

Invoice Factoring Bridges Funding Gap for Women-Led Businesses

Gender inequality creates business financing barriers, which women-owned and led businesses are solving with invoice factoring.

TORONTO, ONTARIO, CANADA, March 28, 2024 /EINPresswire.com/ -- Invoice Factoring Guide, a prominent provider of invoice factoring solutions, says that women-owned and women-led businesses are at a significant disadvantage when securing working capital. Full details on the topic and solutions are available in "Bridging the Funding Gap for Women-Owned and Led Businesses," which is now live on InvoiceFactoringGuide.com.



The report draws on research that indicates 25 percent of women are denied business loans, compared to 19 percent of men. It also notes that women who are approved receive, on average, 50 percent less funding than their male counterparts. This discrepancy is not just a funding

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> Spokesman for Invoice Factoring Guide

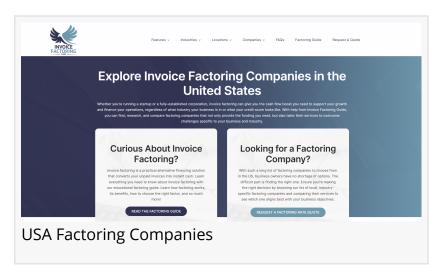
issue. It's a growth barrier.

With women-led businesses contributing over \$1.8 trillion to the economy annually, bridging this gap is a matter of equity and economic imperative.

"Women entrepreneurs are a major driving force in our economy and are responsible for a significant number of new jobs created," an Invoice Factoring Guide representative said. "Yet, women continue to face unnecessary hurdles in securing the funding essential for business growth."

The challenges of securing funding are even more

pronounced for women of color, who face higher interest rates and less access to crucial resources like teambased accelerators. This disparity results in entrepreneurs of color facing startup costs that are, on average, \$250,000 higher than their White male counterparts. It's a stark reminder of the systemic obstacles that persist in the business financing landscape.



"Through invoice factoring, we offer a

lifeline to women entrepreneurs, providing them with the immediate funding they need to overcome systemic barriers and unlock their full potential," the representative said. "Our mission is to level the playing field, ensuring that every entrepreneur has the opportunity to thrive, regardless of gender or background."

Unlike traditional loans, which often reinforce financial disparities by focusing on the business owner's creditworthiness, invoice factoring evaluates the credit of the clients paying the invoices. This inclusive approach makes capital accessible, especially for startups and small businesses led by women, who historically face higher rejection rates in traditional lending markets.

Moreover, invoice factoring enables women entrepreneurs to reinvest in their businesses immediately — for expansion, inventory, hiring, and more —without the wait typically associated with invoice payments. This direct access to funds is essential for sustaining business momentum and growth. The representative also notes that because invoice factoring does not create debt, businesses benefit from the absence of repayment pressures and interest.

Those interested in learning more about factoring or who would like to find a suitable factoring company are encouraged to visit <u>https://www.invoicefactoringguide.com/</u>.

About Invoice Factoring Guide

With a multitude of <u>factoring companies</u> to choose from in the U.S., business owners face numerous decisions. Invoice Factoring Guide matches businesses with industry-specific factoring companies and offers detailed information about services, empowering them to make wellinformed decisions that align with their business goals.

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