

businesses owned by women of color employ more than one million workers and generate over \$161 billion in sales.¹³

- In an analysis of self-employment rates, women and minorities are seen to be entering into self-employment at greater than average rates. Between 1979 and 2003, self-employment rose by 33 percent among women compared to 2.5 percent among men. It increased 37 percent among African Americans and 15 percent among Latinos compared to 10 percent among Whites.¹⁴
- Female-owned sole proprietorships grew much faster than their male-owned counterparts in terms of number of businesses, gross receipts, and net income. Nearly two thirds of female sole proprietors were in the services industry. The highest growth for female businesses was in transportation, communications, and utilities; for male businesses it was in agricultural services, forestry, and fishing.¹⁵
- Women-owned firms continue to diversify across industries, with the greatest growth rates seen in “non-traditional industries,” including wholesale trade (a 283.4% increase in the number of privately-held majority women-owned firms between 1997 and 2006); healthcare and social assistance services (130% growth); arts, entertainment, and recreation services (116.8% growth); and professional, scientific, and technical services (82.7% growth).¹⁶
- Between 1997 and 2002, women-owned firms increased their employment by 70,000; whereas, firms owned by men lost 1 million employees. Jointly owned firms lost 2.6 million employees and publicly held and those firms not identified by gender of ownership increased their employment by 10.9 million.¹⁷

Women-Owned Employer Firms

- Between 1997 and 2002, women-owned firms increased by 19.8 percent and women-owned employer firms increased by 8.3 percent.¹⁸
- Women-owned businesses exhibited the same tenacity and survival rates as the average U.S. employer firms, with more than two-thirds (68.5%) of women-owned employer business locations in existence in 1997 still in operation four years later. Among all employer establishments, 69.8 percent remained in business in 2001.¹⁹
- Between 1997 and 2001, women-owned employer establishments proved to be more resilient than employer firms overall during the period, with a 9.3 percent decline in employment among those firms in business in 1997—compared to a 10.9 percent decline among all establishments.²⁰
- An estimated \$546 billion is spent annually on salaries and benefits by women-owned businesses²¹.

- Women-owned businesses expend billions on benefits for their employees. Health benefits comprise the largest share of benefit expenditures, with 2004 spending estimated at \$38 billion. Estimated spending on retirement benefits, life insurance, and disability insurance comprise more than \$16 billion, for a total of \$54 billion in benefit expenditures.²²

Key Issues for Women Business Owners

- In a 2004 membership survey, members of the National Association of Women Business Owners (NAWBO) cited as their top business concerns: business marketing; business growth and expansion; cash flow and capital; client budget constraints; and time management.²³
- NAWBO listed their members’ public policy priorities for 2007 as the following: access to affordable healthcare insurance; increased federal procurement opportunities for women entrepreneurs; fair and equitable tax treatment for small business; retirement benefits; access to capital; business technology; and education and the workforce.²⁴
- In 2007, according to a Women Impacting Public Policy (WIPP) survey of their members’ top policy concerns, 69% stated that health care was by far the most important issue compared to 73% in 2006 and 71% in 2005. Energy remained in second place with 52% of WIPP’s members declaring it a top issue in 2007, compared to 61% in 2006 and 50% in 2005. Tax reform and reducing the federal deficit tied for third place among WIPP members. Members also listed access to capital, estate tax, procurement, tort reform, and telecommunications as issues of primary concern.²⁵
- According to a study released in 2007, security and safety were considered among the top technology concerns of women business owners. The study also stated that over three-quarters of women business owners are searching for technology solutions which are reliable and that can help them increase the efficiencies in their businesses. Some of their concerns included: the security of Internet transactions, the impact of disasters on technology, general system failure, computer viruses, and the accuracy of online information. Surprisingly enough, less than a quarter (23%) had a plan in place to deal with these matters despite their concerns.²⁶

Access to Capital

- Research has found that nine out of 10 women business owners want to expand their businesses. Also, four in 10 women entrepreneurs want their businesses to become as large as possible and 83 percent want to increase their firm’s profitability; however, only three percent of all privately-held

women-owned businesses generate \$1 million or more in annual revenues, compared to six percent for men-owned businesses.²⁷

- According to research, the attributes of women-owned businesses that reach \$1 million or more in revenues include: planning for growth, setting goals, selling to other businesses, constant upgrading of their skills, and bringing in business partners. Women business owners success strategies for obtaining capital include: consulting with professional business advisers; establishing ongoing relationships with their banks; and utilizing financial records to measure their status on a regular basis.²⁸
- In FY 2006, the SBA made 16,721 loans and equity investments in women-owned businesses, an increase of 134% from FY 2001. These loans and investments totaled \$2.4 billion in FY 2006, an increase of 70% from FY 2001.²⁹
- In 2003, women headed 4.5 percent of all venture-funded firms, and received 4.2 percent of the \$19 billion in venture capital invested that year. The majority of these funds backed women-led firms in health-care-related businesses, and over one-third were located in or near San Francisco.³⁰
- Women represent less than 10 percent of decision-makers in venture capital firms, and are leaving the industry at a faster rate than their male counterparts.³¹

Access to Markets

- Federal law mandates a 5 percent government-wide procurement goal for women-owned small businesses; however, just 3.3 percent of Federal contract dollars went to women-owned firms in FY 2005. In addition, only 34 out of 81 federal departments, agencies and commissions recorded by the FPDS met or exceeded the goal in FY 2005.³²
- Women-owned businesses with \$1 million or more in revenue are more likely than their smaller counterparts to have large corporations (34% vs. 12%) and government (31% vs. 8%) as their primary clients.³³
- Fifteen percent of women-owned businesses with \$1 million or more in revenue say their primary market is international.³⁴
- Large corporations are also a vital market for women's business enterprises. In a 2002 survey of women's business enterprises, more than seven in ten (72%) respondents earned revenues from business with large corporations. On average, nearly half of the total revenues of the respondents came from this market.³⁵
- Despite their increasing economic impact and clout, women-owned businesses still face major challenges in accessing corporate markets. While nearly 60 percent of Fortune 1000 companies who responded to a 2003 survey spent \$1 billion or more annually with outside

suppliers, women-owned businesses account for only 4% of the market share.³⁶

Access to Training and Technical Assistance

- The budget for the Small Business Administration's Women's Business Center program has grown from \$4 million in FY 1997 to \$24 million in FY 2007. Since 1997, the number of funded centers has risen from 27 to 99, and the number of clients served has increased from 8,000 to over 144,000. Thus, with a six-fold increase in the budget over this ten-year period, the number of centers funded has increased nearly four-fold, and the program serves now more than 18 times the number of clients.³⁷
- An analysis of the impact of the women's business center program from FY 2001 to FY 2003 has shown that, for a program investment of \$37.5 million over the three-year period, an estimated \$500 million in gross business receipts have been generated, with \$51.4 million in profits.³⁸
- During the FY 2001 to FY 2003 period, while funding for the program remained essentially flat (\$12 million in 2001 and \$12.5 million in 2003), the program saw a 91% increase in the number of clients served and a 376% increase in the number of new businesses created – thus indicating that the program is gaining momentum and reaching its stride. For every 25 clients served, one new business is created, and for every 14 clients served, one new job is created.³⁹
- In a study of mentoring programs for women business owners, it was found that at given points of a business' maturity, a business owner is best served by a particular type of mentoring program. In particular:
 - If their businesses are pre-start-up or start-up, business owners would appear to benefit most from **entrepreneurial training**.
 - If their businesses are start-up or second-stage, business owners would appear to benefit most from a **mentor-protégé program**.
 - If their businesses are second-stage or established, business owners would appear to benefit most from **peer-to-peer networking**.⁴⁰

Gender Differences

- The workforces of women-owned firms show more gender equity—women-business owners overall employ a roughly balanced workforce (52% women, 48% men), while men business owners employ 38 percent women and 62 percent men, on average.⁴¹
- While women-owned family businesses (WOFBs) are somewhat smaller in size compared with the average annual revenues of their male-owned counterparts (\$26.4 million vs. \$30.4 million), they generate their sales with fewer median employees, employing 26

individuals compared with 50 at male-owned family firms. This means that female-owned family businesses are 1.7 times more productive than male-owned family firms. WOFBs also exhibit greater family loyalty to the business, with higher levels of agreement with business goals and a 40 percent lower rate of family member attrition.⁴²

The National Women's Business Council is a bi-partisan federal government council created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. Members of the Council are prominent women business owners and leaders of women's business organizations.

¹ Ibid.

² CWBR. "Biennial Update on Women-Owned Businesses," 2004.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Calculations by the National Women's Business Council. It should be noted that 15.6 million is a mid-point estimate, within a range between 10.3 and 21.2 million. Such a wide range exists due to the wide variety of sources data sources, both within and outside of the U.S. Census Bureau.

⁷ CWBR. "Businesses Owned by Women of Color in the United States, 2004," 2004.

⁸ CWBR. "Privately-Held, Majority (51% or More) Women-Owned Businesses in the United States, 2004: A Fact Sheet," 2004.

⁹ CWBR. Press Release on 6/01/2007 from BizWomen.com. "Top Facts about Women-Owned Businesses".
<http://www.cfwbr.org/press/details.php?id=180>

¹⁰ CWBR. "Biennial Update on Women-Owned Businesses," 2004.

¹¹ Calculations by NWBC, using data from the U.S. Census Bureau and the Center for Women's Business Research.

¹² CWBR. "Businesses Owned by Women of Color in the United States, 2004," 2004.

¹³ CWBR. Press release on 02/25/2007. Source: Philadelphia Tribune. "Growing Businesses for Women".
<http://www.cfwbr.org/press/details.php?id=174>

¹⁴ SBA Office of Advocacy. "Self-Employed Business Ownership Rates in the United States: 1979-2003," 2007.
<http://www.sba.gov/advo/research/rs243tot.pdf> Note: 1979 data were not available for the Asian population.

¹⁵ SBA Office of Advocacy. U.S. Sole Proprietorships: A Gender Comparison, 1985-2000. 2005.
<http://www.sba.gov/advo/research/rs263tot.pdf>

¹⁶ CWBR. "Biennial Update on Women-Owned Businesses," 2004.

¹⁷ SBA Office of Advocacy. "Women in Business: 2006. A Demographic Review of Women's Business Ownership," 2007.
<http://www.sba.gov/advo/research/rs280tot.pdf>

¹⁸ Ibid.

¹⁹ National Women's Business Council. "Trends in Women-Owned Employer Establishments: 1997 to 2001," 2005.
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²⁰ Ibid.

²¹ CWBR. "Top Facts About Women-Owned Businesses," 2006.
<http://www.cfwbr.org/facts/index.php>

²² CWBR. "Capturing the Impact: Women-Owned Businesses in the United States". 2007. www.bizwomen.com

²³ National Association of Women Business Owners. Press release and report issued September 22, 2004.

²⁴ NAWBO. Advocacy. 2007.

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²⁵ WIPP. "What Business Women Want- 2007 National Survey of Women Business Owners on Top Issues". 2007.

<http://www.wipp.org/2007%20annual%20survey%20results%20-%20final.pdf>

²⁶ CWBR. Press Release 06/20/2007. "Security is Women Business Owners' Top Concern: Center for Women's Business Research & IBM Release Study Highlighting Technology Uses and Concerns".

<http://www.cfwbr.org/press/details.php?id=179>

²⁷ CWBR. Press release 04/04/2007. "Guide for Financing Business Growth Offers Actionable Advice For Women Business Owners".

<http://www.womensbusinessresearch.com/press/details.php?id=156>

²⁸ Ibid.

²⁹ SBA Press Office. Press Release on 05/09/2007. "The Facts on SBA Loans to Minorities and Women 2007".

http://www.sba.gov/idc/groups/public/documents/sba_home_page/serv_monnews_0728.pdf

³⁰ Growththink Research and Re-invention, Inc., 2004.

³¹ Diana Project. "Gatekeepers of Venture Growth: A Diana Project Report on the Role and Participation of Women in the Venture Capital Industry," 2004. <http://www.kauffman.org/resources.cfm/416> and http://www.kauffman.org/pdf/Diana_2004.pdf

³² Federal Procurement Data System. Federal Procurement Report- Fiscal Year 2005.

http://www.fpdsg.com/downloads/FPR_Reports/2005_fpr_section_I_total_federal_views.pdf

³³ CWBR. "Top Facts About Women-Owned Businesses." 2006.
<http://www.womensbusinessresearch.com/facts/index.php>

³⁴ Ibid.

³⁵ CWBR. "Access to Markets: Perspectives from Large Corporations and Women's Business Enterprises," 2003.

³⁶ Ibid.

³⁷ NWBC analysis of data from the Assessment of Women's Business Centers, available at

<http://www.whitehouse.gov/omb/expectmore/detail/10003113.2006.html>

³⁸ NWBC. "Analyzing the Impact of the Women's Business Center Program," 2004.

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³⁹ Ibid.

⁴⁰ NWBC. "Mentoring in the Business Environment," 2003.

⁴¹ CWBR. "Business Owners and Gender Equity in the Workplace," 2000.

⁴² Center for Women's Leadership, Babson College. "Women in Family-Owned Businesses," 2003. <http://www3.babson.edu/CWL/Women-in-Family-Owned-Businesses-Research-Report.cfm>