



Women Business Owners and Capital

2012

Source of Capital used to start or acquire business

- ★ More than half (55.5%) of women-owned businesses¹ used personal or family savings to start or acquire their business, compared to 60.3% of all businesses.
- ★ Only 6% used personal or family assets other than savings (7.7% of all firms) and just 4% used a personal or family home equity loan (5.6% of all firms.)
- ★ One in ten (10.9%) of women-owned businesses used a personal or business credit card, compared to 10.4% of all businesses.
- ★ Just a tiny fraction (.4%) used a business loan from the federal, state, or local government (.7% of all firms) or a government guaranteed business loan from a bank (.5% of women-owned firms, .7% of all firms.)

Employer and Non-employer Firms

- ★ Nearly two-thirds (65.3%) of women-owned businesses that have full-time paid employees (“employer firms”) used personal or family savings to start or acquire their business, compared to just over half (53.4%) of women-owned businesses that do not have any full-time paid employees (“non-employer firms.”)
- ★ Employer firms are also more likely to have used personal or family assets other than savings (10.3%) than are non-employer firms (5.2%) or personal or family home equity loans (9.9% of employer firms and 2.8% of non-employer firms.)
- ★ Additionally, a higher 13.7% of employer firms used a personal or business credit card, compared to 10.3% of non-employer.
- ★ Just a small fraction (1.4%) of employer firms used a business loan from the federal, state, or local government, but even fewer (.2%) of non-employer firms used this source. This is very similar to the difference between employer firms (1.7%) and non-employer firms (.2%) that used a government guaranteed business loan from a bank or financial institution.
- ★ A little less than 1 in 20 (16.8%) of employer firms used a business loan from a bank or institution (just 3.1% of non-employer firms) and 5.1% of employer firms and 1.2% of non-employer firms used a business loan or investment from family or friends.
- ★ Almost no (.3%) employer firms used investment by venture capitalist(s), but it’s still more than the .1% used by non-employer firms. A similar .2% of employer firms and .3% of non-employer firms used grants.
- ★ Finally, just 1 in 10 (10.8%) employer firms report that they did not need any capital to start or acquire their business, compared to a full 34.3% of non-employer firms.

The National Women’s Business Council is a non-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.

SOURCE: All data comes from the US Census’ 2007 Survey of Business Owners.

¹ Nonfarm businesses only. Women-owned defined as a woman or women owning 51% or more of the company.