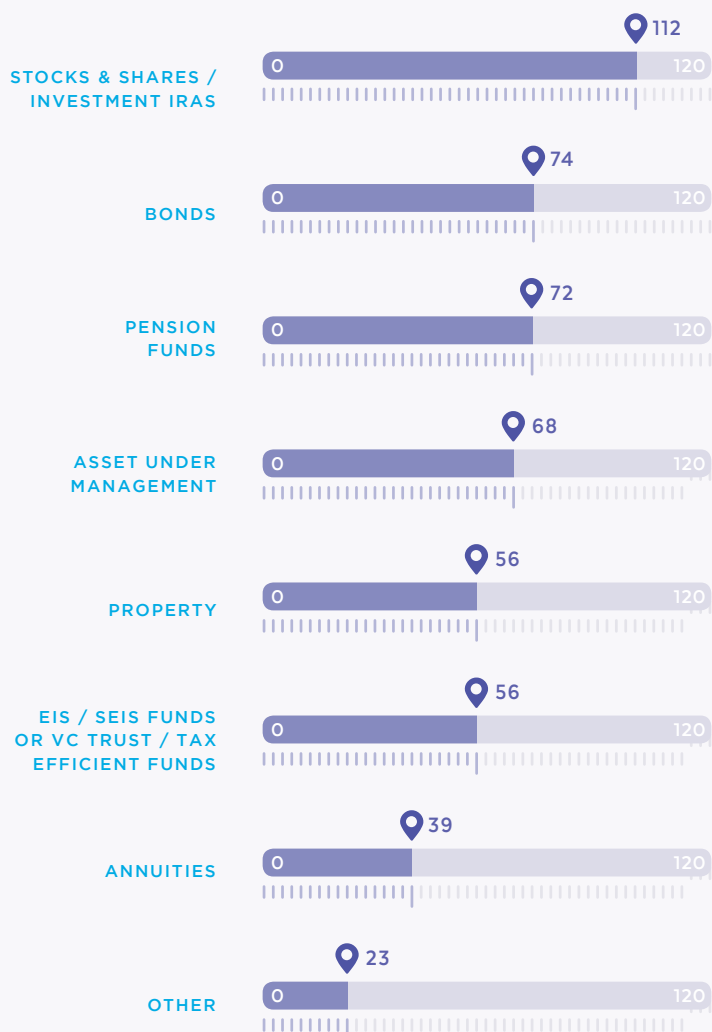
–UK WOMAN INVESTOR

3.7.2.

Very little advice is offered to women about angel investing by the financial advisory community or financial media

Many angel investors are using financial media and online sites, but for all those consulting a professional financial adviser, hardly any had been offered any advice on angel investing. The financial advisory community may be seen as a key means to enable women to identify the opportunity to back small businesses, however, the majority of women investor respondents said that the advisory community directed them towards conventional and deemed low risk areas of investment such as stocks and shares, followed by bonds and pension funds. A much smaller group of women were advised about the opportunity for investing in small businesses and the relevant tax breaks offered in the partner countries concerned.

INVESTMENT VEHICLES RECOMMENDED BY FINANCIAL/WEALTH ADVISOR



3.8.

WHAT ARE THE KEY MOTIVATIONS FOR WOMEN TO ENGAGE IN ANGEL INVESTING

“Why am I a business angel? Certainly not just for the money it is about passion for entrepreneurship, for new ideas for innovation”

PORTUGUESE INVESTOR

Supporting entrepreneurs to grow their business and support their local economy was regarded as the primary motivation for women to become angel investors - and this was more significant than making a financial return. Whilst there were a variety of reasons why the women respondents had been motivated to engage with angel investing, a clear motivation for most of them (71%) was that they had been attracted to support entrepreneurs and enable the growth of new businesses, aligned to the desire to do something interesting and useful with their disposable wealth.

“I want to support young innovators and support them, knowing they have difficulties to find cash from other sources especially banks”

FRANCE INVESTOR

The most significant motivation for women investors interviewed across all the countries was the desire to be involved with the growth stories of small businesses: the opportunity put something back and ‘make a difference’. There was a strong interest in young people, new business models, entrepreneurs and entrepreneurship and it was the opportunity to interact with founders who needed help and support that was for many the driving force. There was a clear interest in particularly supporting and helping women entrepreneurs, though not exclusively.

“I started as a business angel, then I financed a start-up and I am now completely involved in it. Getting involved is much more interesting than just investing my money”

ITALIAN ANGEL INVESTOR

This was a much stronger desire than to make money, which in many cases was secondary to this aspect. Where tax breaks were available, and this is the case in all the countries to one level or another, this was seen as useful but not the main driver.

“Investing in entrepreneurs is energising. It gives you the possibility to engage with the innovators and to be at the edge of a technological revolution”.

PORTUGUESE INVESTOR

Keeping up to date with business and technological developments was also a strong motive for many women investors: Over half of the respondents also saw that angel investing enabled them to keep up to date with the world of business and

technology, enabling them to interact with new ideas. Interestingly, seeking a financial return is only the fourth most commonly cited reason for being involved in angel investing, although nevertheless significant for more than 50% of the respondents.

The opportunity of meeting like minded people and making new friends and contacts within a network, making new social contacts and exchanging experience with their peers was also seen as important for many women. A further shared driver across all the countries was the opportunity to network and interact with others in collaborative and supportive relationships, networking with like-minded people, learning from others

and gaining new insights and knowledge about different industries and sectors.

For some, the additional opportunity to use their skills to support the growth of small businesses, including taking board position and non exec roles, reflects the significant number of angel investors having a portfolio career and thus having time and experience to offer the entrepreneurs they back.

Tax breaks were not the most significant driver: Whilst over a third of the respondents reported that the tax breaks were significant as motivation to invest, this was clearly not the most important driver, whilst potentially reflecting the fact this is not available in all of the partner countries.



3.9. WHAT DID WOMEN INVESTORS THINK WAS HOLDING OTHER WOMEN BACK FROM ANGEL INVESTING

“So many women don’t know what business angels are. They don’t think that business angels are investors”

ITALIAN WOMAN INVESTOR

Women respondents were asked to consider why there were fewer women investing in small businesses compared to men and what were the key barriers.

Overall lack of awareness among many women: Most women angels felt that the overall lack of awareness amongst women about angel investing as an asset class was the biggest reason for lack of engagement of more women in angel investing.

“I was talking about angel investing among my peers and everybody was asking why I was taking part in such a risky activity”

BELGIAN INVESTOR

Women see it as too risky: It was felt that the lack of information and guidance about angel investing and relevant tax support given by key sources of investment and wealth advice currently available to women, resulted in many women seeing this area of investing as too risky compared to other more conventional sources such as property or stocks and shares.

“Women need more awareness about angel investing as an option at the point in your career when you are becoming quite solvent”

UK WOMAN NON INVESTOR

Perception that it is only for the super rich: A significant number of women respondents also felt there was an image presented in the media an press of (especially male) business angels presented in media and press as being extremely rich and highly successful in business and this resulted in few women feeling they had achieved sufficient success or wealth to participate.

“If you analyse the profile of a BA, apart from the fact that they are mostly men, the majority of these Business Angels come from having high positions in the corporate world. Maybe this is a barrier for women, as there are definitely fewer women who arrive at the top of a corporation and thus feel they have the time and management experience to do this form of investing”

PORTUGUESE INVESTOR

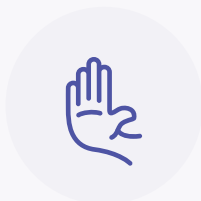
REASONS CITED BY WOMEN INVESTORS FOR LACK OF WOMEN ANGELS

² Respondents could select multiple answers.



160

Not aware of angel investment as an asset class



148

Seems too risky compared to property or stocks and shares



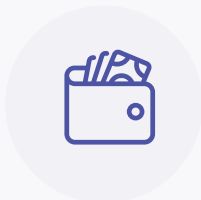
143

Don't know any angel investors and groups



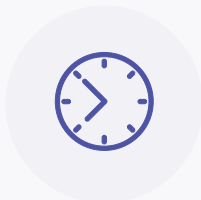
136

Life stage - other priorities



103

Not enough available wealth



93

Not enough time



85

Low financial literacy



67

No control over family finances

The lack of access to angel groups or angel investors and the lack of visibility of this area of investing or access to role models, appears to be one of the primary reasons why our respondents think that there are so few women angel investors compared to men.

“I think it is very important to educate women in finance and investments. Learning by doing. The risk needs to be mitigated”

ITALIAN WOMAN INVESTOR

Many women have other financial commitments and family priorities: Women investors felt that many women have other priorities and calls on their financial resources and time including family commitments, and supporting school fees and mortgages, thus having less spare disposable wealth or time available to engage with angel investing compared to their male counterparts. Some also identified that women's lack of engagement with financial information and guidance or decision-making was a potential factor.

“Women have always been more pressed about their time management to care for their work, the household, the family. So there are fewer women investors, not because we are risk averse, but simply because every minute of our time is worth so much and we need to plan carefully”

SPANISH WOMAN INVESTOR

Male dominated investor groups prevent women from engaging

It is notable that the qualitative research also showed that many women investors had found all male /mainly male angel groups very intimidating. Many women investors had had negative experiences in attending male dominated or all male angel groups across Europe and there is strong need to establish women focused/women friendly groups in the Partner countries.

“I wanted to join an angel network but they were all run by older men. The atmosphere was terrible and I never invested there”.

FRENCH WOMAN INVESTOR

“Being in a network of business angels mainly men, you have to be aware of the rules – their rules, like how decisions are made. It's a man's world “

PORTUGUESE WOMAN INVESTOR

On the other hand, where there is a lack of angel groups available to women in key regions then there is a need to support the establishment of new syndicates or groups focusing on diversity and attracting a high proportion of women investors.

“When I tried to get in touch with start-ups with more promising ideas, I did not succeed because other important (male) investors had already gone ahead. Interesting start-up projects do not arrive on the desk of a single business angel like me”

ITALIAN WOMAN INVESTOR

“ Women have always been more pressed about their time management to care for their work, the household, the family. So there are fewer women investors, not because we are risk averse, but simply because every minute of our time is worth so much and we need to plan carefully”

SPANISH WOMAN INVESTOR

4 The Key Barriers and Challenges Perceived by Women Who Were Not Angel Investing

4.1. MANY WERE AWARE OF ANGEL INVESTING, BUT MANY WOMEN NON INVESTORS LACKED KNOWLEDGE ABOUT THE PROCESS AND OPPORTUNITIES AS AN ASSET CLASS

A key aspect of the research was to understand womens' perceptions as non - investors about angel investment and what influences their decision not to engage in this area of investment.

The survey showed that of the 330 women who responded who are not angel investing, nearly two thirds did know about angel investing in backing small businesses. The majority felt there was a lack of information targeted at women about angel investing as an asset class and were unaware of the details about the angel investment process.

Women lacked understanding of how to find the right entrepreneurs to back

A significant number of the women non - investors did not have regular interaction with entrepreneurs or entrepreneurship in either their professional life or social life. As demonstrated above, this interaction with entrepreneurs has been shown to inspire many women to start

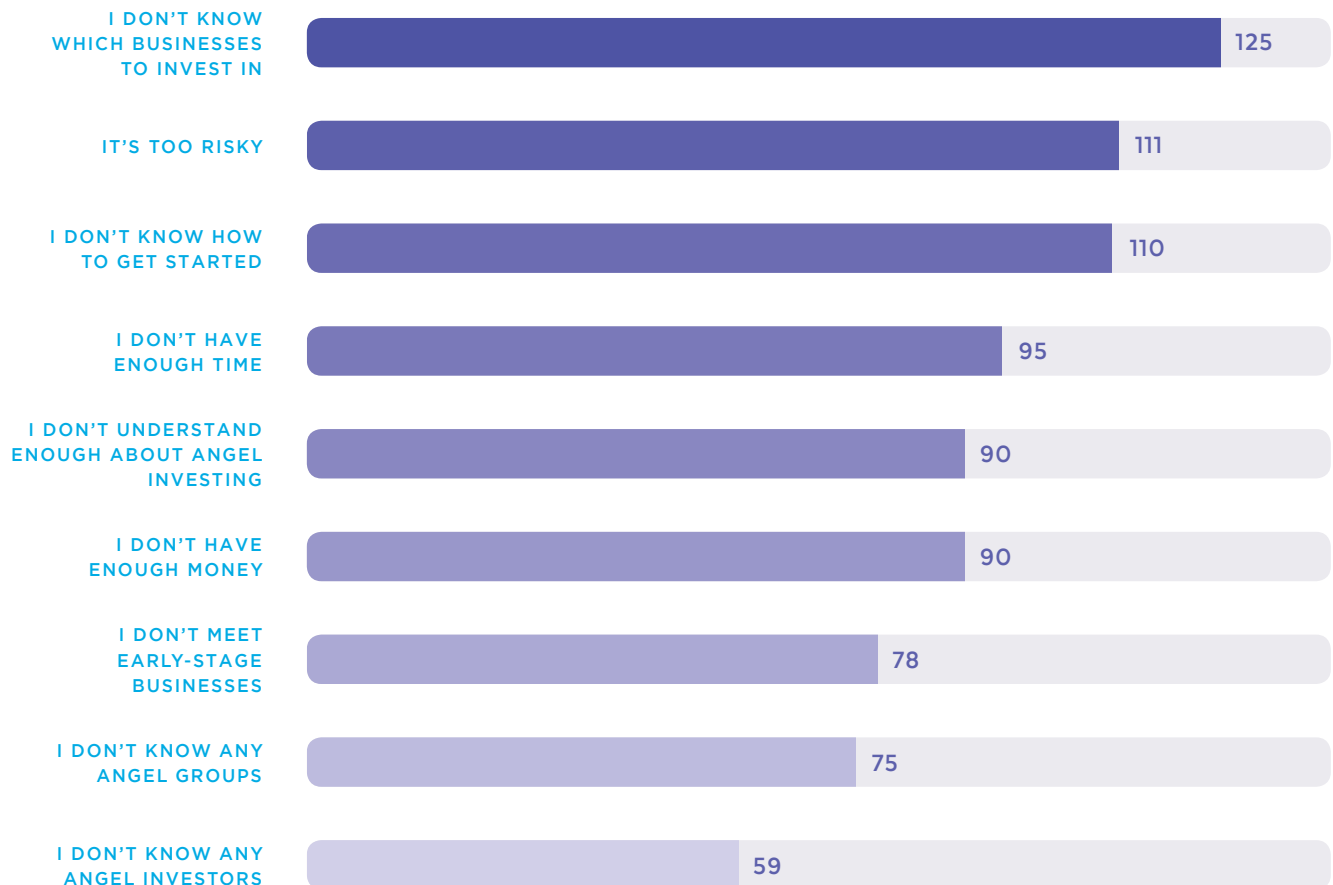
angel investing and so many of the non- investors lacked this stimulus.

A key area of concern was also that they did not know which businesses to invest in and also they did not know how to get started when considering investments into early-stage unquoted businesses and not having sufficient understanding about how to do angel investing.

Clearly this indicates the need for an intensive programme of awareness raising and education about the angel investment process, to increase understanding of how to identify the right deals to invest in and how to address inherent risks in investing in small business.

MAIN CONCERNS ABOUT ANGEL INVESTING

Respondents could select multiple answers.



“The angel process is not accessible. There’s a different process, language and knowledge and there’s an assumption among men that everyone gets this and many of us don’t. How you get involved in the whole angel process is hard.”

UK WOMAN NON INVESTOR

Women non-investors identified angel investing as risky

A significant proportion (40%) of the non investors identified that this area of investing is very risky and that you could lose all your money and that successful exits could take a considerable time which would be seen as a major deterrent to engaging in angel investing.

“I didn’t know that to be an angel investor you could invest in a small way in a syndicate. I thought you needed much more capital to invest – I want to understand this more and how to get involved”

PORTUGUESE INVESTOR

Thus this indicates a strong need for messaging that both addresses the concerns about risks and how these are addressed by women angel investors. This includes the need to increase awareness and information about the opportunity to mitigate risks through accessing government supported tax breaks in the partner countries. Also this indicates a need to encourage engagement in training and education on angel investment to developing knowledge, skills and experience in investing to mitigate risks and improve outcomes and returns on investment

“I live in the province of a small region of central Italy and it is very difficult to get in touch with either start ups or women investors”

ITALIAN WOMAN INVESTOR

Many women non-investors were unaware of tax breaks for risk mitigation

Slightly more than half of the non-angel investors (52%) were unaware of the support through tax breaks available in the partner country to support investments in start-ups or early-stage businesses (whilst all of the partner countries concerned have some form of tax-break through requirements and provisions may vary)

“So many of our peers are unaware of the benefits of the tax breaks of supporting entrepreneurial investors”

FRENCH WOMAN INVESTOR

As detailed above, strategies to raise awareness need to include information about tax breaks as key means to enable women to mitigate risks, through direct and targeted messages to women through key target groupings, for example professional networks and through education and recruitment actions.

Most women non investors had received no information or guidance on angel investing from their financial advisers

An overwhelming majority of non-angel investors (96%) indicated that their financial advisors have not mentioned angel investing as an investment option for them.

This indicates an important opportunity to engage pro-actively with the Financial Advisory and Wealth Advisory community in the partner countries, both direct and online/media sources to improve the level of understanding about angel investing as an asset class and to address the barriers that may be perceived among the advisory community about recommending women to engage in this asset class.

When it comes to investment vehicles or areas of investment recommended by financial or wealth advisors or trusted sources, as with the women angel investors, the main area of investment recommended is stocks and shares and also pension funds, closely followed by bonds and property. Most importantly, only 14% have been informed by these advisory sources about relevant tax breaks or funds enabling them to invest in small businesses.



My financial advisor assumed, as a woman, I was risk averse and I should look at safe options. He never mentioned Angel investing or the EIS tax relief scheme”

UK WOMAN INVESTOR

REASONS CITED BY NON-INVESTORS FOR THE LACK OF WOMEN ANGELS



181

Life stage - other priorities



172

Not aware of angel investment as an asset class



149

Seems too risky compared to property or stocks and shares



138

Don't know any angel investors and groups



119

Not enough time



84

Low financial literacy



75

Not enough available wealth



48

No control over family finances

4.2. WHY WOMEN NON INVESTORS FELT THAT WOMEN DO NOT ENGAGE IN ANGEL INVESTING

Over half of the women non-investors felt that life stage and other family financial priorities were a major reason for non engagement in angel investing, rather than actual financial capacity.

These factors combined are seen to prevent many women from feeling that they could commit to angel investing at a time when they are focusing on their families, whilst recognising that many younger women have the financial capacity to start investing prior to such family commitments .

“Often women look at angel investing and then stop because they don’t have the time for the meetings, due diligence, term sheets meetings and all that’s involved in the process. We find it daunting in terms of

the time required and often have competing priorities such as families and work requirements”.

UK WOMAN NON-INVESTOR

Over half the women non investors (54%) thought that life stage and other priorities for their available finances commitments was a major reason for non engagement. Many women despite having considerable financial capacity were concerned about their existing personal commitments in terms of financing the needs of their families and the need to make future financial provision for family needs, mortgage etc rather than making external investments. Unlike their male counterparts, these successful women in business and the professions did not feel able to commit to angel investing when there were other calls upon their finances including family commitments, school fees, mortgages etc. Many of these women also identified a lack of time to engage in angel investing.

“A woman is more careful than a man when it comes to engaging money that is “family money” into an investment”.

FRENCH NON-INVESTOR

However this perception was also linked to other key factors such as the lack of awareness of angel investment as an asset class and perceptions of being highly risky, compared to other forms of investment. This was followed by a lack of access to local angel groups or syndicates that were welcoming to women angel investors and a sense that this is very much a male dominated world.

“Women can be seen as bad mothers when they make risky investments, instead of investing in real estate to offer a roof to their children, while men who are fathers choose to make risky investments”.

FRENCH WOMAN NON-INVESTOR

Women thought that angel investing was only for the super-rich, with the belief that you have to commit very significant amounts of finance in each company.

Among the women non investors interviewed, there were a significant number who felt that angel investing was not for them, since this was for people who had very high levels of disposable income and assets. Also they thought that individuals invested very large sums in each deal, over €100k+ and were unaware of the implications for investing in a syndicate and building a diversified portfolio.

Many women were seen as lacking confidence in making a financial decision about making an investment in a small business

Many of the women non investors interviewed mentioned a lack of confidence about taking financial decisions, or in committing their finances to an area of investing that they do not understand, also that they needed to have extensive financial knowledge or background in finance to be an angel investor. This was linked to a lack of knowledge about the angel investing process or tax breaks available in their own country.

Many were unaware of any business angel groups near them or how to make contact with angel groups that welcomed women investors

“I am interested in investment that involves others not only because the need for capital is lower and the risk is shared, but also because I like to work with others and be in a trustworthy environment...”

PORTUGUESE NON-INVESTOR

Slightly more than half of the non-angel investors (52%) were unaware of any business angel groups operating near them. This indicates the need to address the lack of visibility of angel investing for women and the need to increase awareness of local investment opportunities and access to angel investor groups or syndicates where these are available.

“I’m sincerely interested to exchange opinions with other women about the subject since we have too few angels in Italy”

ITALIAN WOMAN INVESTOR

Lack of access to women friendly angel groupings was seen as key barrier

Many cited the lack of women-oriented angel groupings as a key barrier - though only a relatively small proportion suggested women-only groups. There was also a general sense that this was very much a male-dominated area and that women had found it very difficult to be accepted into existing male-focused investing groups.

Women non-investors also reported negative experiences of attending an all male investor event or pitching session and finding it intimidating and unwelcoming and deciding not to embark on angel

This also recognises the need as cited above to ensure that the local angel groups are welcoming and supportive of women angel investors. This indicates the need to work with existing angel groups to encourage them to directly target women investors and promote the opportunity to women to participate in angel investing through targeted effective messaging.

The lack of access to angel groups or angel investors and the lack of visibility of this area of investing is seen as one of the main reasons why there are so few women angel investors compared to men.

Not enough visibility about women angel investing among female peers or female role models

“My friends and colleagues never discuss whether they are angel investing or not”

UK WOMEN NON-INVESTOR

A significant proportion of the non-investors felt that angel investing was not discussed among their peers and they were unaware of any colleagues or friends who were angel investors. They felt that women investors did talk about their investing and were not given coverage in the media and had not seen articles about women investing and that it was not presented as an area of investment for women.

“I don’t want to have any visibility or tell people I am an angel investor”

BELGIAN WOMAN INVESTOR



Many women think that Angel Investing is only for the super-rich and you have to commit very significant amounts of money in each company”

ITALIAN WOMAN INVESTOR

5

What do Women Think Should be Done to Increase the Number of Women Angel Investors?

This question was discussed with all of the 225 women interviewed across the partner countries, both investors and non-investors and there was a strong level of consensus about the key actions that could be taken:

Targeted Awareness Campaign:

Most women in all countries suggested that the number of women angel investors could be increased through targeted awareness campaigns, aimed at increasing overall understanding of the opportunity for angel investing and underlining what contribution angel investors can make in supporting entrepreneurs, combined with information on how to go about it (and access relevant tax breaks in their own countries) as well as highlighting some of the softer benefits such as collaboration and learning new skills and showing that it is fun and rewarding. Women mentioned the importance of being clear about how much time it might take to participate in angel investing, so they can factor it into their busy schedules.

Women Investor Role Models and Case Studies:

Many women identified the need to have more women involved in angel investing speaking about their activities and imparting their rationale for getting involved and talking about their investments and outcomes, especially about the entrepreneurs they have backed and the

impact their investment has had on their growth, especially any successful exits. This could be in various fora, both at face-to-face events and in the media/online.

Education On Angel Investing:

Nearly all women interviewed felt that there was a need for access to more bespoke education programmes, such as workshops, aimed at helping women understand the process of investing and to demystify much of the jargon around it. There is a need for better understanding of what the angel investing process entails and specific aspects like financial, legal and tax knowledge that will help women feel more knowledgeable and in control. This, combined with mentoring and support from women who are already investing, was seen as an important aspect. It was acknowledged that women do not like to undertake activities where they do not feel informed or competent, so programmes where they could comfortably ask their own personal questions were vital. 'Learning by doing' rather than 'learning by theory' was also seen as important, so shadowing deals and learning from case studies was seen as attractive.

More female-friendly networks/syndicates:

Many women cited the lack of access to angel investing groups that were female friendly and diversity in investor groups was more important than women only. There was need for a targeted campaign directed at existing angel groups across the partner countries to encourage them to welcome and support women angel investors and to support the development of more diverse, female focused angel groups or syndicates.

Forum for Peer to Peer support:

The concept of women offering peer to peer support and exchanging experiences was felt to be more useful than encouraging women-only investing groups - the concept of increasing diversity in investing overall was most attractive. A few women said they would ideally like to get to know about angel investing in women-only groups, with others who were in the same boat, so they would feel comfortable asking questions etc. They would then 'graduate' to participating in mixed groups, once they felt sufficiently comfortable.

6 Implications of the Findings of the Research for the Delivery of the WA4E Programme Across the Six Partner Countries:

This key findings drawn from both the quantitative data from the online survey of 640 women who including 310 women who were already angel investing and 330 who were not angel investing

Combined with the qualitative data from the 225 interviews carried out across the partner countries, have provided some core indications for the partners for the implementation of the WA4E programme. Notably this has provided extensive insights into the underlying motivations of women already investing and what have been the triggers to enable them to start investing, indicating what actions might be effective in bringing more women into angel investing. Most importantly, this research has enabled us to identify the key barriers and concerns that women have about angel investing and why so many women with the financial capacity and business experience are not currently engaging in angel investing and provided indications of what can be done to address these challenges.

The WA4E Programme is broken down into a set of Workpackages identifying key areas of action and so recommendations for actions by the partners will reflect the objectives of these workpackages.

6.1.

AWARENESS RAISING AND RECRUITMENT TO ATTRACT MORE WOMEN TO ENGAGE IN ANGEL INVESTING (WP 3 AND 4)

6.1.1.

Key messages to recruit women non-investors:

Understanding the motivations of women who are already investing enables us to develop the focus of awareness and marketing messages to increase the appetite for women to want to engage in angel investing and specifically enabling more women to both engage with entrepreneurs.

Key messages reflecting the motivations of existing angel women investors:

The most significant driver identified for most women investors was the opportunity to support other entrepreneurs in their journey to build and grow a business. Thus key messages to encourage engagement among business women not currently investing should focus on the opportunity through angel investing to support other women in their journey to build and grow a business.

It is also clear that messages need to appeal to women's sense of supporting their local and national economy, doing something good with their disposable wealth, thus potentially addressing women's philanthropic motivations and making a social impact.

Messages should also recognise that women are interested in the world of business and technological innovation and thus the importance of presenting angel investing as a means to get closely involved with innovation and find out about new technological development, especially in areas that might touch their daily lives or work interests. This can be shown through case studies and examples of successful women tech businesses that have had angel backing.

6.1.2.

The need to address women's underlying concerns about engaging with angel investing

As was also revealed by the research, there are a number of concerns that women investors have which prevent them from engaging in angel investing and it will be vital to address these concerns in key messages and awareness raising activities among the targeted groups of women non investors.

Addressing concerns about the need to be super wealthy:

An important aspect of the awareness raising and messaging to women is to dispel the myths and misconceptions about angel investing identified by women who are not yet investing. It will be important for key messages to enable women to understand that they do not need to have vast sums of disposable wealth, but also that through working in syndication they can invest modest sums and build a portfolio across a number of investments and also that syndication enables them to reduce the time they personally need to spend on identifying deal flow, due diligence and following their investments.

Addressing concerns about the risks inherent in angel:

There is a clear need to provide perspective on the level of risk in angel investing and increase awareness and information about the opportunity to mitigate risks through accessing government supported tax breaks in the partner countries. Also this indicates a need to encourage women's engagement in training and education on angel investment to develop knowledge, skills and experience in investing as a key means to mitigate risks and improve outcomes and returns on investment, as well as the benefits of syndication to reduce risks and building a diversified portfolio.

Addressing concerns about Financial knowledge and skills:

Core messaging to women who are not yet investing also need to address the underlying concerns expressed about the level of experience and knowledge about finances required to be an angel investor and how this can be offset through syndication, but also how through attending training workshops they can gain knowledge and confidence about the angel investment process, to increase understanding of how to identify the right companies to back.

Addressing concerns about time and other family commitments:

Awareness raising and core marketing messages also need to take account of the core perceived barriers about time and other family financial commitments among women in the key target age groups between 30 and 45. It indicates the need to increase awareness and knowledge among women in this target age group of how angel investment works, the opportunities to mitigate risk including the tax breaks and providing the opportunity to interact with existing angel groups to enable the opportunity to invest relatively small sums, pool risks and build an affordable portfolio.

There is also a clear need to ensure that women are aware of how they can access women friendly angel investment meetings and pitch presentations that take account of women's family commitments. Notably it will be vital to promote strong role models and case studies of women who have effectively combined family and angel investing, notably as part of a portfolio career.

Access to Case Studies of Angel-backed Entrepreneurs:

As has been shown above, women investors started investing through exposure to entrepreneurs, understanding their growth challenges and how they could help. This indicates the importance of providing women who are not yet investing with opportunities to access case studies of entrepreneurs, especially women entrepreneurs and enabling them to understand the impact that angel investing can have upon the growth of their business. This could also include opportunities to directly meet and interact with entrepreneurs at awareness events and seeing some live pitches.

This includes promoting case studies and interactions with entrepreneurs to speak about the women investors that have backed their business and what impact this has had on their business.

Case Studies and Role models of Women Angel Investors:

Case Studies and learning about other women who are actively and also successfully angel investing is core strategy for WA4E to gain the engagement of women and increase recruitment into angel investing.

The lack of awareness of other women investors or interaction with women who are actively angel investing demonstrates the need to give far more visibility to women who are angel investing through media and social media and dedicated awareness events. It will be important to ensure that there is a regular supply of articles in media and social media, enabling women investors to talk more openly about being an angel investor.

It will be vital to include identifying more women investor role models prepared to speak about their experiences of angel investing.

Awards events and high profile events that celebrate women lead investors will also offer a valuable means to raise awareness and reinforce key messages.

Target Profile for awareness and recruitment:

The research showed that women between 30 and 50 years were the most active group and notably those with at least 10 years business experience active across a wide range of industries and not just women in financial services or business and professional services. Thus key business media and journals across all industries are relevant, as well as Professional online groupings such as Linked-In.

However the research revealed that women operating as NEDs and with portfolio roles having had already a successful business career are a key target. At the same time the research revealed that women who have already founded and successfully exited a business may be seen as a core target audience for identifying women who have the capacity and interest to start investing.

Targeting should take account of the fact that higher income earners were shown as moderately more likely to be an angel investor and the need to target women likely to be earning relatively strong annual income (ref 80k+€) or €200k+ disposable assets.

Targeting professional womens' groups and networks:

The research also indicated that many women had gained awareness of angel investing through professional women's groups and business networks so these should be a core focus for awareness raising and recruitment for women business angels, including speaking at events, bespoke angel investment awareness events articles in their newsletters and websites.

Targeting Financial Advisors and Wealth managers and financial media:

The research revealed that an overwhelming majority of women received no advice or information about angel investing from their advisors: Thus there is an important opportunity to engage pro-actively with the Financial Advisory and Wealth Advisory community in the partner countries including, accountants and other key intermediaries, as well as direct and online financial media sources to improve the level of understanding about angel investing as an asset class. It will be vital to address the barriers that may be perceived among the advisory community about recommending women to engage in this asset class including advising on relevant tax breaks to mitigate risks and how angel investing can form part of a mixed portfolio of investments.

6.1.3.

Ensuring that women recruited to angel investing by WA4E have access to women friendly investment groups to enable effective and sustainable engagement in angel investing

The research revealed that women were not aware of any angel groups or syndicates near them that they might join that would make them welcome. This reinforces the need to develop more opportunity for women to access women friendly angel investment groups or syndicates across Europe and the need to increase diversity amongst existing angel groups.

The research also revealed the need to ensure that there is effective and accessible information through the WA4E partners about local angel groups that are welcoming and supportive of women angel investors. WA4E Partners need to work with existing angel groups across the Partner countries to encourage them to directly target women investors and promote the opportunity to women to participate in angel investing through targeted effective messaging.

On the other hand, where there is a lack of angel groups available to women in key regions then there is a need to support the establishment of new syndicates or groups focusing on diversity and attracting a high proportion of women investors.

At the same time the WA4E partners need to look at ways of changing the attitudes of male dominated groupings and encouraging and supporting women to participate in syndicated deals is a clear priority across all the partner countries. This will entail working with existing groups to see what changes can be made in the structure and organisation to become more welcoming to women investors.

However, the need to establish women only angel groups is not necessarily what women see as the solution since this may marginalise women angel investment.

6.1.5.

Forum for Women Angel Investors in the Partner countries:

Women especially identified the clear need to establish a forum for women angel investors and would-be angel investors in each partner country either at national or regional level. This would be an important tool for engagement and recruitment to enable women to come together and share experiences on angel investing and build relationships and as a source of mentoring and peer to peer support for women in their early stage of investing.

6.2.

ORGANISATION OF TRAINING AND MENTORING FOR WOMEN ANGELS (WP5)

The research has revealed the need for women who have expressed interest in engaging with angel investing need to gain access to training and skills development in order to give them an in-depth understanding of the angel investment process as a means to give them the confidence to start actively angel investing.

The research among women already investing also revealed that many women are new to the angel market and lack experience, and this indicates the need to support new and less experienced women angels with opportunities for further training and professional development and mentoring from more experienced women angels in order to enable them to engage more effectively in angel investing.

Thus key awareness messages and education programmes aimed at women need to be designed to enable women to address the key concerns that were identified in the research. This includes:

Understanding the importance of investing through syndication to support risk taking:

This will include providing insights about the benefits of syndication to work alongside more experienced players to gain access to good dealflow, and to enable them to address issues such as time and disposable wealth by sharing the responsibility and pooling financial risk and finance; how to build a portfolio based on smaller levels of investments across multiple investments, whilst being realistic about the finance needed to follow a deal through multiple rounds. It will also be vital to use women as mentors and case studies to ensure understanding that women like them with modest levels of disposable income are actively investing and that angel investing is not just for the super rich.

Understanding tax breaks to mitigate risks:

This should be reinforced by information about how to effectively use tax breaks available in the partner countries to reduce risk and reduce financial exposure.

Understanding how to find deals and evaluate deals and the investment due diligence process:

It will be important to enable women to have the skills and confidence to know what to look for in a deal, what are the key areas that will indicate whether the business is ready and suitable for investment, how to evaluate the opportunity and also when to walk away from a deal. It will also be important to demonstrate the benefits of working in a syndicate to do effective due diligence and understanding the legal and contractual processes. This also demonstrated the opportunity for women to work alongside other more experienced women investors to go through the whole process from deal identification to due diligence to structuring the deal.

How to effectively use their experience and skills to support the business post investment and affect outcomes:

A further key aspect of training and mentoring is enabling women to identify how they can effectively use the experience and contacts and knowledge to support the entrepreneurs they have backed post investment. How can they bring strategic and practical advice, what role they can take post investment, how to support next round of funding and how to strategise for exit. This is a key aspect for women who want to be able to feel they are making a direct contribution to the success of an entrepreneur, and is one of the main drivers identified for many women in engaging in angel investing.

6.3.

ORGANISATION OF PITCHING EVENTS TO ENABLE WOMEN TO ENGAGE WITH AND INVEST IN ENTREPRENEURS, ESPECIALLY WOMEN ENTREPRENEURS (WP6)

As indicated by the research findings, many women lack interaction with entrepreneurs and are unaware of the range of businesses seeking support and funding to grow their business including lack of access to women entrepreneurs and many were unaware of opportunities to see pitching entrepreneurs in their own area.

A key aspect of WA4E will be to organise a regular programme of pitching events (at least 2 per year in each country) where women investors will be specifically welcomed and encouraged to engage with local pitching events, especially presenting women entrepreneurs seeking funding. These events should be designed to give women exposure to quality deal flow, but also provide good opportunities for direct interaction with a range of projects and an opportunity to identify entrepreneurs that they feel could benefit from their investment and to give them chance to meet and interact with other like-minded investors.

It will also be vital to ensure that women who are less experienced are given support in the post pitching and due diligence phase to decide whether to make an investment. This will be best effected by enabling women to take part in a syndicate, enabling mentoring from the more experienced angels through the due diligence and deal structuring process.

Ensuring that pitching events are organised on a women friendly basis and taking account of the needs of women investors:

The research also revealed the need to ensure that women can access women friendly angel investment meetings and pitch presentations that take account of women's family commitments. So the WA4E pitching events will need to ensure that meetings are scheduled at women friendly times taking account of school/working hours and that women have the opportunity to schedule interactions including due diligence and meetings post investment around their own commitments.

7 The Implications of the Research Findings on Women Angel Investing for Policy Development in the Six Partner Countries and at EU Level

7.1. CURRENT POLICY ENVIRONMENT FOR SUPPORTING WOMEN INVESTORS

Currently there are no specific national policies in place in the six partner countries concerned to specifically target women investors.

France may be seen as an exception, having had some national government subsidy to establish and support Femmes Business Angels network as part of France Business Angels national angel association.

Nevertheless all of the partner countries have put in place tax breaks of one kind or another to support the growth of angel investing and some of the partner countries have direct subsidies to support national angel federation bodies to support their work in promoting angel investing.

At the same time the member states have policies in place to promote start-up and increase the support to start up and early stage businesses, both using national funding sources and drawing on European sources including the European Regional development Funds ERDF; also funding through the EIF and EIB. This also includes specific policies in some member states to increase the number of women entrepreneurs. Some of the member states have also put in place co-investment funds to stimulate angel funding and leverage angel investment, including the UK Angel CoFund (since 2012) and more recently for example in Portugal.

Notably many of the member states are also developing policies to stimulate and support more women entrepreneurs and this gives a strong opportunity to identify the importance of building a diverse base of investment to increase the chances of women entrepreneurs to access investment.

There are therefore potential opportunities for the partner organisations to access national government support to support the growth of women angel investment to complement the work being done through the WA4E programme.

7.2. OPPORTUNITIES FOR ACTION AT NATIONAL AND REGIONAL LEVEL

The research also indicated the opportunity to improve existing policy at national and EU level. This includes:

7.2.3. Support for National/Regional Women Angel Co-Investment Funds:

Notably there are opportunities for the establishment of a national or regional focused Women Angel Co-investment fund in each of the partner countries – to stimulate and leverage women focused angel syndicates and lead women angels, providing further incentive for women angels and encouraging syndication and the development of more lead women angels. Match funding through the fund

could be based on the requirement for a significant proportion of the investment syndicate being women angels and notably having a lead woman angel who will take a key role in supporting the business post investment. This could include a further priority for investments being made in women founders or co-founders.

7.3. ESTABLISHMENT OF AN EU WIDE WOMEN ANGEL CO-INVESTMENT FUND:

In view of the challenges that some member states may have in implementing such a fund for leveraging angel investment among women at national or regional level, we recommend that the European Commission consider the opportunity to establish a **European Women Angel Co-Investment Fund**. This would be aimed at stimulating and leveraging an increased level of women angel investment especially in key countries where this market is especially underdeveloped, but also offering the opportunity to women investors to come together across borders to support entrepreneurs and pool their investment capacity and business expertise.

The key parameters for this fund would need to be agreed, but would be aimed at adding value to and complementing member state level initiatives, but also recognising the importance of this vital yet untapped pool of women investment capacity across the member states to support Europe's high growth potential entrepreneurs and notably prioritising investments made in women founders or co-founders.

**“Why am I a Business Angel?
Certainly not just for the
money - its about passion
for entrepreneurship, for new
ideas, for innovation.”**

PORTUGUESE WOMAN INVESTOR

THE WA4E PARTNERS

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