

Facebook

Facebook's use of sex-disaggregated data to design targeted programs for women

In partnership with the World Bank and Organisation for Economic Co-operation and Development (OECD), Facebook's Future of Business (FOB) surveys have gathered insights from millions of small business owners across 97 countries. First launched in 2016, the biannual survey provides insights on operational and regulatory trends experienced within small businesses, at a rate faster than most administrative surveys. In doing so, it has shaped the work of policy makers, nonprofits and small businesses themselves. FOB surveys also reveal unique insights on gender: by sex-disaggregating user data, Facebook has been able to tap into the specific challenges of navigating small business ownership as a woman—from accessing capital to finding mentors.

Globally, there is evidence that women are making significant contributions to economies by starting their own businesses. According to the World Bank,¹ the growth rate of women-owned firms in the United States is double the average growth rate for all businesses and contributes about \$3 trillion to the economy. The same research indicates that women-

owned businesses are increasing in number in emerging markets, including 8 million to 10 million small and medium enterprises (SMEs) with at least one founder who is a woman.

Despite this rise of women entrepreneurs, women face significant barriers to starting, growing, and scaling their businesses. The World Bank's *Women, Business and the Law* finds that in 115 economies, women cannot run businesses in the same way as men because of restrictions in key activities such as opening a bank account and owning property.² In addition to limiting the number of women who venture into entrepreneurship, these restrictions also limit women's likelihood of success as business owners.

APPROACH AND CHALLENGES

To identify how women were using Facebook, the research team had to first define what women-owned businesses are. Given that FOB surveys were offered to the administrators of Facebook-designated SME pages typically over a two-week period, ascertaining the gender of respondents and their roles in the business could prove difficult. To address this, Facebook applied the following parameters:

- **Women-owned enterprise:** Facebook uses the parameters set by the International Finance Corporation (IFC) to define woman-owned or man-owned firms. The IFC defines a woman-owned firm as one in which there is (a) 51.0 percent ownership or stake held by a woman or women or (b) 20.0 percent ownership or stake held by a woman or women

Quick facts about Facebook

Headquartered in San Francisco, Facebook is an online social networking service.

Founding year: 2004

Footprint: Global

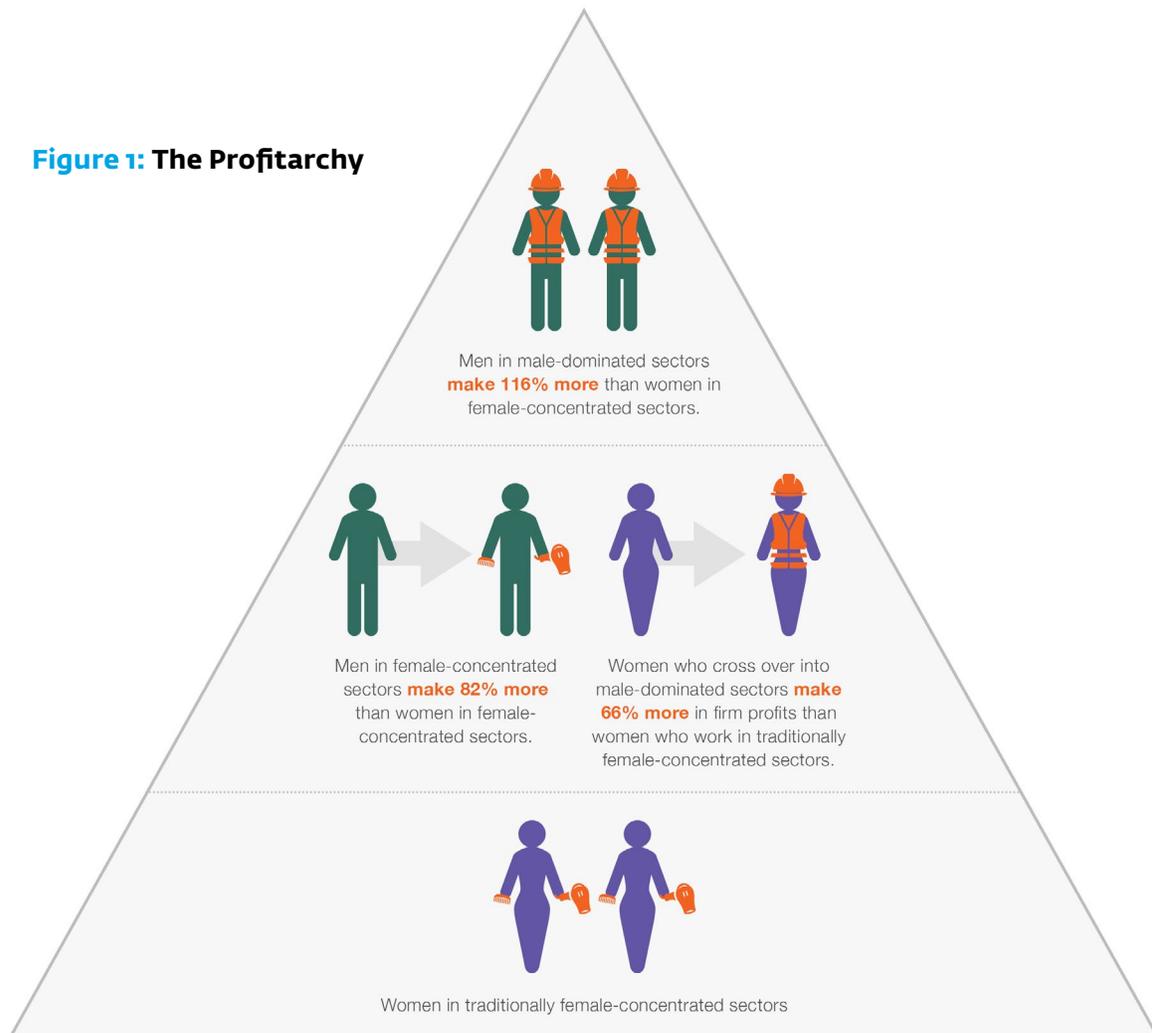
and one woman as CEO or COO (president or vice president) as well as 30.0 percent of the board of directors being women where a board exists.

- **Male or female dominated sectors:** Sectors dominated by either sex were defined through the following question: “Who owns most of the businesses in your sector? Men or women?” as reported by a subset of female respondents. If more than 70 percent of women reported that men owned most of the businesses within their sector, that sector was defined as male dominated. Similarly, if 70 percent or more of female respondents reported that women owned most of the businesses within their sector, that sector was defined as female dominated.

Beyond this, steps were taken to ensure user privacy, including the following:

- **De-identification:** A set of processes used to prevent a person's identity from being connected with information.
- **Aggregation:** Drawing insights from the total number of people in a particular geographic region, rather than from individuals.
- **Smoothing:** Combining population estimates for sparsely populated regions with nearby areas to avoid the possibility of re-identification.

Figure 1: The Profitarchy



SOURCE: WORLD BANK, 2019

Case Study: **FACEBOOK**

FINDINGS

Data from the 2018 FOB surveys show that several industries were considered male dominated, including automotive repair, warehousing, forestry, construction, programming and broadcasting, agriculture, and publishing, among others. Unsurprisingly, the lower participation of women in entrepreneurship means that only two industries could be identified as female dominated: hairdressing or other beauty treatments (89 percent) and washing or dry-cleaning textiles (73 percent).

Analysis of the data finds that there is indeed a link between the gender income gap and an individual's choice of industry, with women who enter male-dominated industries earning 66 percent more than women in traditionally female-dominated industries. In a report on the findings from this survey, the World Bank used the term "profitarchy" to describe the hierarchy of sector-based earning potential that has created a stubborn gender wage gap where men-owned businesses in traditionally male-dominated sectors earn the most and women in traditionally female-dominated sectors earn the least.³

Although women's earning potential rises with entry into male-dominated industries, the research finds that most of these women are more likely to have inherited the businesses rather than starting the businesses themselves. These women are also more likely to have had some mentorship, usually from men, in the process—supporting the view that targeted mentorship is needed to encourage women's success in male-dominated fields. Women who have successfully managed to cross over into male-dominated industries were also found to be less in need of the capital necessary to do so.

IMPACT

The research revealed several male-dominated industries and an opportunity for women to increase their earning potential by crossing over into them. However, success of these women was found to be predicated on having an adequate support system that includes the necessary capital, skills,

and mentorship. Drawing insights from this and other FOB surveys that are conducted twice a year has better informed Facebook's approach implementation of existing programs such as SheMeansBusiness.

Facebook's SheMeansBusiness program was launched in 2016 to support women-owned enterprises' participation in the digital economy through digital skills training and business inspiration. Globally, SheMeansBusiness relies on a strong network of training partners that bring key local value while creating community engagement. Facebook is currently working to expand the program to help more women acquire the necessary knowledge to sustain and grow their businesses and to support an inclusive economic recovery for women entrepreneurs affected by COVID-19.

Figure 2: Facebook's SheMeansBusiness



SOURCE: FACEBOOK

Facebook continues to explore data partnerships that inform development approaches. A recent collaboration with a Development Data Partnership that includes the World Bank, the International Monetary Fund, and the Inter-American Development Bank, aims to help governments with limited infrastructure and technical capacity to leverage big data in tracking transmission rates of the COVID-19 virus. As part of the initiative, data insights are also used for mapping adequate responses for where to set up testing facilities and for ensuring that existing health centers are well-prepared with extra beds as needed.

Case Study: **FACEBOOK**

1. World Bank, *Female Entrepreneurship Resource Point - Introduction and Module 1: Why Gender Matters*, 2019, <https://www.worldbank.org/en/topic/gender/publication/female-entrepreneurship-resource-point-introduction-and-module-1-why-gender-matters>.
2. World Bank, *Women, Business and the Law database*, 2020, <https://wbl.worldbank.org/en/aboutus>.
3. World Bank, *Tackling the Global Profitarchy: Gender and the Choice of Business Sector*, 2019, <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/734371558715932769/tackling-the-global-profitarchy-gender-and-the-choice-of-business-sector>.
4. Data Development Partnership, *Addressing COVID-19 through Public-Private Data Partnerships—Where Do We Put New Testing Facilities?*, 2020, <https://datapartnership.org/updates/covid19-and-public-private-data-partnerships/>.
We Put New Testing Facilities?, 2020,