

# STATE OF SOCIAL ENTERPRISE



## IN THE WEST MIDLANDS

This paper sets out headline findings on the state of social enterprise in the West Midlands, using government estimates and data from the State of Social Enterprise 2025 and SEUK's Social Enterprise Knowledge Centre.

<p><b>Around 7,900 of the 100,000 social enterprises</b> in the UK operate in the West Midlands*. <b>70%</b> of these operate as Community Interest Companies.</p>	<p><b>Median social enterprise turnover</b> was around <b>£67,500</b> in the previous financial year.</p>	<p>Social enterprises in the West Midlands employ a <b>median of 6 people</b>.</p>
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Of the social enterprises surveyed:

**37%** deliver products  
**90%** deliver services  
**12%** deliver works

The main sources of income for social enterprises in the West Midlands are trading with the **private sector (21%)**, **non-government, local authority, and public sector grants (17%)**, and trading with the **public sector (16%)**.

The median amount of time social enterprises in the West Midlands have been trading is 5 years.

	WM	UK
<b>Up to 6 months</b>	6%	3%
<b>7 months to a year</b>	2%	2%
<b>1-3 years</b>	22%	19%
<b>4-5 years</b>	21%	17%
<b>6-10 years</b>	24%	26%
<b>11-15 years</b>	19%	14%
<b>16-20 years</b>	5%	7%
<b>More than 20 years</b>	2%	11%

## ECONOMY

**64%** made a profit or broke even in the previous financial year. This is a decrease on **2023**, when **84%** made a profit or broke even. **27%** made a loss. This is an increase on **2023**, when **13%** made a loss.

In 2025, the number of social enterprises developing new products and services was higher in the West Midlands than the UK figure.

	PROFIT		LOSS		BROKE EVEN	
	WM	UK	WM	UK	WM	UK
<b>2025</b>	48%	40%	27%	26%	16%	28%
<b>2023</b>	60%	48%	13%	26%	24%	22%
<b>2021</b>	60%	49%	15%	25%	25%	25%

	WM	UK
<b>2025</b>	54%	50%
<b>2023</b>	51%	53%
<b>2021</b>	65%	61%

**48%** grew their turnover from the previous financial year.  
**14%** decreased their turnover from the previous financial year.  
**51%** expect to grow their turnover in the next financial year, and **13%** expect it to decrease.

Of those who expect their turnover to grow, most plan to achieve this through developing new products/services (**81%**), partnerships with the public/private sector (**78%**), and diversifying/expanding into new markets (**70%**).

**Financial barriers** were perceived as the biggest barrier to growth (**73%**). Of these financial barriers, cash flow was viewed as the biggest barrier to growth (**67%**).



## SOCIETY

**59%** of social enterprise leaders are women. This is slightly higher than the UK figure of **57%**.

**30%** are from a minority ethnic background. This is higher than the UK figure of **17%**.

**33%** are disabled or neurodivergent. This is higher than the UK figure of **30%**.

**87%** have lived experience of the social issue(s) addressed by their social enterprise

**74%** are real living wage employers



Standing Tall helps homeless people rebuild their lives with stable work and a safe home.

The **top three impact** areas for social enterprises in the West Midlands are:

- Supporting vulnerable people **(51%)**
- Mental health and wellbeing **(51%)**
- Creating employment opportunities **(40%)**

## SUPPORT

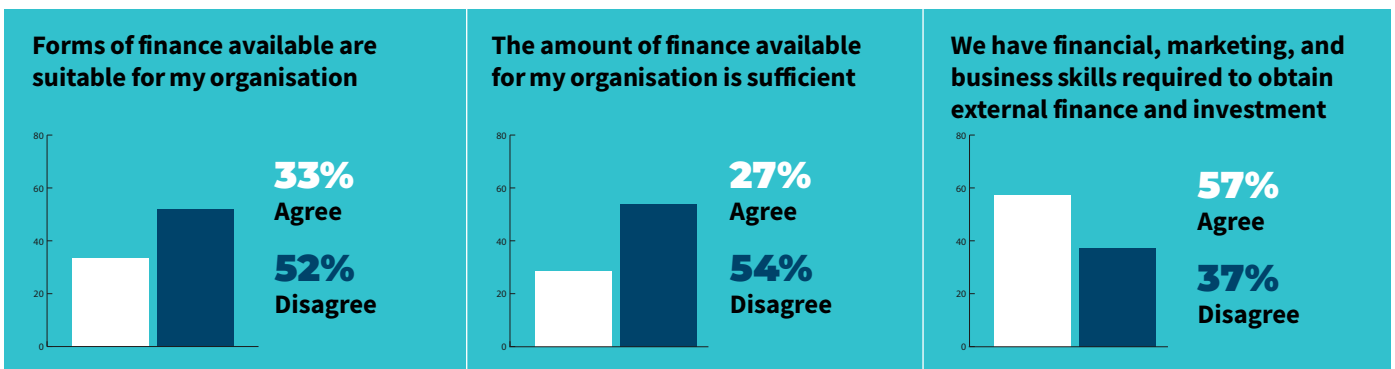
Summary of interest in external finance (not including grants) in the last 12 months.

The four most common reasons for deciding not to apply to new sources of finance in 2025 were:

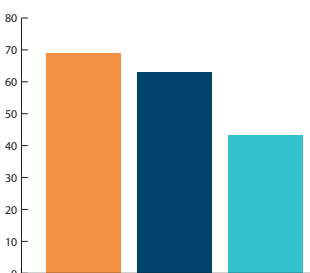
	2025	2023	2021
Applied for external finance	11%	9%	33%
Considered applying but didn't	32%	31%	20%
Not considered applying	56%	59%	46%
Don't know/prefer not to say	2%	1%	N/A

	2025
Lack of finance offering suitable terms/lack of suitable products	25%
Thought finance would be too expensive/interest rate too high	20%
Didn't want to take on additional risk	20%
Time pressures/lack of resources prevented application	20%

Opinions on external finance were as follows:



The three most common areas where external information/advice were sought were:



**69%** Business growth/business plans

**63%** Financial advice e.g. accounting, cash flow, general running of the business

**47%** Employment law/redundancies

