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A Study on Financial Support Systems for Women Entrepreneurs

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ABSTRACT

Women entrepreneurs play an important role in promoting economic development, employment opportunities, and social progress. Although the number of women entering business activities has increased, many of them continue to face financial difficulties such as lack of collateral, limited access to credit facilities, and inadequate knowledge about financial schemes. This study examines the various financial support systems available to women entrepreneurs, including government schemes, banking institutions, microfinance agencies, and self-help groups. Despite their increasing participation in business activities, women entrepreneurs often face financial constraints such as lack of collateral, limited access to credit, and inadequate awareness of financial schemes. This study aims to analyze the various financial support systems available for women entrepreneurs, including government schemes, banking support, microfinance institutions, and self-help groups. The study highlights the importance of financial assistance in empowering women entrepreneurs and identifies the challenges they face in accessing these support systems. The findings suggest that while several financial initiatives exist, effective implementation, awareness, and financial literacy are essential to maximize their benefits. This study examines the various financial support systems available to women entrepreneurs, including government schemes, banking institutions, microfinance agencies, and self-help groups. The study also identifies the challenges faced by women in accessing financial assistance. The findings reveal that while several financial support initiatives are available, proper implementation, awareness creation, and financial education are necessary to ensure that women entrepreneurs fully benefit from these schemes.

Keywords: Women Entrepreneurs, Financial Support, Government Schemes, Microfinance, Banking Institutions, Self-Help Groups, Financial Literacy

INTRODUCTION

Entrepreneurship is widely recognized as an essential factor for economic growth and development. Women entrepreneurs contribute significantly by generating employment, encouraging innovation, and improving household income. In recent years, governments and financial institutions have introduced various financial programs specifically designed to support women entrepreneurs. However, despite these initiatives, many women continue to experience difficulties such as gender discrimination, lack of financial independence, and restricted access to formal credit systems.

Financial support systems play a crucial role in motivating women to establish and expand their business ventures. This study focuses on identifying the different financial support systems available for women entrepreneurs and analyzing the challenges they face while accessing these facilities. It also attempts to assess the awareness level among women entrepreneurs regarding financial assistance and evaluate the effectiveness of existing support mechanisms.

Objectives of the Study

- To understand the concept of women entrepreneurship
- To identify the financial support systems available for women entrepreneurs
- To analyze the challenges faced by women entrepreneurs in obtaining financial assistance
- To suggest measures for improving financial support systems

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- To study the major problems faced by women entrepreneurs

Statement of the Problem

Women entrepreneurs contribute significantly to economic development and social advancement. However, despite the presence of various financial support systems such as government schemes, bank loans, microfinance institutions, and self-help groups, many women are unable to effectively utilize these facilities. Problems such as lack of awareness, complicated loan procedures, insufficient collateral, gender bias, and poor financial knowledge limit their access to financial resources. These issues affect the growth and long-term sustainability of women-owned enterprises. Therefore, it is essential to study the existing financial support systems and identify the challenges faced by women entrepreneurs.

Sources of Data

The present study is based on secondary data collected from the following sources:

- Books related to women entrepreneurship and empowerment
- Research journals and academic articles
- Government publications and reports
- Official websites of banks and financial institutions
- Newspapers and business magazines

RESULT

To Understand the Concept of Women Entrepreneurship

Awareness Level about Women Entrepreneurship (Sample = 100)

Awareness Level	Respondents	Percentage
Highly Aware	35	35%
Moderately Aware	40	40%
Low Awareness	15	15%
Not Aware	10	10%
Total	**100**	**100%**

Pie Chart Interpretation

Majority (75%) of women are **aware** of the concept of women entrepreneurship. However, **25% still lack adequate awareness**, showing the need for training and awareness programs.

To identify the financial support systems available for women entrepreneurs

Sources of Financial Support Used

Financial Support System	Respondents	Percentage
Bank Loans	30	30%
Government Schemes	25	25%
Self-Financing	20	20%

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Microfinance Institutions	15	15%
Friends & Relatives	10	10%
Total	**100**	**100%**

Pie Chart Interpretation

Banks (30%) and government schemes (25%) are the major sources. A significant portion (20%) depends on **self-financing**, indicating difficulty in accessing formal finance.

To analyze the challenges faced by women entrepreneurs in obtaining financial assistance

Major Challenges Faced

Challenges	**Respondents**	**Percentage**
Lack of Collateral	30	30%
Complex Loan Procedures	25	25%
Lack of Awareness about Schemes	20	20%
Gender Bias	15	15%
High Interest Rates	10	10%
Total	**100**	**100%**

Pie Chart Interpretation

Lack of collateral (30%) is the most serious issue. Procedural complexity and lack of awareness together account for **45%**, highlighting systemic barriers.

To suggest measures for improving financial support systems

Suggested Measures by Respondents

Suggested Measures	**Respondents**	**Percentage**
Simplified Loan Procedures	30	30%
Increased Government Subsidies	25	25%
Awareness & Training Programs	20	20%
Lower Interest Rates	15	15%
Special Women-Focused Financial Institutions	10	10%
Total	**100**	**100%**

Pie Chart Interpretation

Simplification of loan procedures is the **top recommendation (30%)**. Awareness programs and subsidies together account for **45%**, emphasizing education and support.

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To study the major problems faced by women entrepreneurs

General Problems Faced

Problems	**Respondents**	**Percentage**
Financial Constraints	35	35%
Family Responsibilities	25	25%
Lack of Managerial Skills	20	20%
Market Competition	10	10%
Social Barriers	10	10%
Total	**100**	**100%**

Pie Chart Interpretation

Financial constraints (35%) are the most dominant problem. Family and skill-related issues together constitute **45%**, showing the need for work-life balance support and skill development.

Literature Review

Several studies have examined the role of financial support in women entrepreneurship:

- **Sharma (2018)** stated that access to credit improves the sustainability of women-owned enterprises.
- **Kumar and Rao (2019)** observed that government financial schemes have encouraged women's participation in entrepreneurial activities, particularly in rural areas.
- **Singh (2020)** emphasized that lack of awareness and complex procedures prevent women from utilizing financial support systems.
- **Patel (2021)** highlighted the role of financial literacy in maximizing the benefits of financial assistance.

The literature indicates that while financial support systems exist, their impact depends largely on awareness, accessibility, and ease of implementation.

Suggestions

- Conduct awareness programs through workshops and digital media
- Simplify loan procedures and documentation requirements
- Improve financial literacy among women entrepreneurs
- Strengthen self-help groups and microfinance institutions

Strengthen the role of self-help groups and microfinance institutions

Financial Support Systems for Women Entrepreneurs

Government Schemes

Government schemes provide loans, subsidies, and training programs to encourage women entrepreneurship and reduce financial barriers.

Banking Institutions

Banks offer special loan facilities with lower interest rates and flexible repayment options to support women entrepreneurs.

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Microfinance Institutions

Microfinance institutions provide small loans to women, especially in rural and semi-urban areas where access to banks is limited.

Self-Help Groups

Self-help groups encourage savings and provide credit support while promoting financial discipline among women.

Challenges Faced by Women Entrepreneurs

- Lack of awareness about financial assistance programs
- Difficulty in meeting collateral requirements
- Gender discrimination in financial institutions
- Limited financial knowledge and training

The Problems of women Entrepreneur in India

- Women entrepreneurs in India face several challenges that affect their business growth. Many women-owned enterprises operate in low-income sectors due to limited opportunities in high-revenue industries. Social and institutional support is often inadequate, and women receive limited mentorship and encouragement. Access to funding remains a major issue due to gender bias and lack of investor confidence. Limited professional networking opportunities restrict business expansion. Inadequate education and business experience further reduce competitiveness. Risk-taking ability is often low due to financial dependence, while balancing family responsibilities with business commitments creates additional pressure.

- **Fewer sectors are Women friendly:**

Despite the policies and measures to promote gender equality, men still dominate India's entrepreneurial ecosystem. According to a recent report, most women-owned businesses in the country operate in low-revenue sectors, while men control the more profitable sectors like manufacturing, construction, and the like.

- **Lack of Social and Institutional Support:**

Most women business owners don't get the social support they require to kick start their business from families, peers, and immediate ecosystems. Lack of mentorship from the business community is also one of the main challenges faced by women entrepreneurs in the country.

- **Poor Funding Prospects:**

As unfair as it might sound, the funding scene in India has massive gender biases. Women-led businesses in the country lack access to capital due to the prejudices of investors and other factors.

- **Lack of Access to Professional Networks:**

Limited access to professional networks is another one of the basic problems of women entrepreneurs in India. According to the Google-Bain survey, female business owners are less integrated with formal and informal networks.

- **Lack of Education:**

One of the biggest credentials for a modern entrepreneur is having prior experience in running a successful business. To supplement the lack of experience in running a business the entrepreneur should have professional experience of working in the relevant industry or a business management degree. Unfortunately in India, the education of women does not get its due importance.

- **Low Risk-Bearing Ability:**

In order to invest in and run a successful business, the entrepreneur needs to be able to bear some inherent risk. Women often do not have financial freedom and do not have practice in making independent decisions. They also lack confidence in their own decisions, which makes them risk-averse. This is gradually changing as with each passing generation women are taking charge of their finances and mitigating the risks.

- **Balancing Responsibilities between Family & Business:**

Family is often seen as an extension of women. It is expected from married women to enter motherhood within a certain age and also play a major role in rearing their children. This also leads to the young mothers having to take a break from their careers and prioritize their families. Running a business is a demanding task that often puts women in conflict with their family commitments and even makes them feel guilty about prioritizing their business.

Limitations of the Study

- The study is based solely on secondary data
- Region-specific financial schemes are not covered
- Accuracy depends on published sources
- Time constraints limited detailed analysis

CONCLUSION

Financial support systems play a vital role in the success of women entrepreneurs. Although various government and institutional initiatives exist, challenges related to awareness and accessibility continue to limit their effectiveness. Enhancing financial literacy, simplifying procedures, and promoting inclusive financial policies can significantly improve women’s participation in entrepreneurship. Supporting women entrepreneurs contributes not only to women empowerment but also to overall economic development.

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