



## 2024 State of Women's Small Business Report by Block Advisors Reveals Resilience Despite Persistent Support Barriers

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*Over 6,000 applicants of the [Fund Her Future](#) small business grant program show high confidence yet cite major barriers for women looking to start a business*

KANSAS CITY, Mo., Oct. 08, 2024 (GLOBE NEWSWIRE) -- Today, [Block Advisors](#) by [H&R Block](#) unveiled its [2024 State of Women's Small Business Report](#), which reveals that women entrepreneurs continue to face significant funding and support gaps, with these challenges being even more severe for BIPOC women. These systemic obstacles contribute to a personal confidence gap among owners themselves. Despite these barriers, many current business owners feel the outlook for their businesses' future is positive.

While nearly all applicants (94%) express feeling 'somewhat' to 'very' positive about 2025, respondents also express being cautious with finances given the state of today's economy. Over half of respondents (56%) claim inflation has affected their prices this year; and over the next six months to a year, some respondents believe they may be forced to cut expenses (44%) and raise prices again due to inflation (39%). Despite cautious optimism, the report highlights significant challenges in women's entrepreneurial journeys. The challenges experienced are even more pronounced for respondents who are racially diverse.

"Starting a business has its fair share of struggles – sustaining it brings additional challenges," said Jamil Khan, Chief Small Business Officer at H&R Block. "This report sheds light on the ongoing obstacles, helping us better understand the resources, guidance, and tools to which women entrepreneurs of all backgrounds need access. It's commonly known that 50% of businesses close within five years of opening – this report helps us understand how we can work with women founders to beat those odds."

The [2024 State of Women's Small Business Report by Block Advisors](#) offers insights from 6,333 Fund Her Future grant applicants. The analysis underscores the profile, attitudes, and behaviors of these applicants, specifically in terms of the motivations, challenges, and needs of today's women entrepreneurs. Block Advisors' review of survey responses shows women founders' future confidence is fueled by a spirit of perseverance. The majority of respondents cited facing substantial funding and support gaps when starting their business. These barriers may play into the confidence gap that was noted in over half of respondents.

Block Advisors believes these findings reinforce the need for programs like the Fund Her Future grant. "It is clear that women entrepreneurs are determined to find success on their business journey. For these underserved business owners, the right support and guidance in those critical early years can make all the difference in navigating the challenging road ahead," said Khan.

### Women Applicants Skew Younger, Diverse, and Seek Autonomy

The grant applicant pool reveals that today's woman entrepreneur in search of funding is a younger, educated, and racially diverse owner just starting their small business journey. Specifically, approximately half of respondents to the Fund Her Future grant survey were women who were Black (50%), college-educated or higher (63%), millennial (53%), and with two years or less of owning a business (49%).

Responses indicated that these female founders deeply value being engaged leaders. Improving communities and the overall need for autonomy were among the top motivators for starting their businesses. Almost all (98%) of respondents mentioned improving a community as a motivator. This is supported by the industries represented by applicants: nearly one in four (23%) women own a business in counseling, education, tutoring, or business consulting.

A preference for business autonomy and work flexibility were also leading catalysts toward business formation: 92% of those surveyed cited wanting to be their own boss and 89% cited wanting to set their own schedule. One in five (21%) women shared that they were starting a business to escape the traditional 9-to-5 work environment so that they could tap into the childcare flexibility of staying home with their kids. Not all aspiring entrepreneurs leave traditional workplaces right away, however. Exactly half of all respondents started their business as a side gig. A slower transition may allow for greater stability during the often-tenuous early years of a business startup, while still lending the founder more feelings of autonomy and self-directed purpose.

### Funding & Support Gaps Remain Big Barriers to Business Formation

The report found four of the top five barriers to starting a business all dealt with funding and support gaps, further confirming the need to close these gaps through programs like Block Advisors by H&R Block's Fund Her Future grant. In fact, a 'lack of start-up capital' (80%), 'needing steady, reliable income' (76%), and 'needing a solid business plan' (56%) round out the top three barriers, with 'needing help getting started' (50%) placing fifth.

Interestingly, 54% of respondents cited 'fear of failure,' making it the fourth most common barrier. This spotlights a little-talked-about confidence gap for over half of women entrepreneurs. One respondent stated, "Starting a new business can be daunting, especially as a first-time entrepreneur. The fear of failure, coupled with the challenges of securing funding, can be overwhelming."

Digging deeper into the support gap, a lack of overall mentorship was a common theme. This points to a major barrier that keeps women from taking the leap to start their business. Additionally, one in four (27%) women business owners said they hesitated to start a business due to the lack of mentorship during the process.

Funding gaps and struggles sourcing capital continue to be prevalent: one in three respondents applied for a bank loan, but 42% of those who applied were never approved. When looked at through an ethnicity lens, the picture becomes more concerning for BIPOC and Black women. Among those who applied for a bank loan, 45% of BIPOC applicants were never approved, compared to 36% of their white peers. Black women applicants seeking a bank loan reported being denied bank loans most frequently. 47% of Black women founders who applied for loans were ultimately denied and unable

to access this type of funding.

### **What Women Entrepreneurs Need: Money, Marketing Support, and More Help with Tax Prep**

When asked what tops their wish list for achieving business success, women entrepreneurs confirmed their business would thrive if they had start-up capital (66%) and marketing and advertising support (45%).

Furthermore, while starting a business can seem exciting and glamorous, respondents express owning a business comes with unexpected responsibilities. While they may have started their business to follow their passion, there are many administrative aspects that comprise the less appealing side of their business to-do lists. Overall, tax preparation (53%) and bookkeeping (40%) rank as the least favorite tasks for applicants, followed by website development and social media management (25%), and marketing & advertising (22%).

On a similar note, amongst a list of eight business tasks, applicants are least confident in their ability to find all available tax credits and deductions: more than two-thirds of women claim they are only 'somewhat confident' to 'very unconfident.' Because of this – and coupled with the fact that tax preparation and bookkeeping rank as the two least favorite tasks – today's woman small business owner may be at risk of leaving tax deductions on the table.

"For the upcoming generation of women entrepreneurs, building a supportive network of trusted experts and advisors will be crucial in overcoming these challenges and achieving long-term success. Block Advisors takes pride in helping its small business customers offload the business tasks—such as tax preparation, bookkeeping, payroll, business formation, and beneficial owner reporting—to pursue their passions," said Khan.

Download the [2024 State of Women's Small Business Report by Block Advisors](#).

To learn more about Block Advisors and the Fund Her Future grant, visit [www.BlockAdvisors.com](http://www.BlockAdvisors.com) and [www.BlockAdvisors.com/FundHerFutureGrant](http://www.BlockAdvisors.com/FundHerFutureGrant).

### **About H&R Block**

H&R Block, Inc. (NYSE: HRB) provides help and inspires confidence in its clients and communities everywhere through global [tax preparation services](#), [financial products](#), and [small-business solutions](#). The company blends digital innovation with human expertise and care as it helps people get the best outcome at tax time and also be better with money using its mobile banking app, [Spruce](#). Through [Block Advisors](#) and [Wave](#), the company helps small-business owners thrive with year-round bookkeeping, payroll, advisory, and payment processing solutions. For more information, visit [H&R Block News](#).

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