



## **Explaining State-Level Differences in the Performance of Women-Owned Businesses**

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**Abstract:** The National Women's Business Council (NWBC) contracted StratEdge to carry out a creative, secondary analysis of the U.S. Census Bureau's special tabulations of women-owned business (WOB) performance data between 1997 and 2001. The data indicate WOB performance varied significantly across the country during this period. By combining these special tabulations with other available indicators of the business environment, this study evaluates the influence of factors that underlie state-level differences in WOB survival rates and changes in employment across the 50 states. The results of this exploratory research reaffirm some things that are well known. For example, that the education level of women business owners matters, that small WOBs perform more poorly than large firms, and that having access to an educated workforce, venture capital and technology infrastructure all contribute to better business performance. While earlier studies had emphasized the importance of these factors to WOB performance without specific reference to regional differences, this analysis confirms that state-level discrepancies in WOB performance can be partially explained by these issues. More rigorous statistical analysis of these factors was impeded by several data gaps. Filling in these gaps could enhance the productivity of future research efforts to better understand what factors lead to improved performance of WOBs and what state and/or national policy interventions may improve WOB outcomes.