

## **Estimates for Women-led, Minority Ethnic Group (MEG) led and Social Enterprises in the UK (produced by BIS Enterprise Directorate)**

### **Background information**

The publication of the Small Business Survey 2010 enables the update of estimates of the proportion of all businesses in the UK that are led by women, or by members of a minority ethnic group or are defined as social enterprises.

Due to the relatively small number of businesses with zero employees sampled in this survey, it is more statistically robust to produce estimates of the proportion of all businesses that are majority women-led and MEG-led based on three year's worth of surveys. In the case of Social Enterprises, estimates are produced for *SMEs with employees only*.

### **Definitions**

**Majority women-led businesses** are those where women make up *more than 50 per cent* of the partners or directors in day-to-day control of the business, or where the sole proprietor is a woman.

**MEG-led businesses** are those where people from ethnic minority groups make up *50 per cent or more* of the partners or directors in day-to-day control of the business, or where the sole proprietor is from an ethnic minority group.

**Social Enterprises** are those which meet the following criteria

- no more than 75% of turnover is generated from grants and donations
- no more than 50% of any surplus is paid to shareholders (or never generate a profit)
- the business owner thinks of the business as a social enterprise, and
- the business owner thinks the business is a very good fit to the definition “A business with primarily social/ environmental objectives, whose surpluses are principally reinvested for that purpose in the business or community rather than mainly being paid to shareholders and owners”?

## Latest Estimates

### Women

It is estimated that **15.5 per cent** of SMEs are majority women-led<sup>1</sup>.

This equates to around **690 thousand SMEs**<sup>2</sup>.

It is estimated that in the UK majority women-led SME businesses contribute about £50 billion to Gross Value Added (12 per cent of the UK SME GVA total)<sup>3</sup>.

### Minority Ethnic Groups

It is estimated that **6.3 per cent** of SMEs are minority ethnic group led (MEG-led)<sup>4</sup>.

This equates to around **280 thousand SMEs**<sup>5</sup>.

It is estimated that in the UK MEG-led SME businesses contribute about £25 billion to Gross Value Added (five per cent of the UK SME GVA total)<sup>6</sup>.

### Social Enterprises

It is estimated that **5.7 per cent** of SME employers are Social Enterprises<sup>7</sup>.

This equates to around **68 thousand SME employers**<sup>8</sup>.

Around five per cent of micros (53,000) are social enterprises. Around seven per cent of small firms (12,000) are social enterprises and around eight per cent of medium-sized firms (2,000) are social enterprises.

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<sup>1</sup> BIS estimate, based on ASBS 2006/07, ASBS 2007/08 and SBS 2010

<sup>2</sup> BIS estimate, calculated as 15.5% of the estimated 4,479,000 SMEs at the start of 2010 – BIS Business Population Estimates 2010

<sup>3</sup> BIS estimate, based on ASBS 2006/07, ASBS 2007/08 and SBS 2010 and ONS Annual Business Inquiry 2008

<sup>4</sup> BIS estimate, based on ASBS 2006/07, ASBS 2007/08 and SBS 2010

<sup>5</sup> BIS estimate, calculated as 6.3% of the estimated 4,479,000 SMEs at the start of 2010 – BIS Business Population Estimates 2010

<sup>6</sup> BIS estimate, based on ASBS 2006/07, ASBS 2007/08 and SBS 2010 and ONS Annual Business Inquiry 2008

<sup>7</sup> BIS estimate, based on ASBS 2006/07, ASBS 2007/08 and SBS 2010

<sup>8</sup> BIS estimate, calculated as 5.7% of the estimated 1,188,000 SME employers at the start of 2010 – BIS Business Population Estimates 2010