

The Growth of Women in "Non-Traditional" Industries

The number of women-owned businesses continues to increase at double the rate of all U.S. firms, with growth coming from all industries. While more than two-thirds of women-owned firms are concentrated in the Services and Retail Trade industries, it is important to note that the fastest growth in women's business ownership is found within industries such as construction, agriculture and transportation – industries not typically identified with women's entrepreneurship. While the number of all majority-owned, privately-held women-owned firms grew by 14.3% between 1997 and 2002, the number of women-owned firms in "non-traditional" industries (agriculture, mining, construction, manufacturing, transportation/communications, and wholesale trade) grew by 17.5%. This Issue in Brief summarizes key facts and figures about women business owners and their enterprises in non-traditional industries.

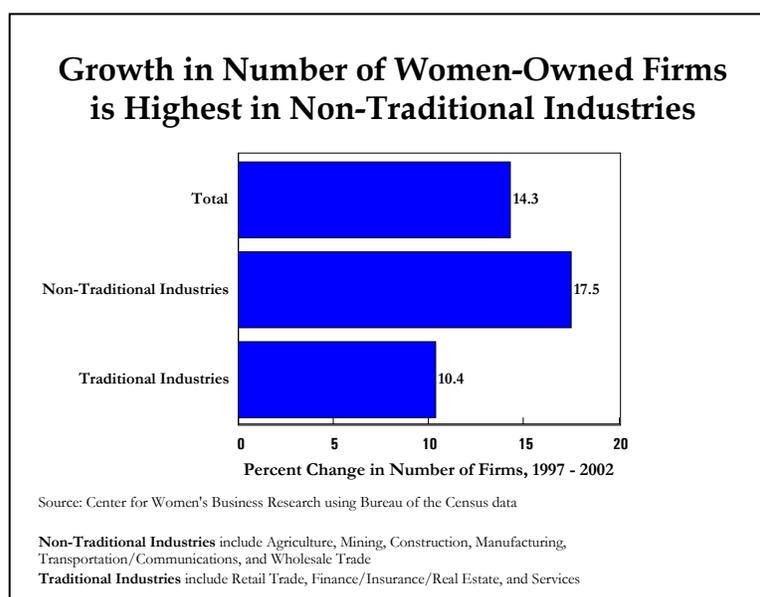
- The number of majority-owned, privately-held women-owned firms in non-traditional industries (Agriculture, Mining, Construction, Manufacturing, Transportation/Communications, and Wholesale Trade) grew by 17.5% between 1997 and 2002, while the number of women-owned firms in other, more traditional industries (Retail Trade, Finance/Insurance/Real Estate, and Services) grew by just 10.4%.¹
- Among women-owned firms in non-traditional industries, recent growth has been strongest in Construction, with a 35.5% increase in the number of firms between 1997 and 2002. Women-owned Agribusiness and Transportation/Communications firms have grown strongly as well, with 27.2% and 23.6% increases, respectively.²
- The movement of women into these non-traditional industries is still relatively new. Thus, the growth in the employment and revenues of women-owned firms in these industries does not yet significantly outpace the growth in the number of firms, as it does

among women-owned firms in traditional industries. The number of non-traditional women-owned firms increased by 17.5% between 1997 and 2002, while employment grew by 22.9% and revenues increased by 35.4%. In contrast, the number of women-owned firms in traditional industries grew by 10.4% during that time, but employment increased by 36.5% and revenues increased by 46.7%.³

- A key measure of business stability is firm survival rates over a period of time. From 1997 to 2000, the industries that showed the highest survival rates among women-owned employer establishments were in non-traditional industries: Agriculture/Forestry/

Fishing (78.7% survival); Wholesale Trade (78.5%); and Manufacturing (78.2%). A more detailed sub-industry analysis revealed that nine of the top fifteen sub-industries fell within Manufacturing, with survivability rates over the same period of 87% and higher.⁴

- Women-owned employer establishments that were in existence in 1997 showed a net decrease in



employment of 4.2% between 1997 and 2000, compared to a net loss of 6.7% among all employer establishments. Women-owned Agribusiness and Construction establishments, however, showed net employment gains of 7.4% and 6.4%, respectively, from 1997 to 2000. Among all employer establishments, no industry saw employment gains from 1997 to 2000.⁵

- Women-owned firms in non-traditional – largely goods-producing – industries have higher revenues per firm than women-owned firms in traditional service industries. While the average women-owned firm generated revenues of \$186,000 in 2002, women-

owned firms in Wholesale Trade averaged more than \$1.9 million in revenues per firm. Women-owned firms in Manufacturing generated an average of \$956,000; Construction averaged \$617,000; Mining, \$458,000; and Transportation/Communications averaged \$266,000 in revenues per firm.⁶

- Women-owned employer firms in non-traditional industries also employ more people than women-owned firms in traditional industries. Four out of the top five industries based on employees per firm are: Manufacturing (average of 16.9 employees per employer firm); Mining (11.9); Wholesale Trade (8.1); and Construction (7.8).⁷

| Majority-Owned, Privately-Held Women-Owned Firms in the United States by Industry: 1997 – 2002 | | | | |
|---|---------------------------|-------------------|--------------|---------------------------------|
| | % Change 1997-2002 | | | Share of All Firms, 2002 |
| | Number of Firms | Employment | Sales | |
| All Firms | 14.3 | 30.0 | 40.4 | 28.3 |
| Non-Traditional Industries | 17.5 | 22.9 | 35.4 | 12.8 |
| Agriculture | 27.2 | 74.8 | 104.3 | 17.9 |
| Mining | -21.6 | 0.0 | 0.0 | 17.1 |
| Construction | 35.5 | 69.9 | 94.3 | 8.1 |
| Manufacturing | 2.8 | -2.1 | 4.6 | 18.8 |
| Transportation, Communications, Public Utilities | 23.6 | 10.6 | 28.7 | 15.1 |
| Wholesale Trade | 3.2 | 19.9 | 33.3 | 16.3 |
| Traditional Industries | 10.4 | 36.5 | 46.7 | 34.4 |
| Retail Trade | 7.8 | 31.3 | 39.1 | 34.2 |
| Finance, Insurance, Real Estate | 14.4 | -11.5 | 29.4 | 26.3 |
| Services | 10.6 | 43.9 | 58.1 | 36.3 |

Source: Center for Women’s Business Research. “Women-Owned Businesses in 2002: Trends in the U.S. and 50 States,” December 2001. www.womensbusinessresearch.org

The National Women’s Business Council is a bi-partisan Federal government body created to serve as an independent source of advice and policy recommendations 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. For more information about the Council, its mission and activities, contact: National Women’s Business Council, 409 3rd Street, SW, Suite 210, Washington, DC 20024; phone: 202-205-3850; fax: 202-205-6825; e-mail: nwbc@sba.gov, web site: <http://www.nwbc.gov>.

¹ Center for Women’s Business Research. “Women-Owned Businesses in 2002: Trends in the U.S. and 50 States,” December 2001. <http://www.womensbusinessresearch.org/Research/12-4-2001/12-4-2001.htm>

² Ibid.

³ Ibid.

⁴ National Women’s Business Council. “Trends in Women-Owned Employer Establishments: 1997 to 2000,” 2004. <http://www.nwbc.gov/publications/Issue%20brief%20-%20Census.pdf>

⁵ Ibid.

⁶ Calculations based on data from the U.S. Census Bureau (www.census.gov) and Center for Women’s Business Research (www.womensbusinessresearch.org).

⁷ Ibid.