

Small Business Administration
National Women's Business Council



Study of Women-Owned & Led Businesses
An Overview of the Data in NWBC's Special Tabulations

Executive Summary

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The statements, findings, conclusions, and recommendations found in this study are those of the authors and do not necessarily reflect the views of the National Women's Business Council, the United States Small Business Administration, or the United States Government.

This report provides an overview of the Special Tabulations developed by the Census Bureau from the 2002 Survey of Business Owners (SBO) for the National Women's Business Council. The data included number of firms, industries, revenues, compensation, demographics, and customer type for Women-Owned & Led (WOWL) firms. This report incorporated additional SBO data to differentiate Women-Led firms from Women-Owned firms. Values for Women-Owned firms were subtracted from the Special Tabulations WOWL data to calculate the values for Women-Led firms. The following represent highlights of our data analysis.

Women-Led businesses made substantial contributions to the US economy.

- ❖ Women-Led businesses generated a little more than \$300 billion dollars in revenues.
- ❖ Women- Led businesses produced about twice as much in receipts per firm as did Women-Owned businesses.

The distribution of receipts across industries varied between WOWL firms with paid employees and WOWL firms without paid employees. The distribution across industries also varied between receipts and receipts per firm.

- ❖ WOWL employer firms had highest receipts in the wholesale trade, retail trade, manufacturing, and construction industries. However, WOWL employer firms had the highest receipts per firm in educational services, accommodation and food services, and health care and social services.
- ❖ The receipts of WOWL non-employer firms were highest in real estate and rental and leasing, professional, scientific and technical services, healthcare and social services, and other services. In contrast, receipts per firm for WOWL non-employer firms were highest in construction, wholesale trade, and transportation and warehousing.

Most WOWL firms catered to household consumers and individuals, although variations in the distribution of customer type were evident when comparing demographic groups.

- ❖ Almost half (47.9%) of all customers of WOWL firms were designated as household consumers and individuals. Other important customer types were other businesses and organizations (21.9% of all customers) and all others (15.5% of all customers). The least

common customer type was export sales (around 0.9% of all customers). The export sales industry was dominated by Native Hawaiian or Pacific Islander, Asian, and Hispanic or Latina firms.

- ❖ Women-Led firms were more likely to be involved in export sales in comparison to Women-Owned firms. This contrast was most pronounced in the data for Native Hawaiian or Pacific Islander Firms, where export sales comprised 8.7% of customer type for Women- Led firms but only 2.0% of customer type for Women Owned firms.

Receipts of WOWL firms varied between employer and non-employer firms that were Women-Owned & Led, as well as between firms that belonged to different demographic groups.

- ❖ WOWL employer firms produced 86% of all WOWL firm revenues, although WOWL non-employer firms were 84% of the total number of firms.
- ❖ Asian WOWL firms produced the highest receipts per firm, although White WOWL firms dominated in numbers of firms (followed by Hispanic or Latina firms and African American firms.)

Compensation per employee varied between Women-Owned firms and Women-Led firms, as well as between different states.

- ❖ Women-Owned firms had higher compensation per employee than Women-Led firms.
- ❖ Overall, women's firms in states with large urban populations had higher compensation per employee than states that were more rural.

There was no dominant level of education for women in business.

- ❖ The three education groups with high participation rates as business owners were high school graduates (21.5%), some college but no degree (20.3%), and bachelor's degree (22%). The groups with the lowest participation rates were those with less than high school degrees (5.0%), technical school degrees (8.8%), and associate degrees (7.1%).