



Virgin StartUp's Founder Barometer

2026

Foreword

This year's **Founder Barometer** needle is pointing firmly towards stormy weather.

Every year Virgin StartUp takes the temperature of Britain's business founders to find out what life is really like running a start-up today – what's keeping people up at night, where are the opportunities, where would they like more support.

Half of all founders (51%) are worried about whether their business will still be here in 12 months and nearly six in 10 think the government isn't listening to small business owners enough.

What's clear is that these storm clouds are looming heavily over some founders more than others, revealing a nation of two very different founder experiences. Today, 70% of founders from well-off backgrounds feel financially confident about the year ahead. For working-class founders, that figure is just 27%. Meanwhile just 25% of founders think the landscape works for neurodivergent founders.

The strain is showing. A third of founders tell us their mental health has worsened in the past six months. That's the highest we've recorded in three years of asking. That should worry all of us, because start-ups and small businesses are the beating heart of the UK economy and behind every data point is a real person trying to build something for tomorrow. It's vital that this pipeline of business talent is diverse and representative of society as a whole.

The government has already committed to backing Britain's next generation of scale-ups with investment and support. That is welcome. But with a new Prime Minister in Downing Street, there is an opportunity to think more boldly about who gets to participate in Britain's entrepreneurial economy. We shouldn't be rolling out a concierge service for some founders while the front door to entrepreneurship stays closed for so many. Right now, too many people are still being left on the doorstep.



“We shouldn't be rolling out a concierge service for some founders while the front door to entrepreneurship stays closed for so many.”

ANDY FISHBURN MBE
MANAGING DIRECTOR, VIRGIN STARTUP

A plan to widen access to entrepreneurship

Britain's founders are ambitious, resilient and determined to grow. But this year's Founder Barometer shows that access to entrepreneurship remains deeply unequal.

The challenge isn't simply economic uncertainty; it's unequal access to opportunity.

A founder's chances of success should not be determined by their socio-economic background, gender, ethnicity or whether they are neurodivergent. Yet too often these factors continue to shape access to finance, support and opportunities to grow.

That's why Virgin StartUp is calling on government, financial institutions and business support organisations to work together on a long-term ambition: making entrepreneurship genuinely accessible to everyone, regardless of background.

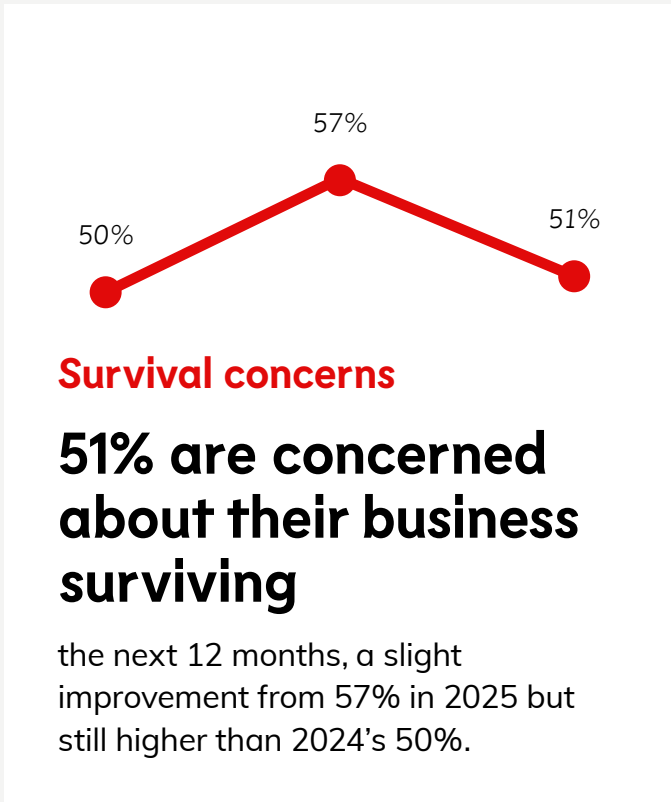
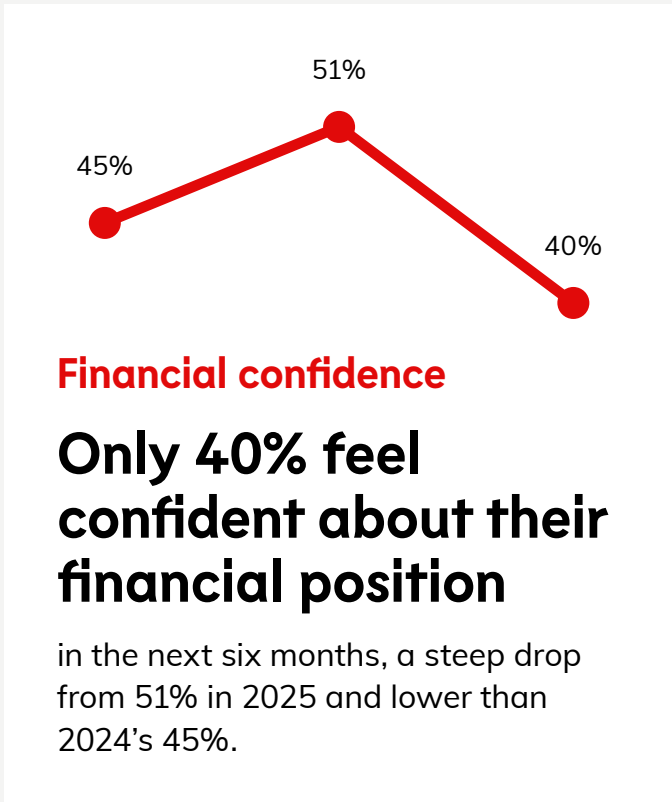
We want to see a coordinated effort to improve access to finance, simplify business support, strengthen mentoring and networks, and increase accountability for progress on founder diversity and inclusion.

59% of founders don't believe the government listens to small business owners

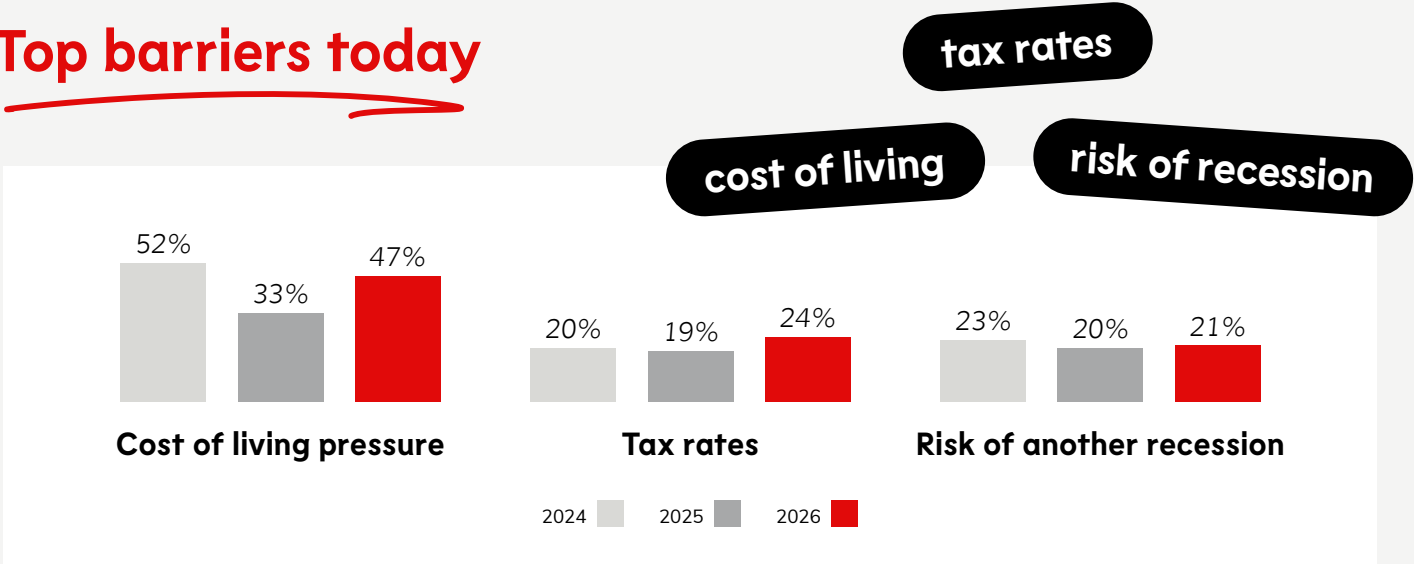
Virtually unchanged since last year (58%).

Business confidence runs cold

Confidence has seen a significant downturn. Business survival remains a major issue for half of all founders.



Top barriers today



The UK has no shortage of entrepreneurial talent

What is needed now is a long-term commitment to removing the barriers that prevent talented people from starting and growing new businesses.

Access to entrepreneurship remains deeply unequal

While all founders are facing a tougher economic climate, the challenges are not being felt equally.

financially confident

70%
of founders

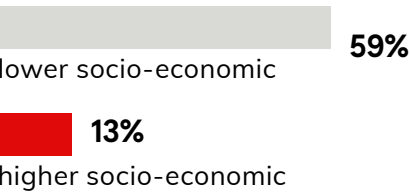
from higher socio-economic backgrounds feel financially confident compared with just 27% of working-class founders.

Support for underrepresented founders

Founders increasingly feel the entrepreneurial landscape is not working equally for everyone. Just 37% believe the current environment is supportive of female founders, while only 33% say the same for ethnic minority founders (sometimes referred to as the global majority). Confidence is lowest when it comes to neurodivergent founders, with only 25% describing the landscape as supportive, down sharply from 40% in 2025.

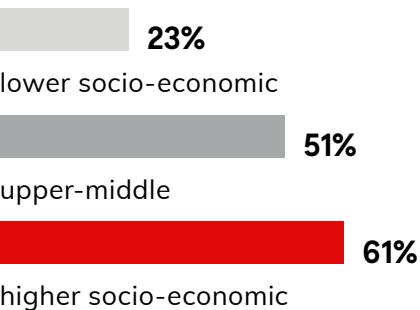
The cost-of-living divide

% who say cost-of-living pressures are one of the biggest barriers facing their business today



Access to finance

% who believe the government supports access to bank finance for entrepreneurs



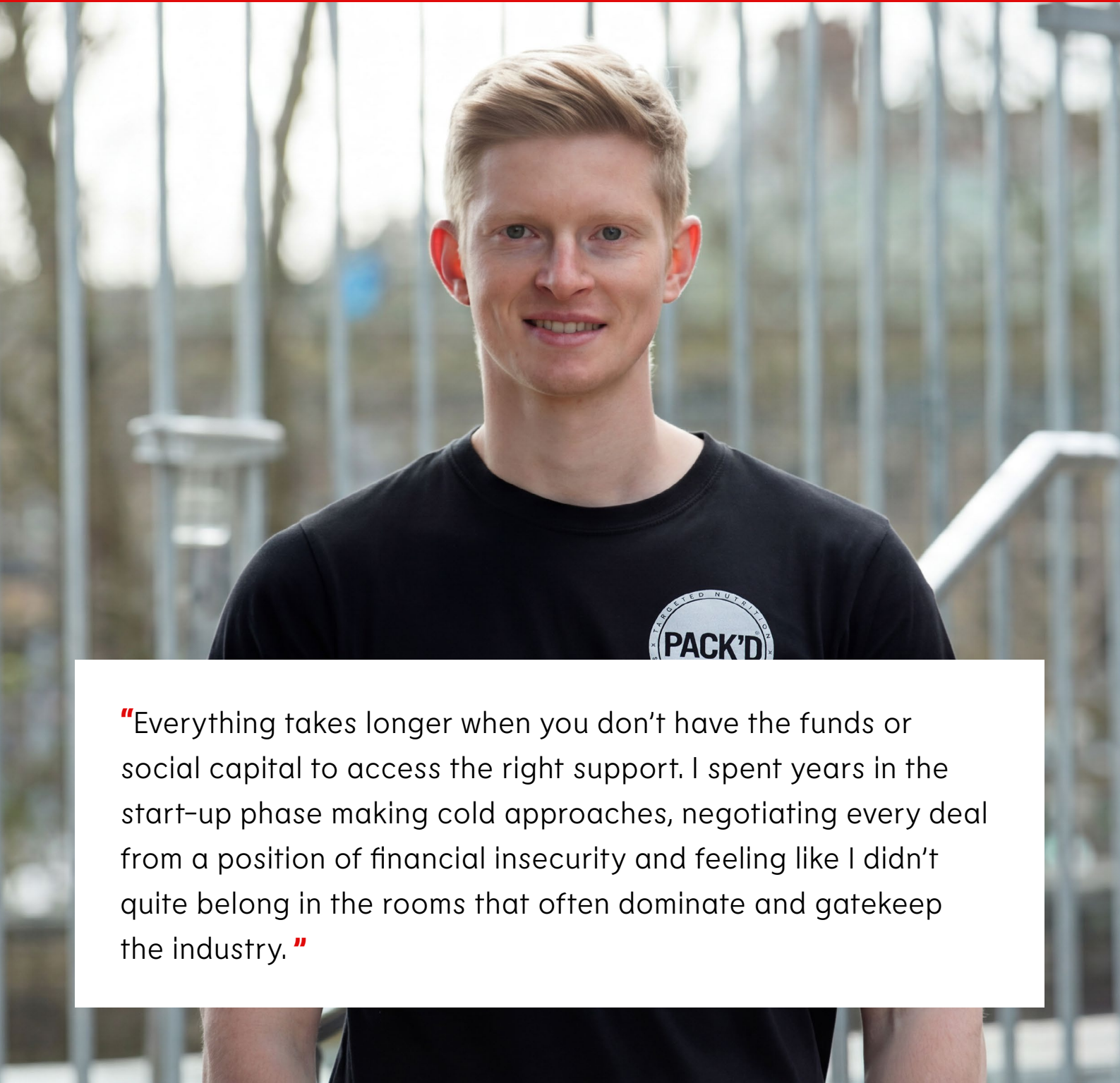
Luke Johnstone, 37

Founder of:
Pack'd

Location:
London

Year:
2026

Providing organic frozen fruit, vegetable and smoothie kits that make high-quality nutrition more convenient and sustainable. Pack'd now generates more than £7 million in annual revenue and is stocked by major retailers including Tesco, Sainsbury's and Ocado.



“Everything takes longer when you don’t have the funds or social capital to access the right support. I spent years in the start-up phase making cold approaches, negotiating every deal from a position of financial insecurity and feeling like I didn’t quite belong in the rooms that often dominate and gatekeep the industry.”

Neurodivergent founders face a system that isn't built for them

Neurodivergent entrepreneurs continue to demonstrate resilience and ambition

But many still feel the current startup landscape is difficult to navigate and not designed with their needs in mind, despite the prevalence of neurodivergence amongst founders.

More than a third (36%) of neurodivergent founders are unsure what support is available to them. Nearly one in three (31%) say funding or mentoring application processes are too complex and overwhelming, while 17% do not feel understood by support providers.

Confidence and belief in their ability to succeed is now a concern for 22% of neurodivergent founders, suggesting that structural barriers may be affecting not only access to support but also founders' confidence to pursue their ambitions.

Accessible support

36%

are unsure what support is available

31%

say funding or mentoring application processes are too complex and overwhelming

17%

do not feel understood by support providers

designed for someone else

41%
of neurodivergent founders

do not believe the current business support ecosystem is designed with people like them in mind

dwindling confidence

22%
of neurodivergent founders

have concerns in confidence and belief in their ability to succeed

Sophie Neall, 22

Founder of:
Good Kynd

Location:
Essex

Year:
2026

A ready-to-drink chai brand designed to make it easier for people to support their wellbeing without compromising on flavour, function or convenience. Good Kynd is also committed to creating products that help people feel good while doing good for communities and the planet.



"I only realised a few years ago that I had Dyslexic Thinking, and it completely changed how I viewed myself and my abilities. What I once saw as challenges, I now recognise as hidden strengths. Being dyslexic has made me highly creative, resilient and comfortable thinking differently, which has been incredibly valuable when building Good Kynd."

Founder wellbeing reaches a three-year low

Britain's founders remain resilient, but resilience is increasingly being tested.

Mental health indicators have worsened across the board, with burnout remaining widespread and stress levels rising sharply over the past year.

Gender gap. Female founders are more likely to report worsening mental health than men (38% versus 28%) and are also more likely to experience increased burnout (55% versus 43%).

Demographic insight. Some groups are disproportionately affected. Neurodivergent founders are far more likely than neurotypical founders to report increased burnout (68% versus 45%). Similarly, 43% of founders from lower socio-economic backgrounds say their mental health has worsened in the past six months, compared with just 16% of upper-middle and 15% of higher socio-economic founders.

Regional differences

Founder wellbeing varies significantly across the UK, with burnout levels particularly divided between the north and south.

60%
North West

67%
North East

49%
South West

48%
South East

mental health in decline

33%
of founders say
their mental health
has worsened

A significant increase from 18% in 2025 and the highest level recorded in the past three years

burnout remains high

49%
of founders report
experiencing more
instances of burnout

Amber Van Hoof, 32

Founder of:
Her. Space

Location:
Newquay

Year:
2026

A boutique reformer Pilates studio in Cornwall designed to feel welcoming, inclusive and community led. Her. Space offers women, particularly those who may feel overwhelmed in traditional fitness settings, a supportive environment where they can enjoy movement without pressure or judgement.



"I started Her. Space because I knew what it felt like to need somewhere calm, supportive and non-judgemental. A few years ago, I was experiencing severe autistic burnout and struggling with my mental health. Movement, community and feeling understood became some of the few things that genuinely helped."

Founders are adapting, innovating and planning for growth

Despite ongoing economic pressures, Britain's founders remain ambitious.

Many are focused on growing revenue, expanding their offer and embracing new technologies to improve efficiency and stay competitive.

Growth remains the priority

More than half of founders (55%) say increasing sales is their top business priority over the next 12 months. Expanding product or service offerings ranks second (29%), followed by improving sustainability practices (23%).

Adapting under pressure

Founders are continuing to evolve their business models in response to rising costs and changing market conditions. Nearly three in 10 (29%) have introduced new pricing strategies in the past six months, up from 24% in 2025, demonstrating the agility many businesses are showing in the face of ongoing economic uncertainty.

Signs of progress

While many founders believe more needs to be done to improve inclusion, there are some reasons for optimism. More than a third (37%) believe the UK business landscape has become more welcoming to neurodivergent founders over the past decade.

growth remains the priority

55%
of founders say increasing sales is their top business priority

adapting under pressure

29%
have introduced new pricing strategies in the last six months

Signs of progress

37%
believe the UK is now more welcoming to neurodivergent founders

AI adoption has accelerated

The use of AI among founders has grown rapidly over the past two years.

65%
now use AI tools within their business
vs 45% in 2025 and 34% in 2024.

opportunity gap

1/3

While adoption is growing quickly, more than a third of founders (35%) are still not using AI in their business.

Demographic insight

Younger founders are leading the way
% using AI tools

80%

of founders aged 18–34

18%

of founders aged 55 and over

Clear divide based on background
% using AI tools

57%

Lower socio-economic background

89%

higher socio-economic background



DIANA GREENHALGH
OPERATIONS LEAD, VIRGIN STARTUP

Summary

What's missing is a level playing field to ensure entrepreneurship is open to everyone.

This report is, in part, a knock on that front door. The founders we speak to haven't given up. Far from it. The research shows that founders are ambitious, agile and resilient; adopting new tools, chasing growth and adapting to Budget updates and the wider geopolitical landscape.

At Virgin StartUp, we've always believed a great idea can come from anywhere, and so should the support to back it. The new Prime Minister has an opportunity to make widening access to entrepreneurship a defining part of the government's economic agenda. If we want the economy to grow, fixing the front door can't be a nice-to-have. It has to be a priority.

The findings in this year's Founder Barometer paint a complex picture. Confidence is down, financial pressures remain high and founder wellbeing is under increasing strain. Yet perhaps the most striking finding is that not all founders are experiencing these challenges equally. Too often, a founder's background still shapes their access to finance, support networks and opportunities to grow. For a country that prides itself on innovation and entrepreneurship, that should give us pause.

At the same time, there are plenty of reasons to be optimistic. Across every region and demographic, we see founders continuing to adapt,

innovate and push forward. They are embracing new technologies, finding creative ways to overcome rising costs and remaining ambitious about the future. The entrepreneurial spirit that drives Britain's small business community remains as strong as ever. What founders are asking for is not special treatment; they are asking for a fair chance to succeed.

The arrival of a new Prime Minister creates an opportunity to reset the relationship between government and Britain's founders. With nearly six in 10 saying they do not feel listened to, the first step must be to hear their experiences and recognise that access to entrepreneurship remains far from equal.

The opportunity now is to build an entrepreneurial ecosystem that works for everyone. That means making support easier to find and navigate, ensuring finance reaches talented founders from all backgrounds, and creating a business landscape where diversity of thought and experience is recognised as a strength. At Virgin StartUp, we remain committed to backing founders wherever they come from and whatever challenges they face. Because when more people have the opportunity to start and grow a business, it is not just founders who benefit – it is communities, industries and the wider UK economy too.

About Virgin Startup

Virgin StartUp is the not-for-profit home of entrepreneurship at the Virgin Group.

Founded in 2013 by Sir Richard Branson, [Virgin StartUp](#) helps early-stage founders start and grow the businesses that they're passionate about by providing founders with business advice, access to funding, mentoring, training and more, including scale-up and investment readiness programmes.

As a national Business Support Partner of the British Business Bank's Start Up Loans Scheme, Virgin StartUp provides access to funding between £500 - £25,000 to help founders start or scale early-stage businesses in the UK. Since launching in late 2013, Virgin StartUp has distributed more than £100 million over 7,000 early-stage founders around the country.

Virgin StartUp is also home to a community of thousands of founders, helping to provide the support and opportunities they need to build better business together.

[The Virgin StartUp Community](#) is an online platform open to any aspiring or early-stage business founder, offering a dedicated space for founders to connect, share, learn and grow with like-minded entrepreneurs and industry experts. Founders can access 1:1 mentoring and 1:1 advisory calls, as well as online learning, workshops and face-to-face events to inspire and support them in their business venture.

Research commissioned by Virgin StartUp. The research of 1,000 small business owners was carried out through OnePoll in June 2026.

