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**A COMPENDIUM
OF NATIONAL STATISTICS ON
WOMEN-OWNED BUSINESSES
IN THE U.S.**



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OF NATIONAL STATISTICS ON
WOMEN-OWNED BUSINESSES
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**Executive Summary
and
Data Report**

September, 1994

This Statistical Compendium and Data Report were prepared under contract for the National Women's Business Council by the National Foundation for Women Business Owners (NFWBO). The NFWBO is the National Association of Women Business Owners' non-profit research, leadership development and entrepreneurial training foundation. The mission of the NFWBO is to support the growth of women business owners and their organizations through the gathering and sharing of knowledge.



The National Women's Business Council is a unique entity representing our nation's women business owners. It is a bi-partisan public/private partnership serving as a voice for women entrepreneurs within the federal government.

We are pleased to present for the first time in a single document the statistical information that is known to date about women's business ownership in this country.

Clearly, the first revelation is that the data is not as up-to-date or comprehensive enough to construct a useful profile of the trends in women's business ownership. Important gaps in the research exist which are clearly identified in this document. Much more research needs to be conducted and there is a great need for a single coordinating entity for data collection activities.

What we have uncovered is inspirational! We know that women-owned businesses are one of the fastest growing segments of the economy. By the 1990's, women comprised 32% of the small business community but only 14% of the revenues. Women business owners' explosive growth rate and dynamic entrepreneurial spirit are impressive but they still lag significantly behind men in revenues and job creation.

Women business owners also face their own glass ceiling. In order to grow and succeed, access to financial resources and business opportunities must be unobstructed. Two thirds of women business owners report problems in working with financial institutions and rely to a great extent on credit cards to finance their enterprises. Business opportunities in the private and public sector are also out of reach to many women contractors. Less than two percent of federal Government procurement awards currently go to women. Recent efforts by this Council, such as the dissemination of more information on women-owned businesses in this compendium, have prompted a new commitment from the public and private sectors to explore ways to work with women entrepreneurs.

This compendium is intended to assist policy makers and industry leaders to gain a more complete picture of America's women business owners. Truly their potential is enormous.

A handwritten signature in black ink that reads "Mary Ann Campbell".

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EXECUTIVE SUMMARY

Women-owned businesses have demonstrated phenomenal growth in both numbers and economic initiative over the past fifteen years. Growth in the number, sales and employment of women-owned businesses has exceeded that of all businesses. Today, the over 6.5 million women-owned businesses are represented in all industry sectors of the economy and continue to be a growing source of employment opportunities...for women and minority workers in particular.

As this growth in numbers of women entrepreneurs continues to soar, **women-owned firms could be generating more than \$1 trillion in receipts by the year 2000**, more than 10 times their sales and receipts just 12 years ago. While this figure is an estimate, we are confident that it will be supported by the results of the 1992 U.S. Economic Census due to be issued in 1995. We do know that during the early 1980's sales and receipts generated by the less than 4 million women-owned businesses grew by 200 percent. The fact that sales growth over this five year period is nearly four times that of growth in the number of firms is a clear indication that women-owned businesses are growing impressively in size and economic power.

To provide a comprehensive profile of the status of women's business ownership in this country, the National Women's Business Council has prepared this official documentation of the growth, economic contributions and critical barriers that still exist for the women's business sector.

This publication incorporates for the **first time in a single document** the statistical information that is known to date about women's business ownership in this country. Here, in one integrated resource, is the information of greatest value to economic policy makers, government leaders and the business community seeking to open the doors to opportunity for the fastest growing sector of this economy.

Within this document are found official statistics on:

- the number, size and economic strength of women-owned businesses;
- recent growth trends; and

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- information on two key issues for women business owners: access to financial resources and procurement opportunities.

As a federal advisory panel advocating on behalf of women-owned businesses, the objective of the National Women's Business Council has been to promote the interests and highlight the contributions of our constituents and, at the same time, identify and break down the barriers that inhibit their success.

- There were 2.6 million women-owned businesses identified in 1982 and estimated to be over 6.5 million out of 21 million small business owners in 1992.
- Receipts were documented to be \$98.3 billion in 1982 and are projected to be over ONE TRILLION DOLLARS by the year 2000.
- Women business owners employ more than 11 million employees.

While the explosive growth and entrepreneurial spirit, as evidenced by these statistics, portray an impressive scenario, the gaps in our knowledge of this dynamic sector have obstructed a more complete picture. Without a full accounting of the demographics and performance of this business sector, their contributions to the economy will continue to go unrecognized and their fullest potential unrealized.

We have also found that the national economic data collected under various regulations and statutes are left unanalyzed or are too limited in scope. Furthermore, analysis is also made more difficult through the inconsistent application of standards and criteria employed by the many federal agencies and departments undertaking the collection, tabulation and analysis of the information.

This compendium is intended to help decision-makers navigate through the inconsistencies in order to gain a more complete picture.

At once, we can clearly see the need for additional studies to provide more timely economic statistics and analysis of the current phenomenon of women's entrepreneurship. We have also documented that barriers continue to prevent this sector from achieving great business successes.

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Of particular concern is the barrier to access to business opportunities in the public sector -- where women-owned businesses receive less than 2% of the \$200 billion in federal contracts awarded in each year through FY1992. We know that small firms which receive federal contracts are more likely to grow and become strong candidates for larger private sector contracting opportunities. The income stream and collateral base provided by these contracts is often a critical source of funding for small businesses who have difficulty accessing sufficient financial resources. The documented failure of women-owned businesses to access this most lucrative market has precipitated a new commitment on the part of the federal government to reach out and do business with this sector.

The National Women's Business Council has prepared this compendium for the purpose of stimulating further research and discussion. We are committed to improving the scope and quality of our official economic data in order to promote changes in policy and legislation that will support women entrepreneurs as they launch and grow their businesses.

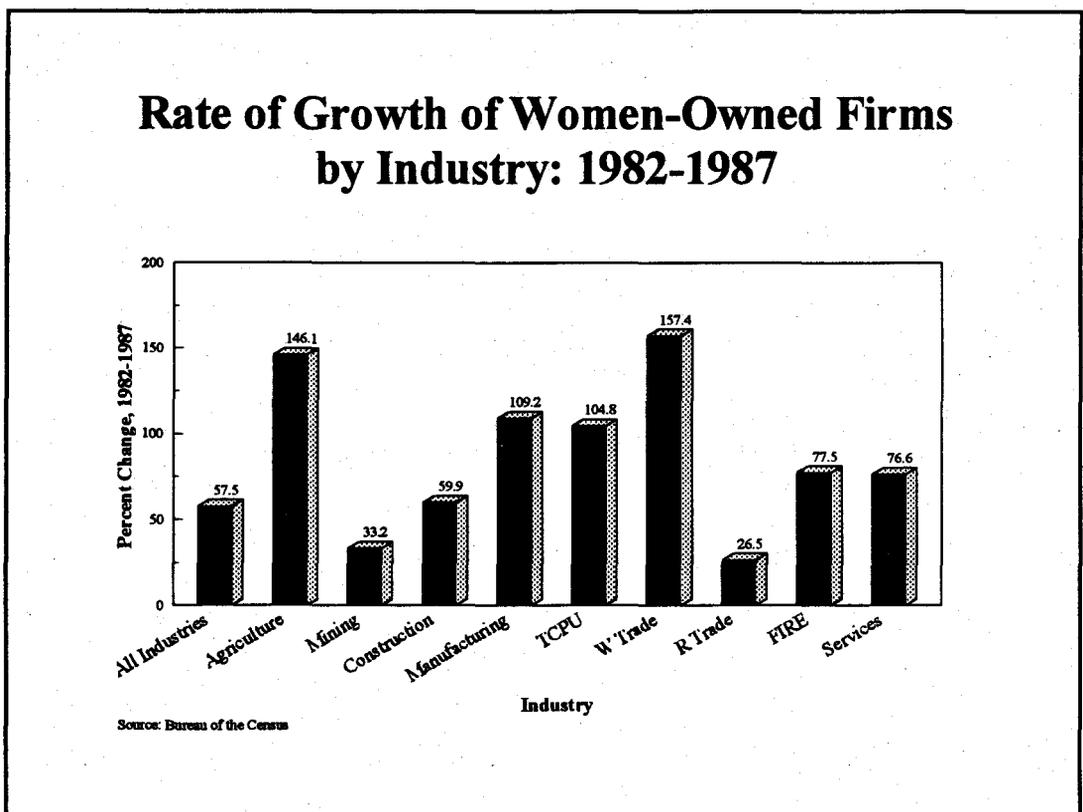
The accompanying Data Report is the result of that commitment. Reports and studies were collected from all federal agencies which prepare information on America's businesses as well as selected private sources. (See Annotated Bibliography in the Data Report for a complete listing of sources.)

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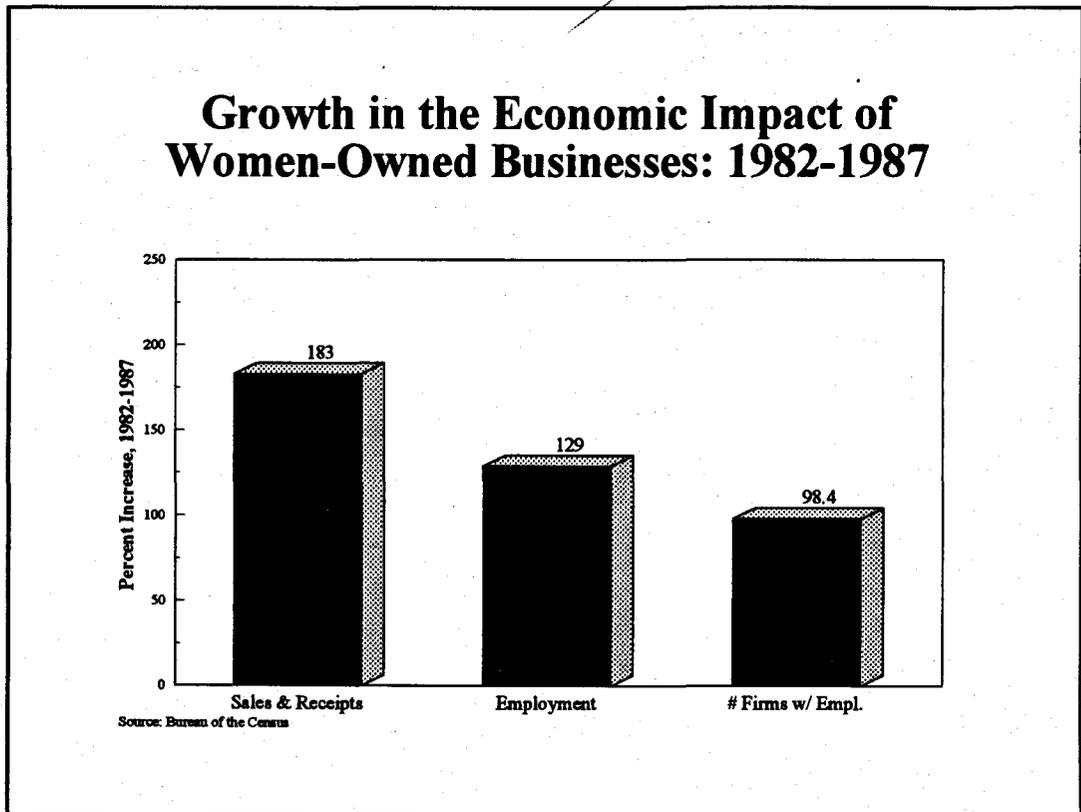
Here are the highlights of the Data Report's findings, and recommendations for action based upon the results:

Current Knowledge

- The number of women-owned firms has grown significantly over the past decade. From 1982 to 1987, the number of women-owned businesses increased by 57.5%—from 2.6 million to 4.1 million — more than twice the rate of all U.S. businesses during the period.
- Women are continuing to start businesses at a higher than average rate. The number of women-owned sole proprietorships (generally the smallest and youngest of businesses) grew at an average annual rate of 8.4% during the period 1979-1990, compared to a 5.4% annual rate among all sole proprietorships and 4.5% among men-owned proprietorships.
- Women are moving into many "non-traditional" industries. The number of women-owned firms grew most rapidly in the areas of wholesale trade, agri-business, manufacturing, and transportation in the mid 1980's.

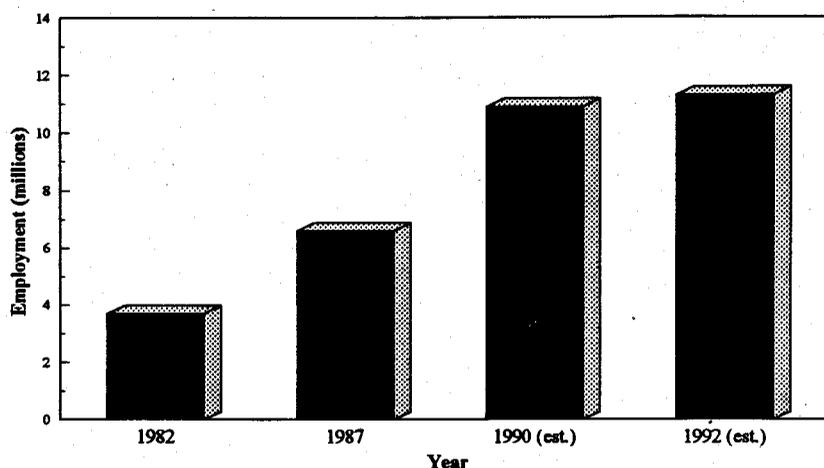


- Women-owned businesses are not only growing in sheer numbers, but in economic power as well. Growth in sales among women-owned firms is nearly four times that of growth in numbers, and the growth of women-owned firms providing employment more than doubled from 1982 to 1987. As of 1987, women-owned businesses generated over \$224 billion in sales, and had a payroll of nearly \$41 billion.



- Business receipts among the smallest women-owned firms—sole proprietorships—are growing strongly as well. From 1981 to 1991, the receipts of these businesses have increased three-fold—from \$39.6 billion to \$105.5 billion. Average receipts per proprietorship have increased 34% during that time, from \$14,236 to \$19,020—more than three times faster than the 11% increase among all nonfarm sole proprietorships.
- As of 1992, it is estimated that women-owned firms number 6.5 million and employ over 11 million people in the U.S.

Trend in Employment Among Women-Owned Firms

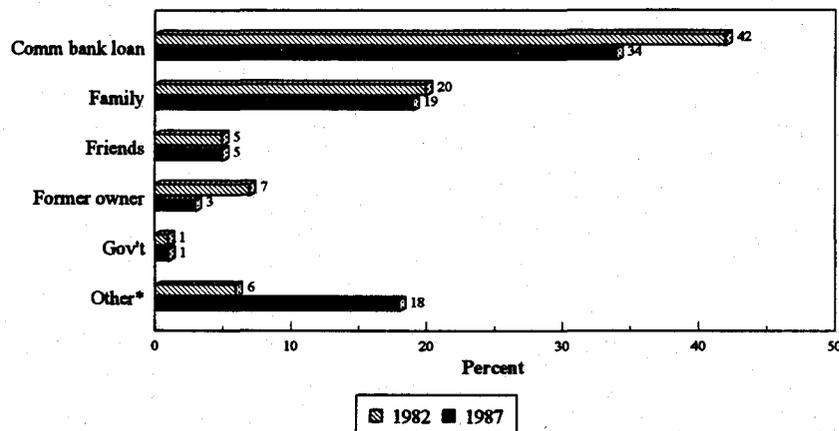


Source: Bureau of the Census & NFWBO

- Not only are women-owned businesses found in all industries, they are ethnically diverse as well. As of 1987, there were nearly 400,000 businesses owned and operated by women of color—158,278 Black women-owned firms, 115,025 Hispanic women-owned firms, 111,889 firms owned by women of Asian/Pacific Island descent, and 6,308 businesses owned by Native American/Alaska Native women.
- Women business owners are more highly educated than the general female population, and are also somewhat *more* likely to be married. Over eight in ten women business owners have at least a high school education, compared to 72% of all women 15 or older. Fully one-third (34%) have college degrees, compared to just 14% of all women 15+. Seven in ten (70%) of women business owners are married, compared to 57% of all women 15 or older.
- Despite this tremendous growth in numbers and in economic power, barriers to increased economic growth remain. Women find it more difficult to obtain the capital necessary to start and grow their businesses.

According to the Bureau of the Census, among women who used borrowed capital to start their businesses (27.3%), the share obtaining start-up capital from commercial lending sources declined from 42% to 34% from 1982 to 1987, while the share acquiring financing from other sources (credit cards, refinanced home, non-commercial loans) tripled, from 6% to 18%.

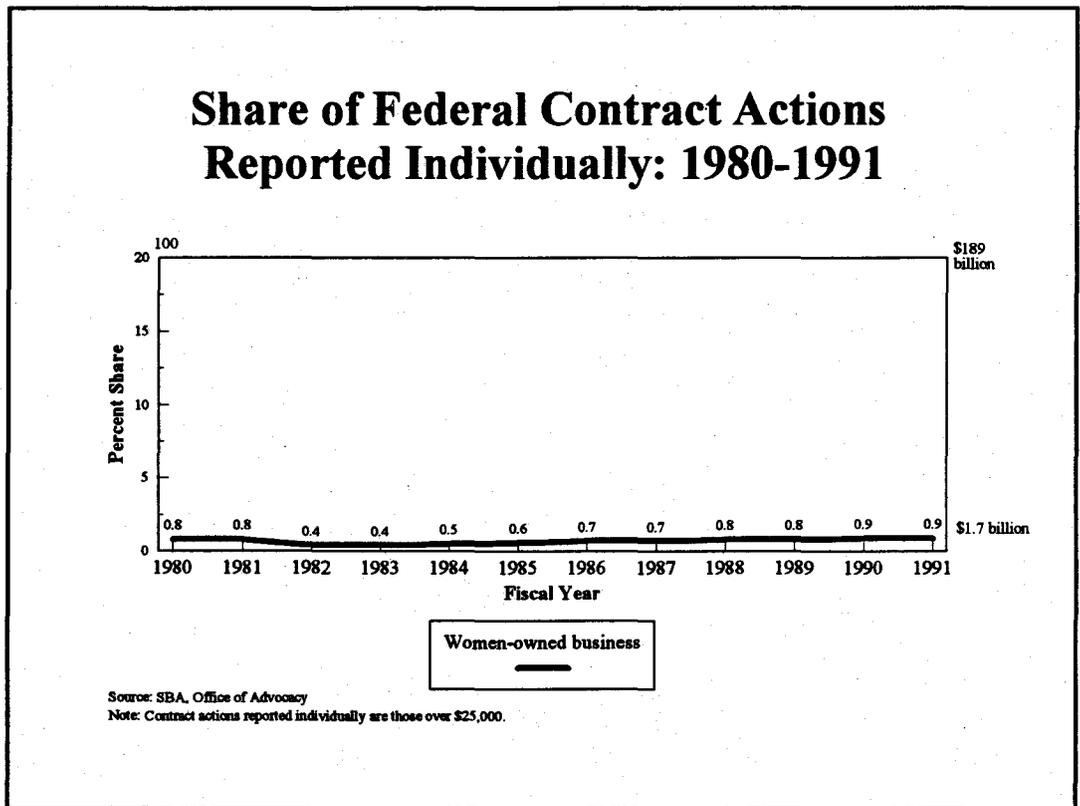
Sources of Start-Up Capital: 1982-1987



Source: Bureau of the Census
*Other includes personal credit card, refinanced home, loans other than from commercial banks.

- More recent data suggests that this problem continues even among established women business owners. A 1993 study by the National Foundation for Women Business Owners found that women business owners are more likely than businesses at large to report difficulties in working with their financial institutions, are much more likely to use credit cards to fulfill their short-term financing needs, and are more likely to use several different sources to fulfill their capital requirements.

- Women-owned businesses are starting out "bigger." The share of women needing \$10,000 or more to start their business increased from 14% to 19% from 1982 to 1987, and the share of those needing \$50,000 or more grew from 3.5% to 5.1%.
- Access to procurement opportunities can also be problematic for women business owners. The share of federal procurement dollars going to women-owned businesses has not changed significantly in the last ten years. Women-owned firms received 0.8% of federal contract awards over \$25,000 in 1980, and 0.9% in 1991. All told, only 1.8% of all federal procurement awards went to women-owned firms as of fiscal year 1993.



- Although relatively few women-owned firms are involved in federal procurement activity, a research study conducted for the U.S. Small Business Administration showed that small firms receiving federal contracts demonstrated more stability and growth than firms that were not involved in federal procurement. The income stream offered by a federal contract enabled the businesses to plan for growth more effectively. This is an important reason why, even though a minority of women-owned

firms are currently engaged in federal procurement, it is a very important issue for all women-owned businesses.

Future Projections

Given what is known about the current growth rate of women-owned businesses, it is possible to make some projections into the future:

- The share of women-owned sole proprietorships, typically the smallest and youngest of businesses, has grown from 25.1% in 1979 to 32.2% in 1990. Given this pattern of growth, it is estimated that their share will rise to 36.7% by the year 2000.
- Many have postulated that women-owned firms will comprise fully half of **all** firms by the year 2000. Given current growth rates among all firms, and the projected growth among sole proprietorships, however, it is more likely that women-owned firms will make up four in ten firms by the year 2000.
- As of 1990, it was estimated that **all** women-owned firms, including c corporations, numbered 5.4 million and employed 10.9 million people in the U.S. As of 1992, it has been estimated that women-owned businesses number 6.4 million and employ an estimated 11 million workers..
- There is not enough data to permit an accurate projection of the future economic power of women-owned businesses. Sales and receipts among women-owned firms grew by 183% from 1982 to 1987—from \$98.2 billion to \$278 billion. If they grew by only half that much in the years following the 1987 census, women-owned firms could be generating as much as **\$1 trillion** in receipts by the year 2000. If growth in the 1990's matches that of the mid 1980's, women-owned firms may have already reached the \$1 trillion mark.

Significant Gaps In Knowledge

Although this information provides a framework of knowledge about women-owned businesses, there remain significant gaps in knowledge about this important sector of the economy:

- The federal government has not, until the upcoming 1992 Economic Census, counted the entire population of women-owned firms. Though comprising less than 10% of the business population, C corporations—the organizations missed by previous censuses—account for a majority of the

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nation's employment and business sales. Thus, crucial information about the true economic impact of **all** women-owned businesses remains unknown.

- So, too, information about access to capital issues remains largely anecdotal. Research has shown that access to financing is critical to young companies: capital is the lifeblood of any business, and access at crucial start-up and growth phases are especially important. Women-owned businesses are shown to eschew banks for other sources of financing, and are having to rely on more sources for their capital needs. Much more needs to be known about these issues.
- Statistical information on federal government procurement from women-owned businesses is available, but the published information—all from the U.S. Small Business Administration—is not directly comparable across sources, and there are gaps in this information as well.

Strategic Recommendations

Given what is known about the growth of women-owned businesses over the past decade and, more importantly, where there are gaps in our knowledge, we make the following recommendations for action:

1. Encourage states to collect data and information on women-owned businesses at the state level and to collaborate in developing regional data. While national data can be extremely powerful in bringing recognition to the economic force of women business owners, state by state data are vital for developing programs and infrastructure which will have the most immediate and measurable impact on individual women business owners.
2. Improve the quality of national economic statistics on women-owned businesses throughout the Federal government.
 - Require that all business statistics collected by the Federal government include gender of owner(s) so that comparisons between women- and men-owned businesses can be made.
 - Develop a consistent definition of woman-owned business which is used by all parts of the Federal government.

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- Increase the comprehensiveness of data collected on women-owned businesses by including c corporations in the Economic Census.
3. Encourage public/private partnerships to address data collection and research on women business owners. Areas to be studied should include:
- Economic contributions made by women businesses in job creation and revenues;
 - Barriers to growth, including access to capital, Federal and state procurement and technical assistance;
 - Social impact of women-owned businesses on employees and the community;
 - Innovation, quality and productivity in women-owned businesses.
4. Continue a strong voice for women-owned businesses in government to ensure:
- Economic policy-makers take into consideration the needs and contributions of women-owned businesses in establishing policy and legislation;
 - Collaboration and consistency among research and data collection activities on women business owners;
 - Continuing recognition by government policy-makers, corporate leaders and financial decision-makers of the significance of women-owned businesses.

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Data Report

Executive Summary

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INTRODUCTION

When it was established by the Women's Business Ownership Act of 1988 (PL 100-53), the National Women's Business Council was given four important mandates. It was charged with reviewing:

- "1. the status of women owned businesses nationwide, including progress made and barriers that remain, in order to help such businesses enter the mainstream of the American economy;
2. the role of the Federal government and state and local governments in assisting and promoting aid to, and the promotion of, women-owned businesses;
3. data collection procedures and availability of data relating to:
 - A. women-owned businesses;
 - B. women-owned small businesses, and
 - C. small businesses owned and controlled by socially and economically disadvantaged women; and
4. such other government initiatives as may exist relating to women-owned businesses including, but not limited to, those related to Federal procurement."

During the ensuing years, the Council has held meetings and conducted hearings to further define these issues, collect information and data, and report to Congress on its findings. Those activities have made it clear that significant gaps exist with respect to information about women-owned businesses and their owners.

This Compendium is meant to gather, for the first time in a single document, the statistical information that is known to date about women business owners and their businesses. This report will provide a thorough overview of the information that is known about the number, size, and economic strength of women-owned businesses; recent growth trends; demographic information about women business owners; information about two key issues for women-owned businesses: access to capital and procurement; and an analysis of important gaps in information.

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It is hoped that this Compendium will be used as an information resource and bibliography of sources, a quick reference for those interested in entrepreneurship among women, and a guide for future public policy decisions.

OVERVIEW

In recent years, it has become increasingly clear that women-owned businesses are playing a vital role in the nation's economy. Yet, finding basic economic information on the nation's women-owned businesses is often problematic. There is no single definitive set of statistics that include all women-owned businesses in the country. Definitions of what constitutes a woman-owned business can vary, as can the minimum monetary threshold for one to be considered a business. Analysis of changes over time is difficult as well, for these definitions and thresholds have changed in recent years.¹

Given these difficulties, it is not surprising that this disparate information has never before been compiled in one single document. This Compendium marks the first such effort—pulling together all of the statistical information available on women-owned businesses in the country in a single publication.

The National Foundation for Women Business Owners searched through all known publications referencing statistical information on women-owned businesses, gathered information from the federal statistical agencies, summarized the findings, and analyzed the information for trends, gaps in information, and inconsistencies.

Major Sources of Information

There are three important sources of primary statistical information on women business owners and their businesses: the Bureau of the Census within the U.S. Department of Commerce, the U.S. Small Business Administration, and the National Foundation for Women Business Owners. The U.S. Department of Labor's Bureau of Labor Statistics conducts monthly household surveys that collect information on employment, including self-employment, and their Women's Bureau monitors trends with respect to women, but the Department of Labor's emphasis is workers/employees rather than on business owners/employers.

Comparability Issues

It is important to note, and make the reader aware, that it is frequently difficult to compare information on women-owned businesses from different sources. For example, the U.S. Small Business Administration obtains information on non-

¹ Largely for procurement and set-aside program qualification reasons, the Bureau of the Census and the U.S. Small Business Administration have increased the threshold of ownership for women- and minority-owned businesses from 50% to 51%. Businesses run or operated by women and/or minorities who have less than 51% ownership are not considered to be woman- or minority-owned by Census or SBA.

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farm sole proprietorships by gender of owner from the Internal Revenue Service. In 1987, the IRS counted 4,462,264 women-owned sole proprietorships. That same year, the Bureau of the Census counted 4,114,787 businesses, 3,722,544 of whom were sole proprietorships. Why the difference? The answer lies in the thresholds used to define a business. The IRS data are obtained from tax records. Any business income claimed is counted as a business. The Census data only includes those businesses with at least \$500 in receipts.

There are other differences among data sources; they are footnoted in this report.

Also please note that all the sources used or researched for this report, along with a brief description of the source, are listed in Chapter VII, the Annotated Bibliography.

I. The Number of Women-Owned Firms in the U.S.

I. THE NUMBER OF WOMEN-OWNED FIRMS IN THE U.S.

Answering the question "How many women-owned businesses are there in the United States?" is not as simple a matter as it may seem. First, there is no **single** definitive set of statistics that include **all** women-owned businesses in the country. Secondly, definitions of what constitutes a woman-owned business can vary, as can the minimum monetary threshold for one to be considered a business.

Given these limitations, it is necessary to survey the major sources of statistical information on women-owned businesses and compare their data.

Bureau of the Census

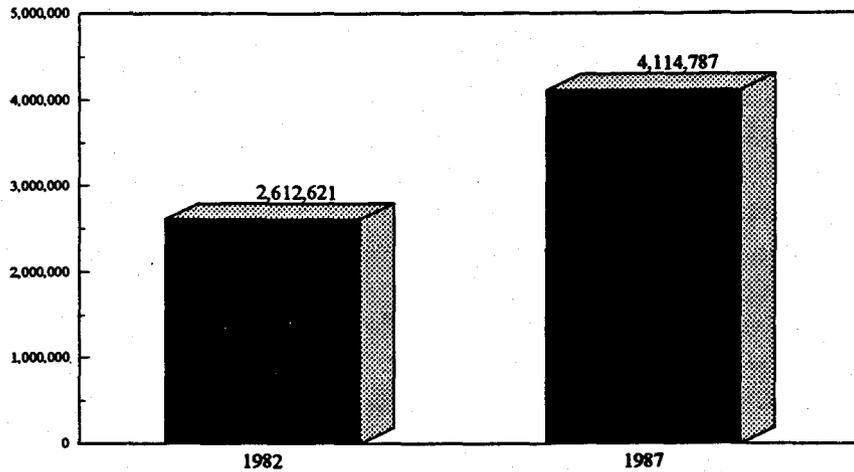
Every five years, in years ending in 2 and 7, the Bureau of the Census conducts an economic census of businesses throughout the United States. During every economic census since 1972, a separate and distinct analysis of women-owned businesses has been conducted as a part of the overall census. According to their most recent census, there were 4,114,787 women-owned businesses in the United States as of 1987—a 57.5% increase from the 2,612,621 women-owned firms identified in 1982, and more than twice the 26.2% increase among all U.S. firms included in the Census.

Though the data provided by the Bureau of the Census is without question the most detailed, both by industry and geography, and the benchmark against which all other information is compared, there are shortcomings. Analysis of growth in the number, size, and economic impact of women-owned businesses in 1987 compared to previous censuses is not possible, with the exception of the 1982 data provided in the 1987 report; improvements in coverage and changes in definitions have rendered the populations too different to compare.

Another shortcoming of the censuses of women-owned businesses to date, but one that will be rectified with the release of the 1992 census, has been the exclusion of C corporations.² Though small in sheer numbers compared to the other legal forms of business organization, C corporations have the largest economic impact in terms of employment and sales.

² Up until the upcoming 1992 report, the census has just included sole proprietorships, partnerships and subchapter S corporations. Starting with the 1992 report, C corporations will be included by means of a sample added to the administrative records data used for the other legal forms of organization.

1-1. Growth in the Number of Women-Owned Businesses in the U.S.: 1982-1987

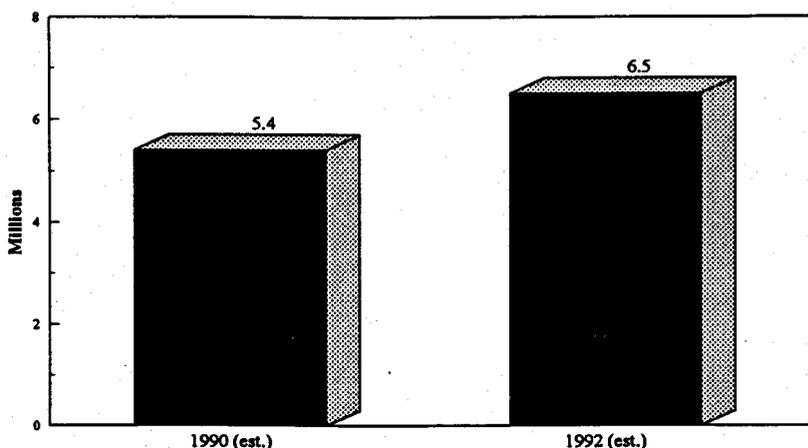


Source: Bureau of the Census

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Business
Owners***

To help provide a clearer picture of the full economic impact of women-owned businesses in the country, the National Foundation for Women Business Owners (NFWBO) conducted a study to update and expand upon the 1987 economic census. Extrapolating from the census figures to project growth from 1987 to 1992, and including an estimated count of women-owned C corporations, the NFWBO released a report in 1992 that estimated the number of women-owned firms in the country in 1990 to be 5.4 million. The NFWBO estimates the number of women-owned firms in the U.S. to be 6.5 million as of 1992.

1-2. Estimated Growth in the Number of Women-Owned Businesses in the U.S.: 1990-1992



Source: NFWBO

U.S. Small Business Administration

As a part of its annual report to Congress, The State of Small Business, the U.S. Small Business Administration's Office of Advocacy includes statistical information on women-owned businesses whenever it becomes available. In addition to providing excellent synopses of the economic censuses after they are released, the Office of Advocacy also publishes data from the Internal Revenue Service on nonfarm sole proprietorships by gender of owner. This information is updated annually, and goes back to 1977, providing valuable trend information on the most numerous legal grouping of small businesses.

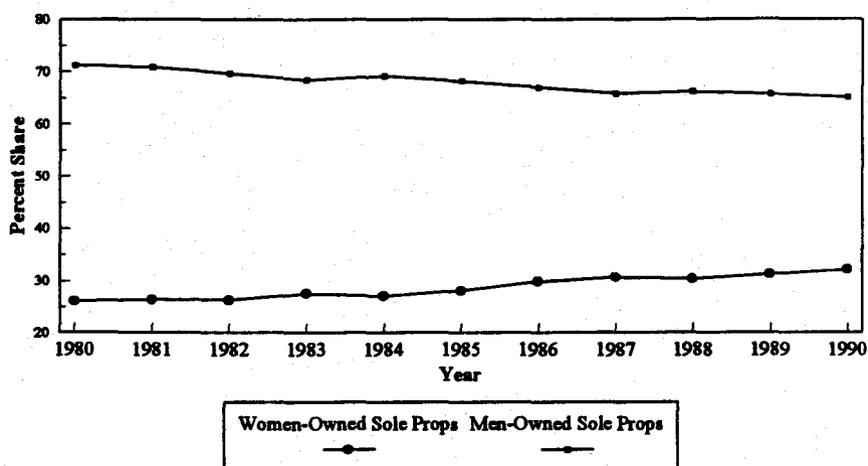
Though sole proprietorships comprise approximately 70% of the country's business population, they are typically the smallest and youngest of businesses. Of the approximately 20.5 million business in the United States³, nearly 17 million of them are sole proprietorships. Women-owned sole proprietorships numbered 5,548,514 as of 1991—32.7% of all nonfarm sole proprietorships.⁴

³ As defined by the IRS via tax returns.

⁴ U.S. Small Business Administration, Office of Advocacy, *The State of Small Business: A Report of the President*, United States Government Printing Office, 1993.

Analysis of the growth of nonfarm sole proprietorships by gender over the course of the 1980's reveals that the number of women-owned Nonfarm sole proprietorships has grown at an average annual percentage rate of 8.4%, while the number of those owned by men has grown at an average 4.5% per year.⁵ This trend has given rise to the oft-quoted statistic that women are starting businesses at twice the rate of men.

1-3. Growth in the Share of Nonfarm Sole Proprietorships by Gender: 1980-1990



Source: U.S. Small Business Administration

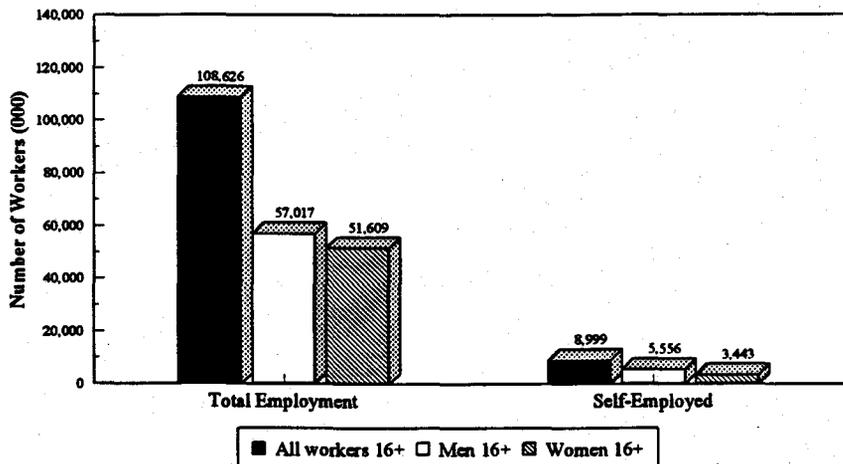
Bureau of Labor Statistics

Although most of the information collected by the Department of Labor's Bureau of Labor Statistics is collected at the household rather than the business level, there is some information that is relevant to the world of entrepreneurship—data on self-employment. In their latest release of *Employment and Earnings*, the Bureau of Labor Statistics estimates that there are 3,443,000 self-employed women in the non-agricultural labor force—6.7% of the 51.6 million non-farm working women in the country.

⁵ U.S. Small Business Administration, Office of Advocacy, *The State of Small Business: A Report of the President*, U.S. Government Printing Office, 1993, p. 64.

These 3.4 million non-farm self-employed women comprise 38.3% of the total number of non-farm self-employed individuals in the labor force, 8,999,000 in all. Compared to men, BLS finds that women are slightly underrepresented among the self-employed; 6.7% of non-farm working women are self-employed, compared to 9.7% among men.⁶

1-4. Employment and Self-Employment Among Non-farm Workers: March 1994



Source: Bureau of Labor Statistics

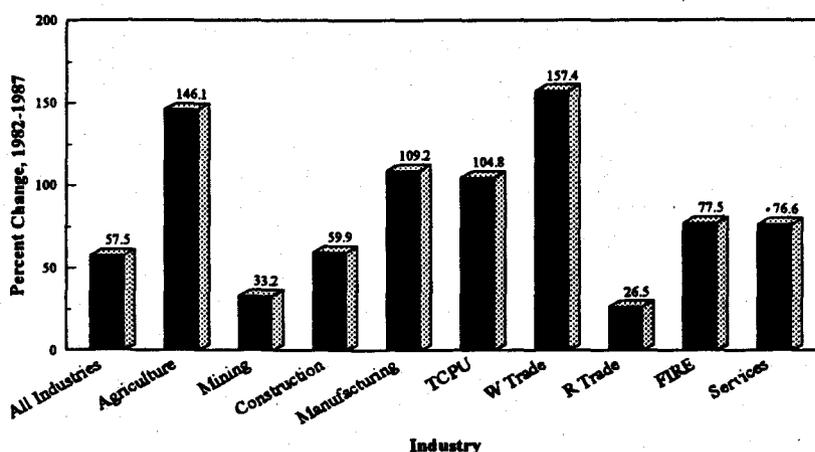
Growth Patterns By Industry

One of the most notable trends in entrepreneurship among women in the past decade has been their movement into "non-traditional" industries. Census data shows that, during the 1982-1987 period, when the overall growth in the number of women-owned businesses was 57.5%, the growth in the number of women-owned firms in wholesale trade was 157.4%, the number of women-owned agriculture-related businesses increased by 146.1%, the number of women-owned

⁶ It is important to note the reasons behind the difference between the BLS' 3.4 million non-farm self-employed women and the IRS' 5.5 million women-owned non-farm sole proprietorships. The former use the individual as the frame of reference and include only those women whose primary occupation is self-employment. The latter uses the business as the frame of reference and include part-time businesses that do not provide the primary source of income.

businesses in manufacturing grew by 109.2%, and the number in transportation, communications, and public utilities climbed by 104.8%. Even though the largest share (55%) of women-owned firms remains—as do a majority of all firms—in the services sector, this increased diversity among women-owned businesses highlights their growing strength and economic impact.

1-5. Rate of Growth of Women-Owned Firms by Industry: 1982-1987



Source: Bureau of the Census

Regional Growth Patterns

A greater than average share of the growth in the number of women-owned businesses in the country during the 1980's occurred in the eastern United States, most predominately in the New England and Mid Atlantic states. Although Census data show that the most populous states (California, New York, Texas, Florida, Pennsylvania and Illinois) have the largest *number* of women-owned businesses, the greatest *percent increase* in the number of women-owned firms between 1982 and 1987 was seen in these five states—New Hampshire, New Jersey, Rhode Island, Florida, Massachusetts. Most states west of the Mississippi River, with the exception of Arizona, California, Missouri, and Nevada, all grew at less than the national average.

A direct comparison of the state growth trends among women-owned firms with those among all firms is not possible, as the 1987 company summary published

by the Census Bureau did not include comparable 1982 tables. However, the above regional trends are not surprising, given the relatively stronger economic growth during the 1980's on the east and west coasts. It appears that women-owned firms largely mirrored overall entrepreneurial growth during the period.

States With The Highest/Lowest Percent Increase in the Number of Women-Owned Businesses, 1982-1987

State	Percent Increase, 1982-1987
The Top Five	
New Hampshire	90.7
New Jersey	85.6
Rhode Island	80.7
Florida	76.5
Massachusetts	76.3
The Bottom Five	
Idaho	41.6
Montana	39.1
Oklahoma	29.5
Wyoming	28.3
District of Columbia	23.6

Source: Bureau of the Census

Rate of Business Ownership

In the July 1991 issue of American Demographics, authors William O'Hare and Jan Larson compared the number of women-owned businesses in each state with the number of adult women in the state, calculating a rate of business ownership among women in each state.⁷

The results are quite interesting. None of the most populous states are near the top of the list; Alaska and Colorado are the states with the highest business ownership rates among women, with 84.7 and 72.9 business owners per thousand adult women, respectively. All told, states in the New England and Mountain states rank the highest in terms of business ownership among women, while states in the South and Midwest rank lowest.

⁷ O'Hare, William and Larson, Jan, "Women in Business: Where, What and Why," American Demographics, July 1991.

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Table 1-1. The Number of Women-Owned Businesses: 1982-1987

	1982		1987		% Change 1982-1987
	# of Firms*	% of Total	# of Firms*	% of Total	
Total, All industries	2,612,621	100	4,114,787	100	57.5
Agriculture	19,497	0.7	47,979	1.2	146.1
Mining	19,832	0.8	26,420	0.6	33.2
Construction	58,991	2.3	94,308	2.3	59.9
Manufacturing	44,909	1.7	93,960	2.3	109.2
TCPU	38,944	1.5	79,768	1.9	104.8
Wholesale Trade	32,059	1.2	82,513	2.0	157.4
Retail Trade	631,309	24.2	798,692	19.4	26.5
FIRE	246,403	9.4	437,360	10.6	77.5
Services	1,284,837	49.2	2,269,028	55.1	76.6
NEC	235,840	9.0	184,759	4.5	-21.7

Source: U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses of Women-Owned Businesses* (Washington, D.C.: U.S. Government Printing Office, April 1990), Table 1.

Note: TCPU=Transportation, Communications, & Public Utilities; FIRE=Finance, Insurance, Real Estate; NEC=Not Elsewhere Classified

* To be included in the Census, a firm must have at least \$500 in receipts in the Census year. More importantly, the Census does not cover regular C corporations. Only sole proprietorships, partnerships, and subchapter S corporations are included.

Table 1-2. The Number of Women-Owned Businesses by State: 1982 & 1987

State	Number of Women-Owned Businesses		Percent Change, 1982 - 1987
	1982	1987	
Alabama	30,856	48,018	55.6
Alaska	9,489	13,976	47.3
Arizona	35,085	60,567	72.6
Arkansas	24,463	35,469	45
California	354,662	559,821	57.9
Colorado	57,370	89,411	55.9
Connecticut	35,450	60,924	71.9
Delaware	5,702	9,727	70.6
District of Columbia	8,893	10,987	23.6
Florida	125,392	221,361	76.5
Georgia	53,254	88,050	65.3
Hawaii	14,415	21,696	50.5
Idaho	13,403	18,973	41.6
Illinois	110,278	177,057	60.6
Indiana	62,015	89,949	45
Iowa	36,097	53,592	48.5
Kansas	36,770	53,505	45.5
Kentucky	36,558	53,454	46.2
Louisiana	38,315	55,852	45.8
Maine	14,473	23,922	65.3
Maryland	48,371	81,891	69.3

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State	Number of Women-Owned Businesses		Percent Change, 1982 - 1987
	1982	1987	
Massachusetts	63,162	111,376	76.3
Michigan	87,133	133,958	53.7
Minnesota	56,234	88,137	56.7
Mississippi	20,411	28,976	42
Missouri	54,080	87,658	62.1
Montana	12,762	17,747	39.1
Nebraska	22,746	32,285	41.9
Nevada	11,676	18,831	61.3
New Hampshire	11,912	22,713	90.7
New Jersey	63,243	117,373	85.6
New Mexico	16,287	25,397	55.9
New York	176,485	284,912	61.4
North Carolina	57,374	93,532	63
North Dakota	8,770	12,689	44.7
Ohio	102,519	154,084	50.3
Oklahoma	49,193	63,690	29.5
Oregon	40,479	58,941	45.6
Pennsylvania	106,159	167,362	57.7
Rhode Island	8,032	14,517	80.7
South Carolina	27,055	42,604	57.5
South Dakota	9,367	13,374	42.8
Tennessee	44,643	67,448	51.1

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State	Number of Women-Owned Businesses		Percent Change, 1982 - 1987
	1982	1987	
Texas	199,758	298,138	49.3
Utah	19,072	29,810	56.3
Vermont	8,044	13,802	71.6
Virginia	56,882	94,416	66
Washington	59,296	90,285	52.3
West Virginia	15,730	22,549	43.4
Wisconsin	44,413	69,185	55.8
Wyoming	8,393	10,796	28.6

Source: U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses of Women-Owned Businesses* (Washington D.C.: U.S. Government Printing Office, 1990), Table 2.

Table 1-3. The Number of Women-Owned Businesses With & Without Paid Employees by State: 1982 & 1987 (Thousands)

State	With Employees			Without Employees		
	1982	1987	% Increase	1982	1987	% Increase
U.S. Total	311.7	618.2	98.4	2,301.0	3,496.6	52.0
Alabama	4.6	9.2	98.7	26.2	38.8	48.0
Alaska	0.8	1.9	144.2	8.7	12.0	38.5
Arizona	3.8	8.9	136.8	31.3	51.6	64.9
Arkansas	3.7	6.4	73.4	20.8	29.1	39.9
California	35.9	73.2	104.1	318.8	486.7	52.6
Colorado	6.1	12.8	108.6	51.3	76.7	49.6
Connecticut	4.4	9.3	111.1	31.0	51.6	66.3
Delaware	0.8	1.8	117.1	4.9	7.9	62.8
District of Columbia	0.8	1.2	61.8	8.1	9.8	20.0
Florida	16.8	39.5	135.7	108.6	181.9	67.4
Georgia	6.8	14.5	112.0	46.4	73.6	58.5
Hawaii	1.2	2.4	92.6	13.2	19.3	46.5
Idaho	1.6	3.1	97.6	11.8	15.9	34.2
Illinois	13.4	25.5	90.3	96.9	151.6	56.4
Indiana	9.2	16.6	79.9	52.8	73.4	39.0
Iowa	4.8	8.6	79.8	31.3	45.0	43.7
Kansas	4.1	7.2	75.6	32.7	46.3	41.8
Kentucky	4.9	8.6	75.8	31.7	44.9	41.6
Louisiana	5.2	8.4	60.4	33.1	47.5	43.5

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State	With Employees			Without Employees		
	1982	1987	% Increase	1982	1987	% Increase
Maine	1.7	4.0	136.4	12.8	20.0	55.9
Maryland	4.8	10.3	114.5	43.6	71.6	64.3
Massachusetts	5.5	13.9	154.4	57.7	97.5	69.0
Michigan	10.5	18.6	76.7	76.6	115.4	50.6
Minnesota	6.1	12.4	103.2	50.1	75.8	51.1
Mississippi	3.6	6.1	69.8	16.8	22.9	36.0
Missouri	6.9	13.5	95.0	47.2	74.2	57.3
Montana	1.8	3.3	78.4	10.9	14.5	32.5
Nebraska	2.9	5.0	74.7	19.9	27.2	37.2
Nevada	1.3	2.9	117.2	10.4	16.0	54.1
New Hampshire	1.0	2.5	178.7	7.0	12.0	79.1
New Jersey	9.0	19.4	115.5	54.2	98.0	80.6
New Mexico	2.3	4.2	83.2	14.0	21.2	51.5
New York	21.3	43.7	105.4	155.2	241.2	55.4
North Carolina	7.5	15.2	102.7	49.9	78.4	57.1
North Dakota	1.2	2.3	87.6	7.6	10.4	37.8
Ohio	12.2	22.0	80.7	90.3	132.1	46.2
Oklahoma	5.1	8.6	70.5	44.1	55.1	24.8
Oregon	5.1	9.5	86.4	35.4	49.4	39.7
Pennsylvania	13.7	25.6	87.7	92.5	141.7	53.2
Rhode Island	1.4	3.9	141.3	10.5	18.9	71.8
South Carolina	3.8	7.5	100.1	23.3	35.1	50.6

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State	With Employees			Without Employees		
	1982	1987	% Increase	1982	1987	% Increase
South Dakota	1.2	2.2	79.2	8.1	11.1	37.2
Tennessee	6.3	11.2	78.6	38.4	56.3	46.6
Texas	21.0	40.4	92.2	178.7	257.7	44.2
Utah	1.7	3.9	130.7	17.4	25.9	49.1
Vermont	1.1	2.5	129.5	7.0	11.3	62.5
Virginia	6.3	13.8	117.1	50.5	80.7	59.6
Washington	6.4	13.2	106.2	52.9	77.1	45.7
West Virginia	2.3	3.7	59.7	13.4	18.9	40.6
Wisconsin	6.8	12.2	79.6	37.6	57.0	51.5
Wyoming	1.2	2.0	62.4	7.2	8.8	22.8

Source: U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses of Women-Owned Business* (Washington D.C.: U.S. Government Printing Office, 1990), Table 2.

Table 1-4. The Number and Receipts of Women-Owned Enterprises by Legal Form of Organization: 1987

Legal Form of Organization	Number of Firms		Receipts (\$000,000)	
	Total	Women-Owned	Total	Women-Owned
Total	13,695,480	4,114,787	\$1,994,808	\$278,138
1120S Corporation	911,699	236,483	1,074,483	168,246
Partnership	660,034	155,760	314,182	29,265
Sole Proprietorship	12,123,747	3,722,544	606,144	80,627

Source: U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses of Women-owned Businesses* (Washington, D.C.: U.S. Government Printing Office, April 1990).

Table 1-5. The Number of Women-Owned Nonfarm Sole Proprietorships: 1977 to 1991

Year	Number of Nonfarm Sole Proprietorships		Women-Owned as Percent of Total
	Women-Owned	Total	
1991	5,548,514	16,957,636	32.7
1990	5,347,533	16,596,384	32.2
1989	4,977,143	15,920,963	31.3
1988	4,610,951	15,158,567	30.4
1987	4,462,264	14,548,946	30.7
1986	4,121,352	13,798,390	29.9
1985	3,738,107	13,296,751	28.1
1984	3,382,769	12,459,141	27.2
1983	3,254,248	11,781,015	27.6
1982	2,942,366	11,170,204	26.3
1981	2,780,277	10,545,337	26.4
1980	2,535,240	9,730,019	26.1
1979	2,341,397	9,343,603	25.1
1978 ¹	2,121,060	8,878,705	23.9
1977	1,900,723	8,413,806	22.6

Source: Tabulations Prepared by U.S. Department of the Treasury, Internal Revenue Service, the Statistics of Income Division Under Contract to the U.S. Small Business Administration, Office of Advocacy, December 1990.

¹ 1978 Data Represent a Weighted Average.

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Table 1-6. The Number of Women-Owned Nonfarm Sole Proprietorships by SBA Region: 1980 to 1990 (Thousands)

Region	1980	1982¹	1983²	1985	1988	1989	1990
Total U.S.	2,535.2	2,942.4	3,254.2	3,738.1	4,611.0	4,977.1	5,347.5
Region I	120.3	145.5	159.6	168.0	226.2	252.8	280.7
Region II	195.8	243.2	241.6	319.2	419.3	420.7	477.8
Region III	231.2	249.6	326.7	382.9	478.0	518.5	516.5
Region IV	370.4	418.7	453.7	579.9	656.0	705.0	770.2
Region V	481.9	526.0	579.6	630.4	773.4	848.3	908.2
Region VI	277.0	377.2	407.6	452.8	520.1	562.3	609.9
Region VII	166.6	202.8	215.2	262.7	278.1	315.5	366.9
Region VIII	115.8	115.5	130.0	166.1	196.5	189.2	217.8
Region IX	446.2	510.5	575.4	593.9	860.7	922.4	945.7
Region X	123.9	151.0	159.6	174.4	202.7	242.4	253.9

Source: Special tabulations prepared by the U.S. Department of Treasury, Internal Revenue Service, Under Contract to the U.S. Small Business Administration, Office of Advocacy.

¹ Source: U.S. Department of Treasury, Internal Revenue Service, Special Tabulation Table K-3, "Nonfarm, Sole Proprietorship Businesses: Business Receipts and Net Income, By Sex of Proprietor, Major Industry, and State, Tax Year 1982". Total number includes 2.4 thousand firms that could not be allocated by state.

² Source: U.S. Department of Treasury, Internal Revenue Service, Special Tabulation Table K-3, "Nonfarm, Sole Proprietorship Businesses: Business Receipts and Net Income, By Sex of Proprietor, Major Industry, and State, Tax Year 1980"; and idem, "Tax Year 1983".

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Note: The SBA Regions are defined as follows:

- Region I:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
- Region II:** New Jersey, New York.
- Region III:** Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia.
- Region IV:** Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.
- Region V:** Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin.
- Region VI:** Arkansas, Louisiana, New Mexico, Oklahoma, Texas.
- Region VII:** Iowa, Kansas, Missouri, Nebraska.
- Region VIII:** Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.
- Region IX:** Arizona, California, Hawaii, Nevada.
- Region X:** Alaska, Idaho, Oregon, Washington.

Table 1-7. The Number of Women-Owned Nonfarm Sole Proprietorships by Industry: 1977 to 1990 (Thousands)

Industry	1977		1979		1980		1982 ¹		1985	
	# of Firms	% of Total	# of Firms	% of Total	# of Firms	% of Total	# of Firms	% of Total	# of Firms	% of Total
Total	1,900.7	100.0	2,341.4	100.0	2,535.2	100.0	2,649.3	100.0	3,738.10	100.00
Agricultural Services, Forestry & Fishing	19.5	0.3	26.1	1.1	30.8	1.2	42.1	1.6	58.2	1.6
Mining, Construction & Manufacturing	47.7	2.5	62.3	2.7	84.2	3.3	101.9 ²	3.9	182.2	4.9
Transportation, Communication & Public Utilities	23.6	1.2	26.4	1.1	27.7	1.1	31.1	1.2	62.1	1.7
Wholesale and Retail Trade	641.1	33.7	753.4	32.2	824.8	32.5	840.0	31.7	926.3	24.8
Finance, Insurance & Real Estate	225.6	11.9	346.0	14.8	354.8	14.0	294.0	11.1	390.0	10.4
Services	936.7	49.3	1,127.2	48.1	1,212.9	47.8	1,340.2	50.6	2,119.4	56.7

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Industry	1986		1987		1988		1989		1990	
	# of Firms	% of Total								
Total	4,121.4	100.0	4,462.3	100.0	4,611.0	100.0	4,977.1	100.0	5,347.5	100.0
Agricultural Services, Forestry & Fishing	65.0	1.6	71.2	1.6	59.5	1.3	59.4	1.2	65.6	1.2
Mining, Construction & Manufacturing	223.9	5.4	213.8	4.8	197.5	4.3	243.1	4.9	216.8	4.1
Transportation, Communication & Public Utilities	51.5	1.3	86.5	1.9	67.8	1.5	80.7	1.6	99.6	1.9
Wholesale and Retail Trade	974.5	23.7	1,046.4	23.5	991.2	21.5	1,014.6	20.4	1,113.6	20.8
Finance, Insurance & Real Estate	451.4	11.0	502.1	11.3	520.8	11.3	482.3	9.7	559.7	10.5
Services	2,355.0	57.1	2,542.3	57.0	2,774.1	60.2	3,097.1	62.2	3,292.2	61.6

Source: Tabulations Prepared by the U.S. Department of Treasury, Internal Revenue Service, the Statistics of Income Division under contract to the U.S. Small Business Administration, Office of Advocacy.

¹ Source: U.S. Department of the Treasury, Internal Revenue Service, *1977 Sole Proprietorship Returns* (Washington, D.C.: Government Printing Office, 1982), Table 13, and special tabulation Table 9A, "Nonfarm Sole Proprietorships: Business Receipts and Net Income by Sex of Proprietor and Industry," 1982.

² This number was calculated by subtracting the numbers from all other industries from the total.

Table 1-8. Share and Projected Share of Nonfarm Sole Proprietorships by Gender

Year	Share of Nonfarm Sole Proprietorships		
	Female-Owned	Male-Owned	Jointly-Owned
1977	22.59	74.34	3.07
1978	23.89	73.23	2.88
1979	25.06	72.24	2.71
1980	26.06	71.21	2.74
1981	26.36	70.94	2.70
1982	26.34	69.72	3.94
1983	27.62	68.46	3.92
1984	27.07	69.17	3.75
1985	28.11	68.25	3.63
1986	29.87	66.99	3.14
1987	30.61	65.69	3.50
1988	30.69	65.43	3.62
1989	31.16	64.88	3.66
1990	31.77	64.13	3.71
1991	32.36	63.44	3.75
1992	32.95	62.70	3.78
1993	33.50	62.06	3.82
1994	34.06	61.42	3.86

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Year	Share of Nonfarm Sole Proprietorships		
	Female-Owned	Male-Owned	Jointly-Owned
1995	34.57	60.88	3.89
1996	35.07	60.36	3.93
1997	35.53	59.91	3.96
1998	35.93	59.57	4.00
1999	36.36	59.16	4.03
2000	36.72	58.87	4.06

Source: Adapted by the U.S. Small Business Administration, Office of Advocacy from U.S. Department of the Treasury, Internal Revenue Service, as published in The State of Small Business: A Report of the President, 1990, p. 264.

Note: Data from 1988 forward are projected. Also, 1982 data represent a weighted average due to lack of data availability for tax year 1982.

Table 1-9. The Rate of Women's Business Ownership by State: 1987

State	# of Women-Owned Businesses	# of Adult Women (000)	Ownership Rate (per 000)
Alaska	13,976	165	84.7
Colorado	89,411	1,226	72.9
Vermont	13,802	211	65.4
Wyoming	10,796	166	65.0
Montana	17,747	296	60.0
Kansas	53,505	945	56.6
Oregon	58,941	1,046	56.3
Utah	29,810	536	55.6
New Hampshire	22,713	409	55.5
Hawaii	21,696	391	55.5
Minnesota	88,137	1,619	54.4
Idaho	18,973	351	54.1
California	559,821	10,380	53.9
Nebraska	32,285	608	53.1
Washington	90,285	1,706	52.9
North Dakota	12,689	243	52.2
Maine	23,922	462	51.8
Oklahoma	63,690	1,236	51.5
South Dakota	13,374	262	51.0
Nevada	18,831	373	50.5
Texas	298,138	6,067	49.2
Iowa	53,592	1,099	48.8

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State	# of Women-Owned Businesses	# of Adult Women (000)	Ownership Rate (per 000)
Arizona	60,567	1,268	47.9
Connecticut	60,924	1,291	47.2
New Mexico	25,397	539	47.1
Massachusetts	111,376	2,407	46.3
Maryland	81,891	1,781	46.0
Florida	221,361	4,918	45.0
Missouri	87,658	2,010	43.6
Indiana	89,949	2,127	42.3
District of Columbia	10,987	263	41.8
Virginia	94,416	2,295	41.1
Illinois	177,057	4,479	39.5
New York	284,912	7,212	39.5
Arkansas	35,469	919	38.6
Delaware	9,727	254	38.3
Michigan	133,958	3,517	38.1
New Jersey	117,373	3,096	37.9
Wisconsin	69,185	1,833	37.8
Kentucky	53,454	1,424	37.5
North Carolina	93,532	2,505	37.3
Georgia	88,050	2,364	37.2
Ohio	154,084	4,204	36.7
Rhode Island	14,517	403	36.0
Tennessee	67,448	1,903	35.4

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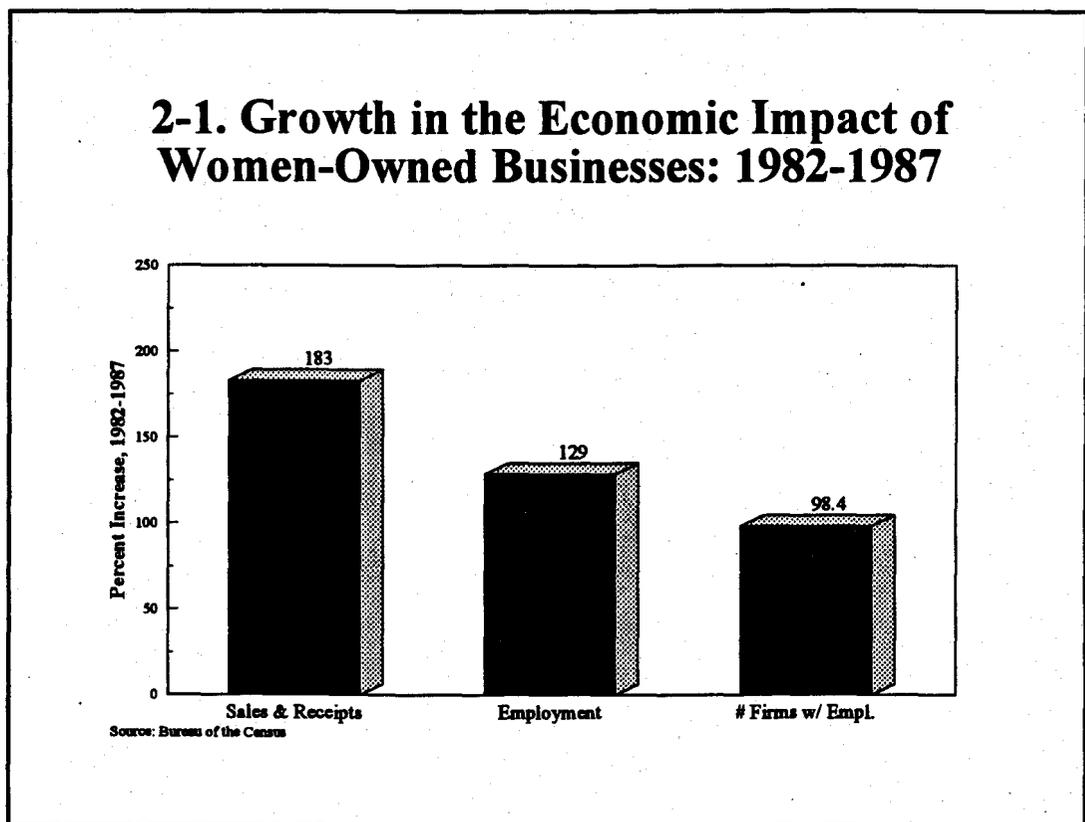
State	# of Women-Owned Businesses	# of Adult Women (000)	Ownership Rate (per 000)
Pennsylvania	167,362	4,828	34.7
Louisiana	55,852	1,643	34.0
South Carolina	42,604	1,299	32.8
Alabama	48,018	1,574	30.5
West Virginia	22,549	740	30.5
Mississippi	28,976	973	29.8

Source: O'Hare, Wm. and Larson, Jan, "Women in Business: Where, What and Why", American Demographics, July 1991

II. The Growing Impact of Women-Owned Firms

II. THE GROWING ECONOMIC IMPACT OF WOMEN-OWNED FIRMS

Women-owned firms are not only growing in number, but in economic power. Between 1982 and 1987 Census data indicate that, while the number of firms owned by women grew by 57.5%, the sales and receipts generated by those businesses grew by 183%, the number of women-owned firms with employees grew by 98.4%, and the number of people employed by women-owned firms increased by 129%—while generating a payroll of nearly \$41 billion.



Sales Growth

In 1982, women-owned firms (excluding c corporations) generated over \$98 billion in sales and receipts. By 1987, that number had grown to over \$224 billion, an increase of 183%. The average receipts per firm increased from \$37,622 to \$67,595.

The fact that sales growth over this five year period is nearly four times that of growth in the number of firms is a clear indication that women-owned businesses are growing in size and economic power. The true economic power of these

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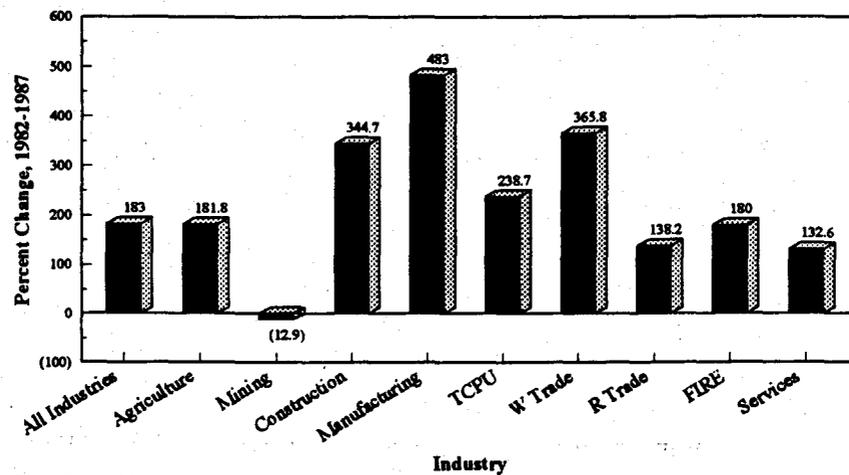
businesses is actually significantly understated by these figures, as they do not include C corporations, which are typically the largest businesses.¹

Although the service sector is home to the largest share of women-owned firms (55%), the greatest share of sales is generated among women-owned firms in the retail trade sector. Nearly one-third (30.7%) of the sales generated by women-owned businesses—which totals \$85.4 billion—is in retail trade, followed by services (\$61 billion, a 22% share), wholesale trade (\$43 billion, a 15.4% share), and manufacturing (\$31 billion, a 11.1% share).

From 1982 to 1987, the greatest growth in *sales* among women-owned firms, like the growth in the number of firms, came from "non-traditional" industries. Sales generated by women-owned firms in the manufacturing sector grew by 483%, it shot up by 366% in the wholesale trade sector, increased by 345% in construction, and grew by 239% in transportation/communications/public utilities.

¹ The 1992 Census, when it is released, will include for the first time a sampling of women-owned C corporations.

2-2. Rate of Growth of Receipts of Women-Owned Firms by Industry: 1982-1987



Source: Bureau of the Census

Regionally, economic gains for women-owned businesses were greatest in the Northeast during the 1982-1987 period. Business receipts increased by 527% in Massachusetts, 396% in Rhode Island, and 374% in New Hampshire. Growth was more moderate in the southern and central states: up only 35% in Louisiana, 39% in Oklahoma, 66% in Texas, and 68% each in North Dakota and Wyoming.

Even as the entire population of women-owned businesses has grown larger and more economically powerful, the smallest of women-owned firms are also growing steadily. Business receipts among women-owned nonfarm sole proprietorships, as counted by the Internal Revenue Service², have increased nearly three-fold from 1981 to 1991—from \$39.6 billion to \$105.5 billion. Average receipts per proprietorship have increased 34% during that time, from

² As of 1987, the IRS counts 14.5 million sole proprietorships in the U.S., as compared to 12.1 million included in the 1987 Census. The difference is largely explained by the fact that the Census does not include businesses with less than \$500 in receipts, while the IRS includes all tax returns with reported business income.

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\$14,236 to \$19,020—more than three times faster than the 11% increase among all nonfarm sole proprietorships.

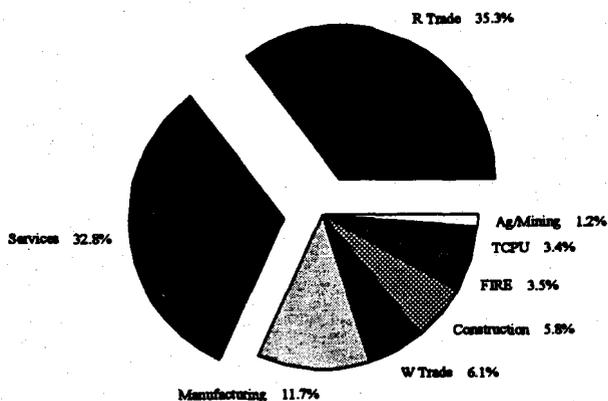
Employment Only one-quarter of all businesses in the United States employ people in addition to the proprietor of the business. For women-owned businesses, that number is 15%. Less than one million of the 4.1 million women-owned businesses counted by the Bureau of the Census in 1987 (618,198) had paid employees. Among those firms with paid employees, three-quarters (78%) have fewer than 5 workers, 13% have from 5-9, and 9% have 10 or more employees.

However, in the area of employment, too, women-owned firms are growing much faster than the general business population. Between 1982 and 1987, the number of women-owned firms with employees nearly doubled. As of 1987, these firms employed 3,102,685 workers, 129% more than in 1982.

Again, since these figures do not include C corporations, the true impact of women-owned firms on employment is likely much greater. In 1992, the National Foundation for Women Business Owners released a report which analyzed the 1987 Census data, incorporated information on corporations from Dun & Bradstreet's Dun's Market Identifier business file, and projected a more complete accounting of women-owned firms.³

³ National Foundation for Women Business Owners, *Women-Owned Businesses: The New Economic Force*, 1992.

2-3. Distribution of Employment Among Women-Owned Firms: 1987



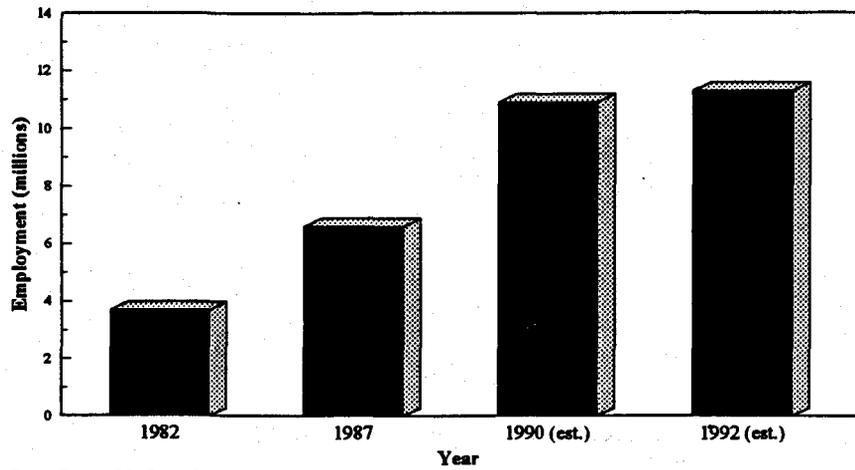
Source: Bureau of the Census

The Foundation found that employment by women-owned firms as of 1990 was approximately 10.9 million if women-owned and operated C corporations were included in the population. And, according to the Foundation, by the end of 1992, the estimated 6.5 million women-owned businesses would employ more people in the United States than the Fortune 500 companies combined.

The largest share of workers employed in women-owned businesses is in retail trade—1,090,697 workers, or 35.2%—followed closely by the service sector, with 1,015,971 workers employed by women-owned firms, a 32.7% share.

The greatest increases in employment by industry between 1982 and 1987 have come in the same non-traditional areas that have seen the greatest growth in sales and receipts—manufacturing, wholesale trade, and construction. The number of people employed by women-owned firms in those sectors has increased by 289%, 278%, and 221%, respectively, during the period. The only industry *not* seeing at least a doubling of employment during the period was the mining industry, up only 3%.

2-4. Trend in Employment Among Women-Owned Firms



Source: Bureau of the Census & NFWBO

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Table 2-1. Receipts of Women-Owned Businesses by Industry: 1982 and 1987
(Thousands of Dollars)

Industry	1982		1987		% Change, 1982-87
	Receipts (\$000,000)	Percent of Total	Receipts (\$000,000)	Percent of Total	
Total, All Industries	\$98,292	100.00	\$278,138	100.00	183.0
Agriculture	686	0.70	1,933	0.69	181.8
Mining	2,221	2.30	1,934	0.50	-12.9
Construction	4,565	4.60	20,302	7.30	344.7
Manufacturing	5,303	5.40	30,914	11.10	483.0
TCPU	3,229	3.29	10,936	3.93	238.7
Wholesale Trade	9,990	10.20	42,805	15.40	365.8
Retail Trade	35,861	36.50	85,418	30.70	138.2
FIRE	6,370	6.48	17,833	6.41	180
Services	26,278	26.73	61,123	21.98	132.6
NEC	4,589	4.67	4,940	1.78	7.6

Source: U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses of Women-Owned Businesses* (Washington, D.C.: U.S. Government Printing Office, 1990), Table 1.

Note: TCPU=Transportation, Communications, & Public Utilities; FIRE=Finance, Insurance, Real Estate; NEC=Not Elsewhere Classified

Table 2-2. Receipts of Women-Owned Businesses by State: 1982 & 1987 (Millions of Dollars)

State	Receipts (\$000,000)		Percent Change, 1982-1987
	1982	1987	
U.S. Total	\$98,292	\$278,138	183
Alabama	1,268	3,624	186
Alaska	379	829	119
Arizona	1,027	2,911	183
Arkansas	1,069	2,008	88
California	12,023	31,027	158
Colorado	1,829	4,261	133
Connecticut	1,401	5,320	280
Delaware	196	753	285
District of Columbia	334	774	132
Florida	4,789	16,828	251
Georgia	1,848	5,874	218
Hawaii	356	857	140
Idaho	427	813	90
Illinois	4,567	13,884	204
Indiana	3,192	8,913	179
Iowa	1,137	2,905	156
Kansas	1,235	2,661	116
Kentucky	1,583	3,265	106
Louisiana	2,201	2,962	35
Maine	420	1,635	289

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State	Receipts (\$000,000)		Percent Change, 1982-1987
	1982	1987	
Maryland	1,530	5,509	260
Massachusetts	1,778	11,140	527
Michigan	2,790	7,889	183
Minnesota	1,751	4,991	185
Mississippi	955	2,062	116
Missouri	1,989	5,349	169
Montana	499	930	86
Nebraska	717	1,649	130
Nevada	450	1,414	214
New Hampshire	392	1,858	374
New Jersey	3,573	13,554	279
New Mexico	576	1,166	102
New York	8,352	29,970	259
North Carolina	1,860	6,813	266
North Dakota	340	572	68
Ohio	3,615	8,872	145
Oklahoma	2,123	2,948	39
Oregon	1,357	4,279	215
Pennsylvania	4,186	13,339	219
Rhode Island	270	1,340	396
South Carolina	983	2,950	200
South Dakota	368	726	97
Tennessee	1,707	4,226	148

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State	Receipts (\$000,000)		Percent Change, 1982-1987
	1982	1987	
Texas	8,074	13,385	66
Utah	665	1,392	110
Vermont	267	766	187
Virginia	1,753	5,952	239
Washington	1,599	4,689	193
West Virginia	616	1,114	81
Wisconsin	1,562	4,667	199
Wyoming	312	524	68

Source: U.S. Department of Commerce, Bureau of the Census, 1987 Economic Censuses of Women-Owned Businesses (Washington D.C.: U.S. Government Printing Office, 1990), Table 2.

Table 2-3. Receipts of Nonfarm Sole Proprietorships: 1977 to 1991 (Thousands of Current Dollars)

Year	Receipts of Nonfarm Sole Proprietorships (\$000)			Receipts of Women-Owned as % of Total
	Women-Owned	Men-Owned	Total ²	
1991	\$105,530,787 ³	\$585,695,800	\$718,401,208	14.7
1990	105,689,884	624,916,136	730,606,020	14.5
1989	89,033,875	-	692,810,919	12.9
1988	83,364,406	-	640,763,757	13.0
1987	80,974,979	503,798,642	610,822,732	13.3
1986	71,553,141	456,046,845	553,701,562	12.9
1985	65,045,168	450,349,041	540,045,430	12.0
1984	56,069,333	435,987,438	516,036,944	10.9
1983	52,632,907	382,800,882	459,431,437	11.5
1982	41,717,148	373,090,664	433,664,897	9.6
1981	39,580,886	378,602,747	427,063,055	9.3
1980	36,376,570	367,494,582	411,205,713	8.8
1979	34,131,473	355,522,326	395,669,594	8.6
1978 ¹	29,653,503	324,376,440	360,081,285	8.2
1977	25,175,532	293,230,554	324,492,975	7.7

Source: Special Tabulations Prepared by the U.S. Department of the Treasury, Internal Revenue Service Under Contract to the U.S. Small Business Administration, Office of Advocacy, January 1992.

¹ 1978 Data Represent a Weighted Average.

² Includes jointly owned nonfarm sole proprietorship businesses.

³ Source: Internal Revenue Service, Statistics of Income Division, Table K-3, "Sole Proprietorship Businesses: Business Receipts and Net Income, By Sex of Proprietor, Major Industry, and by Region (Farms Not Included), Tax Year 1991." Data Combined to avoid disclosure of information for specific taxpayer.

Table 2-4. Receipts per Nonfarm Sole Proprietorship by Gender of Owner: 1977-1991
(Current Dollars)

Year	Receipts Per Proprietorship		
	Women-Owned	Men-Owned	Total
1991	\$19,020	\$53,667	\$45,019
1990	19,876	55,490	43,969
1989	17,889	54,594	43,515
1988	18,080	52,485	42,271
1987	18,147	52,607	41,984
1986	17,362	49,335	40,128
1985	17,401	49,622	40,615
1984	16,575	50,441	41,299
1983	16,174	47,466	38,998
1982	14,178	47,907	38,823
1981	14,236	50,611	40,498
1980	14,348	53,040	42,262
1979	14,577	52,675	42,347
1978 ¹	13,981	49,887	40,556
1977	13,245	46,878	38,567

Source: Various unpublished tabulations prepared by U.S. Department of the Treasury, the Internal Revenue Service under contract to U.S. Small Business Administration, the Office of Advocacy.

¹ 1978 data represent a weighted average.

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Table 2-5. Receipts of Women-Owned Nonfarm Sole Proprietorships by SBA Region: 1980 to 1990 (Millions of Dollars)

Region	1980	1982¹	1983²	1985	1986	1988	1989	1990
Total	36,377	41,717 ³	52,633	65,045	71,553	83,364	89,034	105,690
Region I	1,522	2,079	1,950	3,445	3,955	4,259	4,103	5,064
Region II	3,066	2,825	4,646	4,764	4,607	9,039	8,011	9,296
Region III	3,409	3,843	6,591	7,096	7,294	8,811	9,727	11,201
Region IV	5,516	6,115	8,923	9,204	9,871	10,992	12,785	16,208
Region V	6,493	7,904	8,521	9,392	10,818	10,568	12,259	12,464
Region VI	4,539	5,831	6,313	9,038	9,322	7,837	8,306	11,442
Region VII	2,081	2,450	2,093	2,419	2,836	4,283	4,819	6,192
Region VIII	1,207	724	1,105	1,838	2,644	2,130	2,199	2,884
Region IX	6,989	8,276	10,720	14,359	16,105	22,157	23,012	26,206
Region X	1,529	1,634	1,745	3,453	4,102	3,288	3,814	4,732

Source: Special Tabulations Prepared by the U.S. Department of Treasury, Internal Revenue Service, Under Contract to the U.S. Small Business Administration, Office of Advocacy. 1990 data are unpublished at this time. Detail may not add due to disclosure rules regarding the release of taxpayer information.

¹ Source: U.S. Department of the Treasury, Internal Revenue Service, Special Tabulation Table K-3, "Sole Proprietorship Businesses: Business Receipts and Net Income, by Sex of Proprietor, Major Industry and State," 1982.

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² Source: U.S. Department of the Treasury, Internal Revenue Service, Special Tabulation Table K-3, "Sole Proprietorship Businesses: Business Receipts and Net Income, by Sex of Proprietor, Major Industry and State," Tax Year 1980; and *idem*, "Tax Year 1983."

³ Includes \$36.3 million that could not be allocated by state.

Note: The SBA Regions are defined as follows:

- Region I: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
- Region II: New Jersey, New York.
- Region III: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia.
- Region IV: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.
- Region V: Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin.
- Region VI: Arkansas, Louisiana, New Mexico, Oklahoma, Texas.
- Region VII: Iowa, Kansas, Missouri, Nebraska.
- Region VIII: Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.
- Region IX: Arizona, California, Hawaii, Nevada.
- Region X: Alaska, Idaho, Oregon, Washington.

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Table 2-6. Receipts of Women-Owned Nonfarm Sole Proprietorships by Industry Group From 1977 to 1990 (Millions of Dollars)

Industry	1977¹	1980	1983¹	1985	1986	1988	1989	1990
Total	25,176	36,377	53,397	65,045	71,553	83,364	89,034	105,690
Agricultural Services, Forestry & Fishing	153	234	377	655	934	1,306	1,334	1,715
Mining, Construction & Manufacturing	1,129	1,978	4,276	5,939	5,954	4,093	4,910	5,132
Transportation, Communication & Public Utilities	643	698	1,913	1,381	2,550	3,744	2,447	3,347
Wholesale and Retail Trade	13,374	18,938	22,514	24,706	23,764	25,836	27,040	33,840
Finance, Insurance & Real Estate	2,258	3,640	4,591	6,190	7,905	9,536	9,873	9,905
Services	7,570	10,889	19,288	26,174	30,447	38,848	43,431	51,752

Source: Special Tabulations Prepared by U.S. Department of the Treasury, Internal Revenue Service Under Contract to the U.S. Small Business Administration, Office of Advocacy.

¹ Sources: U.S. Department of the Treasury, Internal Revenue Service, *1977 Sole Proprietorship Returns* (Washington, D.C.: U.S. Government Printing Office,

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1981), Table 1.8, pp. 179-182; *idem*, *1979-1980 Sole Proprietorship Returns* (Washington, D.C.: U.S. Government: Printing Office, 1982), Table 13, pp. 192-195; and *idem*, Special Tabulation Table 9A, "Nonfarm Sole Proprietorships: Business Receipts and Net Income, By Sex of Proprietor, Major Industry, and by State," 1983.

Note: Detail may not add to totals due to disclosure rules regarding the release of taxpayer information.

Table 2-7. Number of Employees Among Women-Owned Businesses: 1982 - 1987

	1982		1987		% Change 1982 - 1987
	Number of Employees	% Share	Number of Employees	% Share	
Total, All Industries	1,354,588	100.0	3,102,685	100.0	129.1
Agriculture	8,998	0.1	24,689	0.8	174.4
Mining	11,632	0.1	11,992	0.4	3.1
Construction	56,211	4.2	180,338	5.8	220.8
Manufacturing	93,470	6.9	363,938	11.7	289.4
TCPU	38,699	2.9	106,388	3.4	174.9
Wholesale Trade	49,673	3.7	187,833	6.1	278.1
Retail Trade	541,463	40.0	1,090,697	35.2	101.4
FIRE	49,126	3.7	109,312	3.5	122.5
Services	490,744	36.2	1,015,971	32.7	107.0
NEC	14,572	1.1	11,527	0.4	-20.9

Source: U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses of Women-Owned Businesses* (Washington, D.C.: U.S. Government Printing Office, 1990), Table 1.

Note: TCPU=Transportation, Communications, & Public Utilities; FIRE=Finance, Insurance, Real Estate; NEC=Not Elsewhere Classified

Table 2-8. Distribution of Employment in Women-Owned Firms by Industry: 1990

Industry	Women-Owned Firms	All U.S. Firms
Agriculture	1.7	0.8
Mining	2.8	0.8
Construction	4.2	4.6
Mfg-Nondurables	6.7	10.8
Mfg-Durables	4.6	13.3
Transportation/Communication/Public Utilities	3.8	6.7
Wholesale Trade	5.0	5.0
Retail Trade	27.5	18.3
Finance/Insurance/Real Estate	5.4	9.2
Business Services	18.3	10.0
Professional Services	20.0	16.7

Source: National Foundation for Women Business Owners, *Women-Owned Businesses: The New Economic Force*, 1992.

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Table 2-9. The Number of Women-Owned Firms by Employment Size and Industry Division: 1982

Industry Type	Total	W/ No Paid Employees	With Paid Employees							
			Total	0 ¹	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100+
All Industries	2,884,450	2,572,788	311,662	32,415	206,852	44,896	18,091	7,261	1,479	668
Agricultural Services, Forestry, Fishing & Mining	44,097	39,919	4,178	542	2,661	540	242	137	40	16
Construction	61,665	48,344	13,321	1,032	9,166	2,028	752	283	45	15
Manufacturing	49,727	39,488	10,239	582	5,519	1,949	1,152	749	194	94
Transportation & Public Utilities	40,596	32,165	8,431	1,006	5,146	1,392	596	239	36	16
Wholesale Trade	34,252	25,548	8,704	335	5,566	1,613	761	343	64	22
Retail Trade	727,688	608,235	119,453	7,931	78,607	20,409	8,700	3,193	505	108
Finance, Insurance & Real Estate	263,734	247,251	16,483	2,367	11,951	1,426	477	186	54	22
Services	1,401,776	1,279,774	122,002	14,978	83,722	15,045	5,271	2,079	534	373
Industries not Classified	260,915	252,064	8,851	3,642	4,514	494	140	52	7	2

Source: U.S. Dept. of Commerce, Economics and Statistics Administration, Bureau of the Census, *1982 Economic Censuses of Women-Owned Businesses* (Washington, D.C.: U.S. Government Printing Office, April 1986).

¹ Paid employees during the year, but none at the March 15 reporting date.

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Table 2-10. The Number of Women-Owned Firms by Employment Size and Industry Division: 1987

Industry Type	Total	No Paid Employees	With Paid Employees							
			Total	0 ¹	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100+
All Industries	4,114,787	3,496,589	618,198	182,596	296,718	78,615	35,686	16,964	4,682	2,937
Agricultural Services, Forestry, Fishing & Mining	74,399	63,080	11,319	4,126	5,135	1,294	486	215	47	16
Construction	94,308	58,130	36,178	10,746	15,895	5,414	2,571	1,147	269	136
Manufacturing	93,960	66,971	26,989	6,754	9,834	3,995	2,828	2,102	845	631
Transportation & Public Utilities	79,768	60,685	19,083	4,764	9,194	2,837	1,386	660	146	96
Wholesale Trade	82,513	59,822	22,691	4,141	10,953	3,787	2,059	1,163	370	218
Retail Trade	798,692	599,390	199,302	42,943	101,146	31,499	14,611	6,722	1,644	737
Finance, Insurance & Real Estate	437,360	400,619	36,741	11,362	20,701	2,897	1,137	454	112	78
Services	2,269,028	2,015,752	253,276	88,828	120,737	26,523	10,468	4,457	1,242	1,021
Industries not Classified	184,759	172,140	12,619	8,932	3,123	369	140	44	7	4

Source: U.S. Dept. of Commerce, Economics and Statistics Administration, Bureau of the Census, *1987 Economic Censuses of Women-Owned Businesses* (Washington, D.C.: U.S. Government Printing Office, April 1992).

¹ Paid employees during the year, but none at the March 15 reporting date.

III. Demographic Characteristics of Women Business Owners

III. DEMOGRAPHIC CHARACTERISTICS OF WOMEN BUSINESS OWNERS

As a follow-on to its 1982 and 1987 economic censuses¹, the Bureau of the Census conducted a survey among a sampling of the businesses included in each census. Referred to as the Characteristics of Business Owners survey, the survey gathered information on some of the demographic characteristics of the owners of the business, sources of financing of the business, the business' employees, and prior employment history of the business owners. The information obtained from these Characteristics of Business Owners surveys provides valuable insight into the population of small business owners across the country. It is the most comprehensive survey of business owners available.

Age Half of the women business owners in the country are between the ages of 35 and 54, compared to 30% of the female population in the country aged 15 or older. Twenty-nine percent (29%) of women business owners are aged 35-44, 22% are aged 45-54. Women business owners are therefore somewhat older than the female adult population at large.

Education Over eight in ten women business owners have at least a high school education, compared to 72% of all women 15 or older. Fully one-third (34%) have college degrees, compared to just 14% of all women 15+. Women business owners are thus more highly educated than the general female population.

Marital Status Perhaps because of the relative difference in the ages of the two populations, women who own their own businesses are more likely to be married than are other women. Seven in ten (70%) of women business owners are married, compared to 57% of all women 15 or older. Only 9% of women business owners have never been married, compared to 23% of all women.

Household Income The household income of women business owners is, not unexpectedly, higher than average. One-third (35%) of women business owners have household incomes of less than \$25,000, 35% are between \$25,000 and \$50,000, and 23% have household incomes of \$50,000 or more. In comparison, among all women 15 or older (which does include a larger student population), 48% have household

¹ A 1992 CBO study will likely be conducted after the 1992 economic census is completed. Funding for the study is currently being secured by the Bureau of the Census.

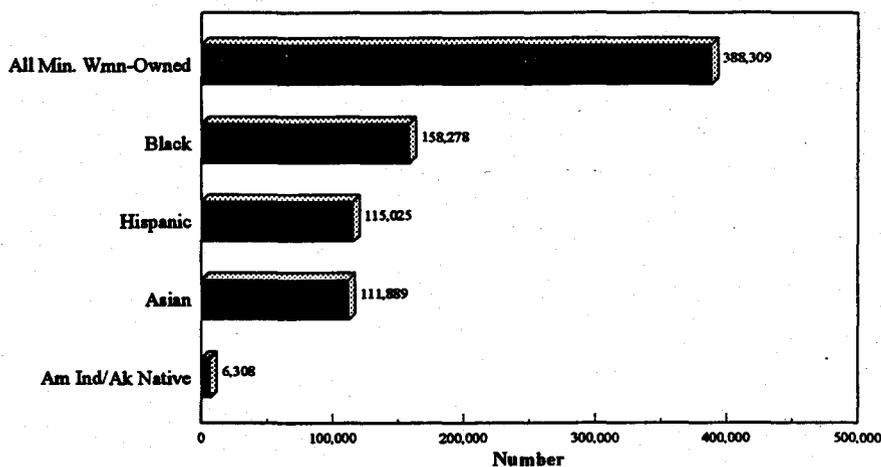
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incomes less than \$25,000, 33% are members of households with \$25,000 to \$50,000, and 18% have household incomes of \$50,000 or more.

Ethnicity

According to the Census data, just under one in ten women business owners (9.4%) are members of a minority group—4% are Black, 3% are Hispanic, 3% are Asian, and 0.2% are Native American.²

3-1. The Number of Minority Women-Owned Businesses: 1987



Source: Bureau of the Census

Due perhaps to the relative ages of their businesses, firms owned by minority women are typically smaller than other women-owned firms or other minority owned firms. The average receipts per firm among women-owned minority firms are \$46,337, compared to \$64,132 for all minority-owned firms and \$67,595 for all women-owned firms. Despite this lower than average level of sales, however, firms owned by minority women are just as likely to have employees. As mentioned earlier in this report, 15% of all women-owned firms have

² The reason the individual figures add up to more than 9.4% is that persons of mixed ethnicity can fit into more than one group and are counted more than once. Total figures published by the Bureau of the Census adjust for this multiple counting.

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employees—the same share is seen among minority women-owned businesses. Just over two in ten firms owned by Asian women (21%) have employees, 14% of firms owned by Hispanic women have employees, and 12% of Black women-owned firms have employees.

Firms Owned By Black Women As of the 1987 census, there were 158,278 firms owned by Black women. These firms employed 72,947 people and generated sales of \$6.5 billion. By industry, the largest share of Black women-owned businesses are found in the service sector—61.9% compared to 55% among all women-owned firms. Another 18.8% are in the retail trade sector. These two industries account for nearly two-thirds (66.4%) of the revenues generated by Black women-owned businesses.

In addition to being much more likely than the average woman-owned business to be in the service sector, Black women are more likely than average to be in the agricultural sector, and less likely than average to be in wholesale trade. The bulk of employment among Black women-owned firms (74%) is found in the services and retail trade sectors.

The five states with the largest population of businesses owned by Black women are: California (18,101), New York (15,455), Texas (12,779), Florida (9,551) and Maryland (9,295). Washington, DC (3,254) and Virginia (6,593) also have significant numbers of Black women-owned firms; the federal contracting opportunities available in the Washington, DC area is an important reason for this relatively large number.

Firms Owned By Hispanic Women There were 115,025 firms owned by Hispanic women as of the 1987 census. These firms employed 54,097 people and generated \$4.3 billion in sales. By industry, the largest share of Hispanic women-owned firms is in the service sector (57.6%), followed by retail trade (20.6%). Together, these two industries account for 61.6% of the sales generated by Hispanic women-owned businesses and 68.3% of the employment.

The five states with the largest population of Hispanic women-owned businesses are: California (36,958), Texas (22,758), Florida (16,581), New York (8,032), and New Mexico (3,849). Other states following closely behind: Colorado (3,135), Arizona (3,043), and Illinois (2,858). Together, these nine states are home to 87% of the Hispanic women-owned businesses in the country.

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Firms Owned As of 1987, there were 111,889 businesses in the U.S. owned by women of Asian or Pacific Island descent. These firms employed 86,472 workers and generated \$7.1 billion in sales. In these firms, too, the largest share are found in the service and retail trade sectors—53% and 24.5%, respectively. Over 70% of the revenues generated by these businesses come from these two sectors, as does 80.5% of employment.

**By Asian/
Pacific
Islander
Women**

Compared to the average woman-owned firm, firms owned by Asian women are more likely to be found in retail trade and in manufacturing, and less likely to be found in construction.

The five states with the largest population of businesses owned by women of Asian or Pacific Island descent are: California (42,791), New York (11,694), Hawaii (11,114), Texas (11,694) and Illinois (4,327). Together, these five states are home to seven in ten businesses owned by Asian women.

Firms Owned There were 6,308 firms owned by American Indian or Alaska Native women in the U.S. as of the 1987 census. They employed 2,296 people and generated revenues of \$200 million. By industry, they are found in greatest numbers in the service (50.4%) and retail trade sectors (22.3%). These two sectors account for 60% of the revenue generated by these businesses and 69.1% of employment.

**By American
Indian/
Alaska
Native
Women**

Businesses owned by Native American or Alaska Native women are more likely than the average woman-owned firms to be in the fields of agriculture, manufacturing, and construction. They are far less likely to be found in the finance/insurance/real estate sector.

The five states home to the largest populations of businesses owned by Native American or Alaska Native women are: California (1,107), Alaska (750), Oklahoma (550), New Mexico (476), and North Carolina (385).

Table 3-1. Demographic Characteristics of Women Business Owners

Characteristic	Percent Distribution Among:		
	Women Business Owners		All Women, 15+
	1982	1987	1988
Age			
Under 25	4.0	2.9	18.5
25-34	22.4	19.4	21.8
35-44	26.7	28.6	17.8
45-54	19.6	21.7	12.4
55-64	16.4	16.3	11.5
65+	7.5	8.2	5.5
Marital Status			
Married	70.9	70.3	57.3
Never married	8.9	9.4	22.9
Divorced/Separated	11.0	12.4	8.3
Widow	6.4	5.6	11.4
Education			
Elementary school	3.8	2.3	11.7
Some high school	7.2	6.1	16.4
High school graduate	33.9	29.6	39.7
Some college	22.9	21.3	17.7
College graduate	14.2	18.4	9.3
Graduate school	15.2	15.5	5.1
Household Income			
Under \$15,000	NA	18.6	29.0
\$15,000 - 24,999	NA	16.6	19.3
\$25,000 - 49,999	NA	34.6	33.3
\$50,000-74,999	NA	12.8	12.2
\$75,000+	NA	10.6	6.2

Sources: U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, *Characteristics of Business Owners: 1987 Economic Censuses* (Washington, D.C.: U.S. Government Printing Office, April 1992) and Bureau of the Census, *Current Population Reports*, Series P-25, Nos. 1045, 433, 428; Series P-60, No. 162.

Table 3-2. Number and Receipts of Minority Women-Owned Firms: 1987

	All Women-Owned Firms	All Minority-Owned Firms	Minority Women-Owned Firms				
			Total	Black	Hispanic	American Indian & Alaska Native	Asian & Pacific Islander
Number of Firms	4,114,787	1,213,750	388,309	158,278	115,025	6,308	111,889
% Share	100.0	8.9	9.4	3.8	2.8	0.2	2.8
Sales & Receipts (\$000,000)	278,138	77,840	17,993	6,531	4,328	200	7,136
Average Receipts per Firm (\$)	67,595	64,132	46,337	41,263	37,627	31,706	63,777

Source: U.S. Department of Commerce, Bureau of the Census, *Survey of Minority-Owned Business Enterprises: 1987 Economic Censuses (Summary)*, (Washington, D.C.: U.S. Government Printing Office, August 1991).

Note: Detail in this table does not add to total because of duplication of some firms. Firms that were owned equally by 2 or more minorities are included in the data for each minority group but counted only once at total levels.

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Table 3-3. Number and Receipts of Minority Women-Owned Firms by Major Industry: 1987

Major Industries	Total All Minorities		Black		Hispanic		American Indian & Alaska Native		Asian & Pacific Islander	
	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)
Total	388,309	17,992,950	158,278	6,530,512	115,025	4,328,409	6,308	200,113	111,889	7,135,833
Agricultural Services, Forestry & Fishing	3,003	\$133,742	6,645	\$39,754	1,154	\$49,243	457	\$10,460	751	\$34,776
Mining	324	22,886	101	15,609	145	4,727	24	571	57	1,986
Construction	5,859	969,296	2,308	476,836	2,424	321,217	226	23,395	972	157,187
Manufacturing	8,415	1,075,450	1,655	383,697	2,732	361,400	245	18,873	3,868	326,009
Transportation & Public Utilities	8,177	613,368	3,793	294,132	2,725	173,532	153	5,684	1,581	145,671
Wholesale Trade	5,747	1,862,155	1,503	506,251	1,862	434,012	68	6,349	2,395	937,833
Retail Trade	81,677	6,304,877	29,840	2,077,593	23,732	1,427,332	1,407	65,145	27,405	2,801,150
Finance, Insurance & Real Estate	28,506	817,553	11,018	325,712	7,541	190,388	225	8,684	9,957	299,106
Services	224,929	5,710,895	97,971	2,258,030	66,216	1,238,164	3,182	56,287	59,289	2,227,022
Industries Not Classified	21,672	482,728	9,418	152,898	6,494	128,394	321	4,665	5,614	205,093

Source: U.S. Department of Commerce, Bureau of the Census, *Survey of Minority-Owned Business Enterprises: 1987 Economic Censuses (Summary)*, (Washington, D.C.: U.S. Government Printing Office, August 1991).

Note: Detail may not add to total because of rounding and because a firm may be included in more than one minority group. This table is based on the 1972 SIC system.

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Table 3-4. Share of Number and Receipts of Minority Women-Owned Firms by Major Industry: 1987

Major Industry	Total All Women		Total All Minorities		Black		Hispanic		American Indian & Alaska Native		Asian & Pacific Islander	
	# of Firms	Sales & Receipts	# of Firms	Sales & Receipts	# of Firms	Sales & Receipts	# of Firms	Sales & Receipts	# of Firms	Sales & Receipts	# of Firms	Sales & Receipts
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Agriculture	1.2	0.7	0.8	0.7	4.1	0.6	1.0	1.1	7.2	5.2	0.7	0.5
Mining	0.6	0.5	0.1	0.1	0.1	0.2	0.1	0.1	0.4	0.3	0.1	*
Construction	2.3	7.3	1.5	5.4	1.5	7.3	2.1	7.4	3.6	11.7	0.9	2.2
Manufacturing	2.3	11.1	2.2	6.0	1.0	5.9	2.4	8.3	3.9	9.4	3.5	4.6
TCPU	1.9	3.9	2.1	3.4	2.4	4.5	2.4	4.0	2.4	2.8	1.4	2.0
Wholesale Trade	2.0	15.4	1.5	10.3	0.9	7.8	1.6	10.0	1.1	3.2	2.1	13.1
Retail Trade	19.4	30.7	21.0	35.0	18.8	31.8	20.6	33.0	22.3	32.6	24.5	39.2
FIRE	10.6	6.4	7.3	4.5	7.0	5.0	6.6	4.4	3.6	4.3	8.9	4.2
Services	55.1	22.0	57.9	31.7	61.9	34.6	57.6	28.6	50.4	28.1	53.0	31.2
NEC	4.5	1.8	5.6	2.7	6.0	2.3	5.6	3.0	5.1	0.2	5.0	2.9

Source: U.S. Department of Commerce, Bureau of the Census, *Survey of Minority-Owned Business Enterprises: 1987 Economic Censuses (Summary)*, (Washington, D.C.: U.S. Government Printing Office, August 1991).

Note: Detail may not add to total because of rounding and because a firm may be included in more than one minority group. This table is based on the 1972 SIC system. TCPU=Transportation, Communications & Public Utilities; FIRE=Finance, Insurance & Real Estate; NEC=Not Elsewhere Classified.

* means less than 0.1%.

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Table 3-5. Number and Receipts of Minority Women-Owned Firms by State: 1987

Geographic Area	Total		Black		Hispanic		American Indian & Alaska Native		Asian & Pacific Islander	
	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)
United States	388,309	17,992,950	158,278	6,530,512	115,025	4,328,409	6,308	200,113	111,889	7,135,833
Alabama	3,804	145,076	3,376	113,389	138	5,356	20	155	280	27,222
Alaska	1,458	43,469	222	3,983	186	7,914	750	19,160	317	12,877
Arizona	4,769	189,448	657	35,106	3,043	89,831	224	11,805	868	53,061
Arkansas	1,685	81,569	1,439	67,927	94	2,801	16	1,056	137	9,808
California	97,983	4,820,433	18,101	742,379	36,958	1,347,335	1,107	36,061	42,791	2,748,687
Colorado	5,448	178,722	1,120	35,669	3,135	88,767	125	1,752	1,126	53,738
Connecticut	2,815	155,572	1,568	67,815	632	27,206	20	(D)	649	(D)
Delaware	753	48,187	530	34,641	54	1,502	14	(D)	163	(D)
District of Columbia	3,850	192,451	3,254	139,926	316	13,245	12	62	295	40,649
Florida	28,840	1,544,081	9,551	445,182	16,581	913,787	165	(D)	2,831	(D)
Georgia	9,376	467,584	7,601	351,531	588	21,077	32	1,486	1,176	95,091
Hawaii	11,568	437,110	145	4,185	404	7,908	25	342	11,114	427,983
Idaho	420	9,771	27	1,750	243	4,594	19	1,164	147	3,306
Illinois	14,551	902,170	7,403	406,374	2,858	166,393	71	1,180	4,327	338,160

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Geographic Area	Total		Black		Hispanic		American Indian & Alaska Native		Asian & Pacific Islander	
	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)
Indiana	3,319	166,878	2,304	107,734	411	12,895	33	433	586	47,699
Iowa	656	34,993	254	12,960	167	7,807	18	615	224	13,869
Kansas	1,813	68,589	872	31,853	453	17,523	96	(D)	414	(D)
Kentucky	1,834	66,104	1,408	46,208	110	4,236	5	76	318	16,171
Louisiana	6,094	242,629	4,766	183,531	714	27,798	43	(D)	595	(D)
Maine	168	5,486	54	2,320	41	652	25	1,232	49	1,383
Maryland	12,694	482,927	9,295	211,336	1,049	67,895	50	1,822	2,339	206,547
Massachusetts	4,139	208,602	1,875	97,234	880	19,678	30	650	1,413	92,547
Michigan	8,040	326,731	5,596	211,740	866	21,982	91	(D)	1,508	(D)
Minnesota	1,498	97,373	522	47,736	223	11,316	113	4,051	658	34,996
Mississippi	3,273	177,666	2,924	146,840	80	2,048	8	(D)	270	(D)
Missouri	4,104	145,632	2,984	95,932	395	11,772	43	660	702	38,642
Montana	315	9,660	32	2,890	89	1,081	124	3,347	72	2,364
Nebraska	717	20,941	380	9,488	198	2,632	22	323	124	8,556
Nevada	1,375	54,501	411	13,810	493	17,213	49	2,423	427	21,510
New Hampshire	278	33,909	88	24,280	77	3,817	5	(D)	108	(D)

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Geographic Area	Total		Black		Hispanic		American Indian & Alaska Native		Asian & Pacific Islander	
	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)
New Jersey	12,403	917,642	5,433	481,598	3,103	168,768	67	(D)	3,937	(D)
New Mexico	4,789	140,129	213	12,696	3,849	101,198	476	12,423	278	15,700
New York	34,795	1,832,059	15,455	701,792	8,032	310,525	172	4,656	11,694	855,261
North Carolina	7,750	320,963	6,408	240,551	304	27,400	385	(D)	684	(D)
North Dakota	128	11,679	20	(D)	22	(D)	59	(D)	28	(D)
Ohio	8,140	298,367	6,268	195,566	592	13,263	65	(D)	1,241	(D)
Oklahoma	2,855	71,498	1,274	30,371	429	10,405	550	9,419	613	21,370
Oregon	1,990	104,525	338	13,719	480	25,014	146	3,419	1,045	62,696
Pennsylvania	7,273	547,990	4,376	253,608	753	32,495	70	(D)	2,117	(D)
Rhode Island	416	22,994	167	4,903	104	8,044	14	(D)	138	(D)
South Carolina	4,543	134,110	4,095	108,629	141	3,589	6	724	311	21,481
South Dakota	159	7,132	22	(D)	23	(D)	68	2,060	46	1,271
Tennessee	4,284	157,939	3,711	122,759	139	4,202	26	(D)	413	(D)
Texas	42,953	1,258,343	12,779	285,239	22,758	612,532	311	6,497	7,345	367,042
Utah	1,004	21,196	77	3,506	458	6,677	44	(D)	432	(D)
Vermont	117	5,873	34	3,324	35	466	3	(D)	45	(D)

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Geographic Area	Total		Black		Hispanic		American Indian & Alaska Native		Asian & Pacific Islander	
	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)	# of Firms	Sales & Receipts (\$000)
Virginia	10,052	412,292	6,593	222,635	981	36,085	122	(D)	2,393	(D)
Washington	4,570	234,027	1,022	76,323	827	18,216	240	13,231	2,517	127,008
West Virginia	505	19,027	297	5,840	47	887	12	299	154	12,168
Wisconsin	1,646	104,427	907	66,669	282	11,829	88	(D)	378	(D)
Wyoming	300	12,474	30	1,736	190	7,827	29	(D)	52	(D)

Source: U.S. Department of Commerce, Bureau of the Census, *Survey of Minority-Owned Business Enterprises: 1987 Economic Censuses (Summary)*, (Washington, D.C.: U.S. Government Printing Office, August 1991).

Note: Detail may not add to total because of rounding and because a firm may be included in more than one minority group. This table is based on the 1972 SIC system.

(D) means data is withheld to avoid disclosing data for individual companies; data are included in higher level totals.

Table 3-6. Employment Among Minority Women-Owned Firms by Industry: 1987

Major Industry	All Women-Owned Businesses		Minority Women-Owned Businesses									
			Total		Black		Hispanic		American Indian & Alaska Native		Asian & Pacific Islander	
	# of Employees	%	# of Employees	%	# of Employees	%	# of Employees	%	# of Employees	%	# of Employees	%
Total	3,102,685	100%	213,056	100%	72,947	100%	54,097	100%	2,296	100%	86,472	100%
Agriculture	24,689	0.8	2,005	0.9	514	0.7	1,140	2.1	26	1.1	341	0.4
Mining	11,992	0.4	238	0.1	179	0.2	41	0.1	(D)	-	(D)	-
Construction	180,338	5.8	9,960	4.7	5,461	7.5	3,443	6.4	(D)	-	(D)	-
Manufacturing	363,938	11.7	23,101	10.8	4,965	6.8	7,793	14.4	(D)	-	(D)	-
TCPU	106,388	3.4	4,895	2.3	2,605	3.6	1,569	2.9	39	1.7	718	0.8
Wholesale Trade	187,833	6.1	6,867	3.2	2,567	3.5	1,915	3.5	33	1.4	2,465	2.9
Retail Trade	1,090,697	35.2	85,794	40.3	23,147	31.7	20,190	37.3	697	30.4	42,604	49.3
FIRE	109,312	3.5	4,729	2.2	2,331	3.2	983	1.8	(D)	-	(D)	-
Services	1,015,971	32.7	74,320	34.9	30,845	42.3	16,763	31.0	888	38.7	26,999	31.2
NEC	11,527	0.4	1,147	0.5	333	0.5	260	0.5	(D)	-	(D)	-

Source: U.S. Department of Commerce, Bureau of the Census, *Survey of Minority-Owned Business Enterprises: 1987 Economic Censuses (Summary)*, (Washington, D.C.: U.S. Government Printing Office, August 1991).

Note: Detail may not add to total because of rounding and because a firm may be included in more than one minority group. This table is based on the 1972 SIC system. (D) means data is withheld to avoid disclosing data for individual companies; data are included in higher level totals.

**IV. Capital and Financing Patterns
Among Women-Owned Firms**

IV. CAPITAL AND FINANCING PATTERNS AMONG WOMEN-OWNED FIRMS

Access to capital and financing is one of the key elements determining the health and success of any business, and women-owned businesses are no exception. However, for various reasons—ranging from the service nature of many women-owned firms to reluctance on the part of women business owners to seek outside capital to outright financial barriers and discrimination—women-owned businesses find it more difficult to secure the financing necessary to start and grow their businesses.

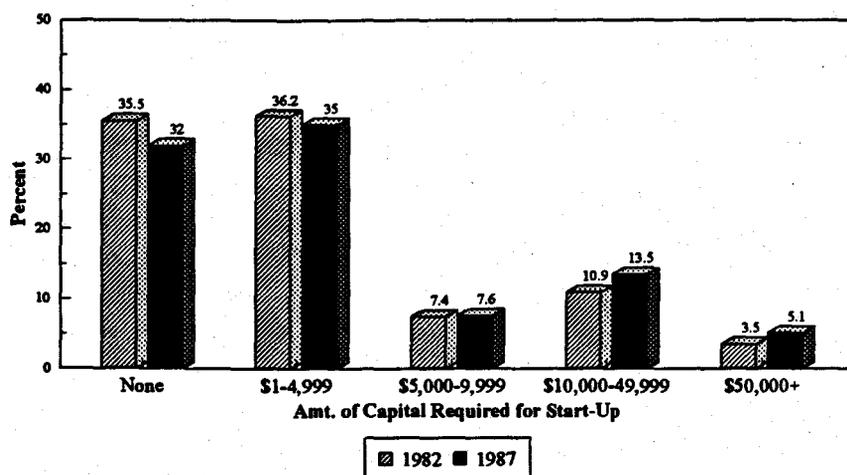
***Start-up
Financing***

Most businesses start with very little capital. According to the 1987 Characteristics of Business Owners Survey, one-third of women-owned firms started their businesses with no capital at all, 35% started with less than \$5,000, 8% with \$5,000 to \$9,999, and 19% started with \$10,000 or more. This is not significantly different from their male counterparts. The trend between 1982 and 1987 does show, however, that women are starting out "bigger" than they did five years prior. The share needing \$10,000 or more to start their businesses increased from 14% to 19% from 1982 to 1987, with the share of those needing \$50,000 or more growing from 3.5% to 5.1%.

Service sector businesses required the least amount of start-up capital. Fully 74% required less than \$5,000—with 38% requiring nothing at all—while only 13% needed more than \$10,000. Women-owned firms in the retail trade sector required the most capital—only 18% required none at all, required 39% less than \$5,000, and 29% required more than \$10,000. Other goods-related industries also required more start-up capital. Over 25% of the women-owned firms in the transportation/communication/public utilities, agricultural services/mining, manufacturing, and wholesale trade sectors required \$10,000 or more in start-up capital.

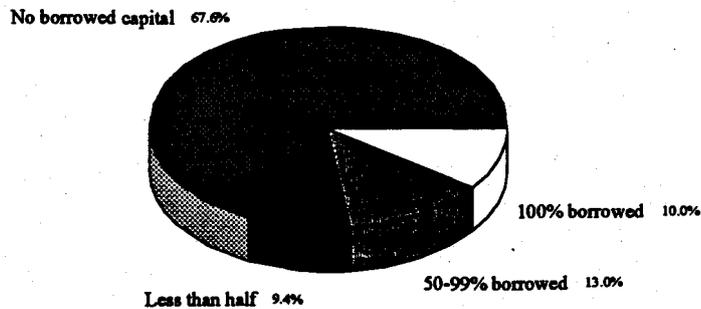
Among those women who did require start-up capital, over two-thirds (67.6%) did *not* use borrowed capital, 9.4% borrowed less than half of the capital required to start their businesses, 13% borrowed more than half, and 10% borrowed all of the capital required to start the business.

4-1. Starting Capital Requirements of Women-Owned Businesses: 1982-1987



Source: Bureau of the Census

4-2. Share of Capital Borrowed for Business Start-Up: 1987

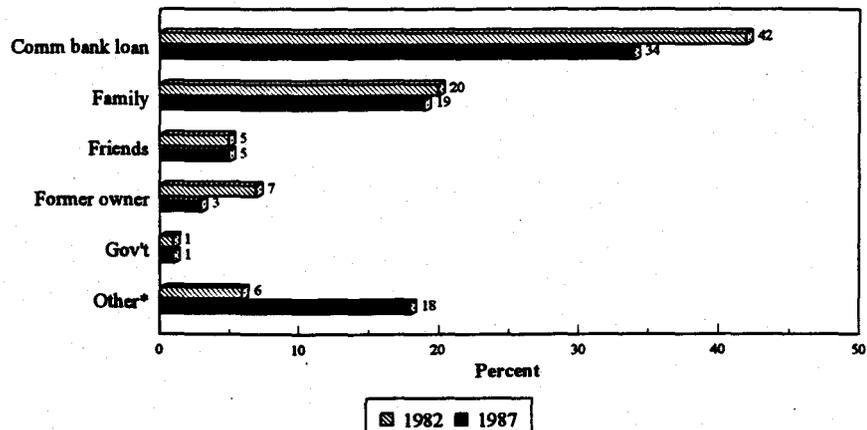


Source: Bureau of the Census
Note: Among those requiring start-up capital.

Among those women (26.3% of the population) who required start-up capital and borrowed at least some of it, 43% acquired it from a commercial bank loan, 30% from family or friends, 4% from a former owner of an acquired business, 1% from a government program, and 22% from other sources.

There is a *significant* difference between 1982 and 1987 in the sources women used to acquire start-up capital, which adds to the evidence of the existence of barriers to financing. The percentage of women obtaining borrowed capital from commercial banks declined from 42% in 1982 to 34% in 1987, while the percentage obtaining borrowed capital from other sources (including credit cards, a second mortgage, or loans other than from a bank) shot up from 6% to 18%. During the period, borrowed capital from family, friends, and government programs remained essentially the same.

4-3. Sources of Start-Up Capital: 1982-1987



Source: Bureau of the Census
 *Other includes personal credit card, refinanced home, loans other than from commercial banks.

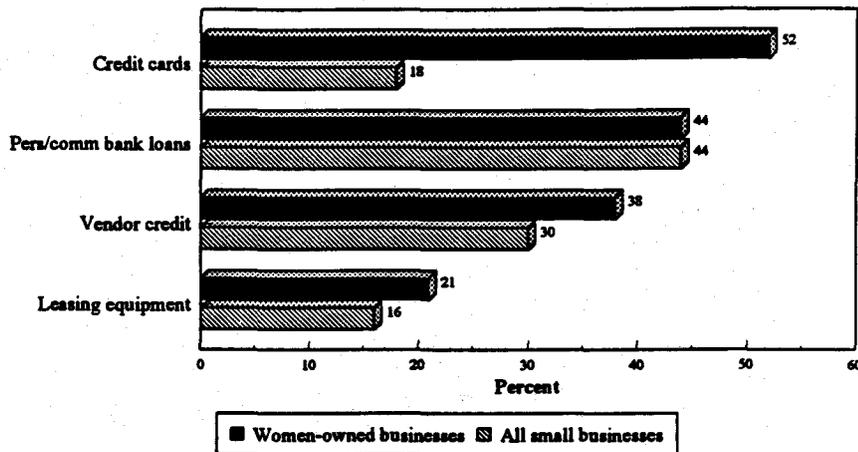
Types and Sources of Short Term Financing

A research report released by the National Foundation for Women Business Owners in late 1993 confirms that women owners of existing businesses continue to encounter barriers to obtaining the financing necessary to grow their businesses. Fully two-thirds of women business owners in the study reported difficulties in working with their financial institutions. Compared to a sample of all small firms, women-owned businesses were found to be 22% more likely to report problems dealing with their bank.¹

When fulfilling their short term financing needs, the type of financing turned to most frequently by women business owners are credit cards. Just over half (52%) of women business owners used a credit card to obtain short term financing in the year prior to the survey, compared with just 18% of all small to medium-sized firms. Other types of short term financing used by women business owners includes bank loans (44%), credit from vendors (38%), and leasing rather than purchasing equipment (21%).

¹ National Foundation for Women Business Owners, Financing the Business: A Report of Financial Issues from the 1992 Biennial Membership Survey of Women Business Owners, October, 1993.

4-4. Comparison of Types of Short Term Financing Used



Source: NFWBO and NSBU
 Note: Multiple responses allowed

When obtaining short term financing, women-owned businesses were found to utilize commercial banks (52%), business earnings (38%), private sources (33%), and vendors (25%). Women business owners were three times more likely than average to use private sources for their short term financing needs (33% vs. 10%), and more likely to have to turn to a greater variety of sources to fulfill their short term financing needs.

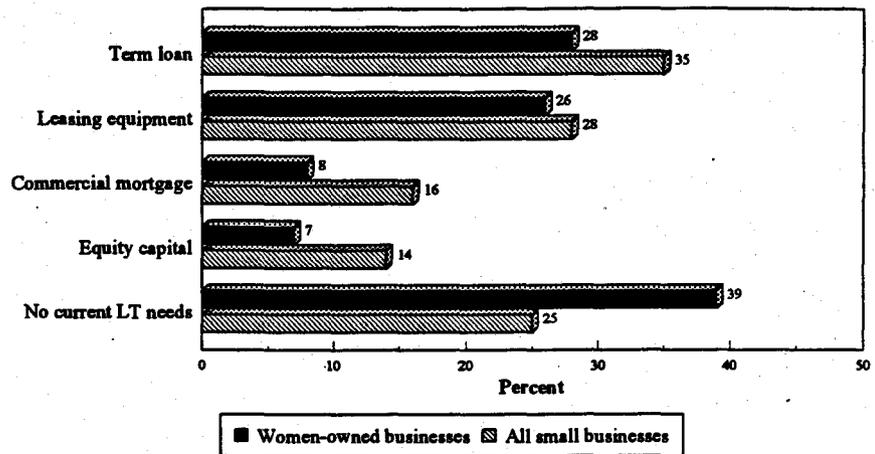
Types and Sources of Long Term Financing

Just over six in 10 women business owners (61%) in the NFWBO study stated that they had long term capital needs, a lower percentage than all small- to medium-sized firms. The types of long term capital sought within the past year or that women business owners planned to seek in the next 12 months included term loans from a financial institution (28%), equipment leasing (26%), a commercial mortgage (8%), and equity capital (7%).

To obtain this long term financing, women business owners turned to commercial banks (60%), private sources (34%), business earnings (33%), and leasing companies (29%). Again, compared to other small businesses, women-owned

businesses were much more likely to turn to private sources, and to use a wider variety of sources to fulfill their long term capital needs.

4-5. Comparison of Types of Long Term Financing Used



Source: NFWBO and NSBU
Note: Multiple responses allowed

National Women's Business Council

Table 4-1. Starting Capital Requirements Among Women Business Owners: 1982 and 1987

Amount of Start-up / Acquisition Capital Required	1982¹	1987²
None	35.5	32.0
\$1 to \$4,999	36.2	35.0
\$5,000 to \$9,999	7.4	7.6
\$10,000 to \$24,999	7.4	9.1
\$25,000 to \$49,999	3.5	4.4
\$50,000 to \$99,999	2.1	3.0
\$100,000 to \$249,999	1.0	1.4
\$250,000 to \$999,999	0.4	0.5
\$1,000,000 or More		0.2
Not Reported	6.7	6.8

¹Source: U.S. Department of Commerce, Bureau of the Census, *1982 Characteristics of Business Owners* (Washington, D.C.: U.S. Government Printing Office, April 1986).

²Source: U.S. Department of Commerce, Bureau of the Census, *Characteristics of Business Owners: 1987 Economic Censuses* (Washington, D.C.: U.S. Government Printing Office, April 1992).

Note: Dollar amounts reported are nominal dollars, unadjusted for inflation since the time of business start up or acquisition.

National Women's Business Council

Table 4-2. Starting Capital Requirements Among Women Business Owners by Industry: 1987

Industry	TOTAL	None	\$1-\$4,999	\$5,000-\$9,999	\$10,000-\$24,999	\$25,000-\$49,999	\$50,000-\$99,999	\$100,000-\$249,999	\$250,000-\$999,999	\$1,000,000 or More	Not Reported
Total	100%	32.0	35.0	7.6	9.1	4.4	3.0	1.4	0.5	0.2	6.8
Agricultural Services, Forestry, Fishing & Mining	100%	26.3	27.2	10.7	12.4	5.0	5.3	2.8	1.6	0.7	8.1
Construction	100%	26.2	33.5	11.7	11.8	4.4	2.8	1.7	1.0	0.2	6.7
Manufacturing	100%	25.6	34.6	7.9	11.9	6.3	4.8	2.3	0.9	0.2	5.4
Transportation & Public Utilities	100%	27.5	19.8	10.6	17.1	6.5	4.0	2.6	1.3	0.1	10.4
Wholesale Trade	100%	25.5	33.4	8.9	11.8	6.2	4.2	2.5	1.3	0.2	6.1
Retail Trade	100%	18.1	38.9	8.5	13.9	6.8	5.2	1.9	0.8	0.1	5.5
Finance, Insurance & Real estate	100%	34.3	31.8	8.9	8.8	2.9	3.0	1.1	0.5	1.0	7.7
Selected Services	100%	38.4	35.4	6.4	6.3	3.5	1.9	0.9	0.3	0.1	6.8
Industries not Classified	100%	32.6	34.0	7.3	8.7	3.2	1.4	2.7	0.3	0.5	9.5

Source: U.S. Department of Commerce, Bureau of the Census, *Characteristics of Business Owners: 1987 Economic Censuses* (Washington, D.C.: U.S. Government Printing Office, April 1992).

Note: Dollar amounts reported are nominal dollars, unadjusted for inflation since the time of business start up or acquisition.

Table 4-3. Sources of Borrowed Capital: 1982 and 1987

Source of Borrowed Capital	1982 ¹	1987 ²
Commercial Bank Loan	42.2	34.0
Family	19.5	19.4
Friends	5.3	4.5
Former Owner	6.7	3.2
Federal, State or Local Government	1.4	1.0
Other	6.4	17.5
Not Reported	18.4	20.4

¹Source: U.S. Department of Commerce, Bureau of the Census, *1982 Characteristics of Business Owners* (Washington, D.C.: U.S. Government Printing Office, April 1986).

²Source: U.S. Department of Commerce, Bureau of the Census, *Characteristics of Business Owners: 1987 Economic Censuses* (Washington, D.C.: U.S. Government Printing Office, April 1992).

Note: Percentages are among those owners who used borrowed capital to start their business. *Other* includes personal credit card, refinanced home, loans other than from commercial banks. *Family* includes spouse and other relatives.

Table 4-4. Types of Short Term Capital by Size of Firm: 1992

Type of Capital	All Small Firms	Women-Owned Firms			
		Total	< 5 Employees	5 to 24 Employees	25+ Employees
Credit Card	18%	52%	55%	54%	38%
Bank Loans	44	44	14	35	48
Vendor Credit	30	38	32	46	40
Leasing Equipment	16	21	13	28	32

Source: National Foundation for Women Business Owners, *Financing The Business: A Report on Financial Issues From the 1992 Biennial Membership Survey of Women Business Owners*, October 1993.

Note: Multiple responses allowed.

Table 4-5. Sources of Short Term Capital by Size of Firm: 1992

Source of Capital	All Small Firms	Women-Owned Firms			
		Total	<5 Employees	5 to 24 Employees	25+ Employees
Commercial Bank	51%	52%	42%	58%	71%
Business Earnings	22	38	40	37	36
Private Sources	10	33	35	34	23
Vendors	21	25	19	33	28

Source: National Foundation for Women Business Owners, *Financing The Business: A Report on Financial Issues From the 1992 Biennial Membership Survey of Women Business Owners*, October 1993.

Note: Multiple responses allowed.

Table 4-6. Types of Long Term Capital by Size of Firm: 1992

Type of Capital	All Small Firms	Women-Owned Firms			
		Total	< 5 Employees	5 to 24 Employees	25+ Employees
Term Loan	35%	28%	16%	38%	42%
Leasing Equipment	28	26	15	34	41
Commercial Mortgage	16	8	5	9	15
Equity Capital	14	7	4	12	8
No Current LT Needs	25	39	55	26	23

Source: National Foundation for Women Business Owners, *Financing The Business: A Report on Financial Issues From the 1992 Biennial Membership Survey of Women Business Owners*, October 1993.

Note: multiple responses allowed.

Table 4-7. Sources of Long Term Capital by Size of Firm: 1992

Source of Capital	All Small Firms	Women-Owned Firms			
		Total	< 5 Employees	5 to 24 Employees	25+ Employees
Commercial Bank	52%	60%	44%	66%	77%
Private Sources	15	34	38	37	23
Business Earnings	23	33	34	36	27
Leasing Companies	19	29	24	32	33

Source: National Foundation for Women Business Owners, *Financing The Business: A Report on Financial Issues From the 1992 Biennial Membership Survey of Women Business Owners*, October 1993.

Note: Multiple responses allowed.

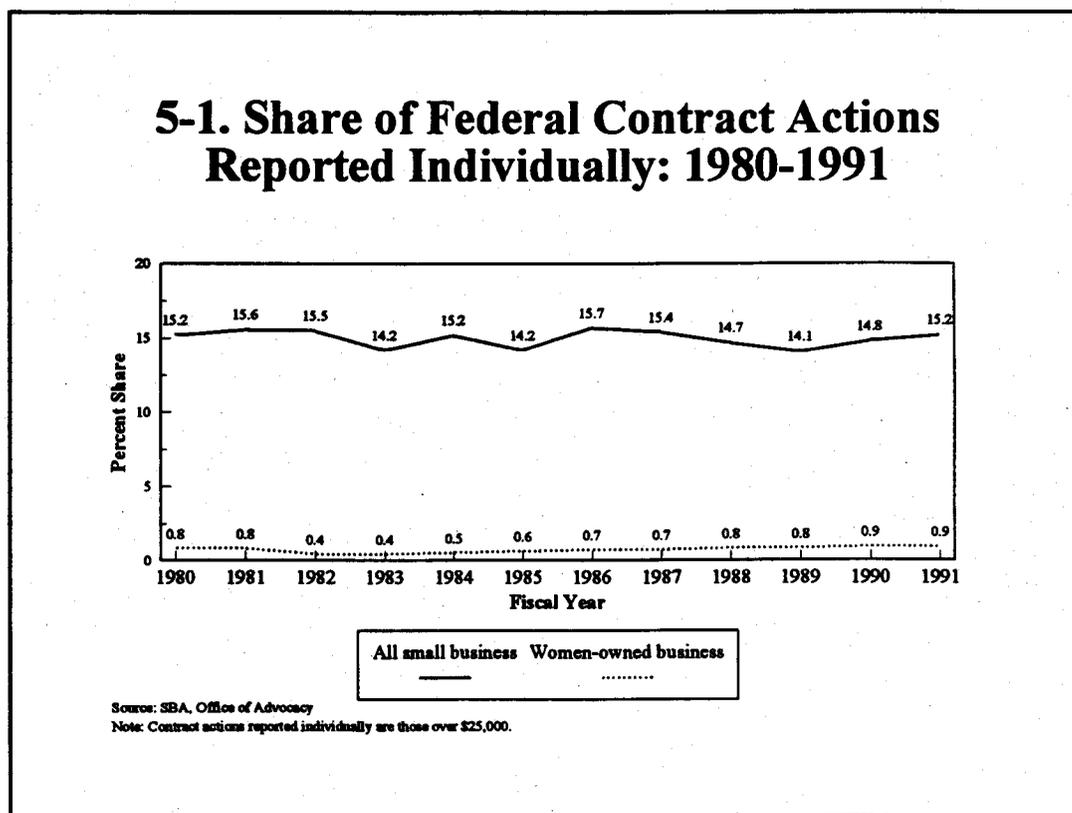
V. Women-Owned Firms in Federal Procurement

V. WOMEN-OWNED FIRMS IN FEDERAL PROCUREMENT

The federal government awarded over \$210.7 billion in contracts in fiscal year 1991 for the purchase of goods and services. Though that amount has been declining in recent years due both to the end of the Cold War and the downsizing of government, federal procurement nonetheless offers many small businesses, women-owned businesses included, access to a vast market.

Small Business' Share of Federal Procurement

The small business share of federal procurement dollars stood at 30% in fiscal year 1991, including \$39.7 billion (18.8%) awarded directly to small businesses and \$23.3 billion (11.1%) awarded to small businesses as subcontractors under larger awards. However, small businesses garnered only a 15.2% share of the contract awards reported individually, those valued at over \$25,000. It is true, however, that, even as the total dollars spent by the federal government have declined over the past decade, the percent awarded to small firms has remained relatively constant.



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***Women-Owned
Business'
Share of
Federal
Procurement***

The share of federal contract dollars awarded to women-owned businesses has also remained relatively constant over the past ten years. In fiscal year 1981, \$1.1 billion in contracts reported individually (over \$25,000) was awarded by federal agencies to women-owned businesses, 0.84% of all such contract awards. In 1991, \$1.8 billion was awarded to women-owned firms, 0.93% of all awards. Women-owned businesses received \$643,629 in contracts reported in total (those up to \$25,000 in value) in FY1991—a 3.1% share. All together, women-owned firms received 1.1% of all federal contract dollars awarded in FY1991.

It is important to note here that sources vary with respect to the share of federal contract dollars awarded to women-owned firms. The above figures were obtained by the U.S. Small Business Administration's Office of Advocacy from Federal Procurement Data Center (FPDC) reports. The SBA's Office of Procurement Assistance, for fiscal year 1991, shows the women-owned business share of federal procurement as 1.5%. These data are obtained directly from the individual agencies themselves.

The FPDC data include more detail and are more useful analytically. Awards over and under \$25,000 can be analyzed, direct awards and subcontract awards can be separated, and long term trends can be studied. However, the reports include contracts awarded to educational institutions, nonprofit organizations, and state and local governments. Thus, even though the Advocacy/FPDC data provide more information, it is likely that the 1.5% figure (given that it excludes "non-businesses") is more accurate than the 1.1%.

The most recent figures from SBA's Office of Procurement Assistance indicate that, in fiscal year 1993, 1.8% of all direct federal contract actions were awarded to women-owned firms.

Whether the figure is 1% or 2%, the fact is that women-owned firms are underrepresented in the federal procurement arena compared to their population. A study undertaken by the SBA's Office of Advocacy showed that, even after adjusting for variations in industry composition, women-owned firms received less than their "fair share" of federal contract awards.¹

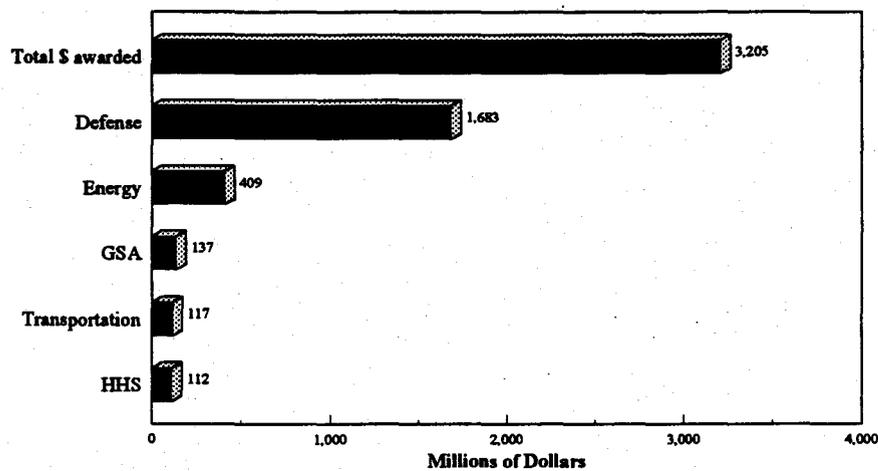
¹ Skolnick, Jonathan and Chmelynski, Harry J., *The Pattern of Federal Procurement from Minority and Women-Owned Small Businesses*, prepared under contract to the U.S. Small Business Administration, Office of Advocacy, 1993.

Though a relatively small number of women-owned firms, and indeed all small firms, are engaged in procurement with the federal government, another research study conducted for the Office of Advocacy demonstrates that receiving federal contracts provides women-owned firms with an income stream that leads to more stability and growth for the firm.² This is an important reason why, even though a minority of women-owned firms are currently engaged in federal procurement, it is a very important issue for all women-owned firms.

Agency Awards to Women-Owned Firms

Not surprisingly, the Department of Defense is the single greatest source of contract dollars awarded to women-owned firms. They report awarding \$1.7 billion to women-owned businesses in fiscal year 1993, 1.5% of the total dollars awarded. The Department of Energy (\$409 million), the General Services Administration (\$137 million), and the Departments of Transportation (\$117 million) and Health and Human Services (\$112 million) are the other top agencies in terms of *dollars* awarded to women-owned firms.

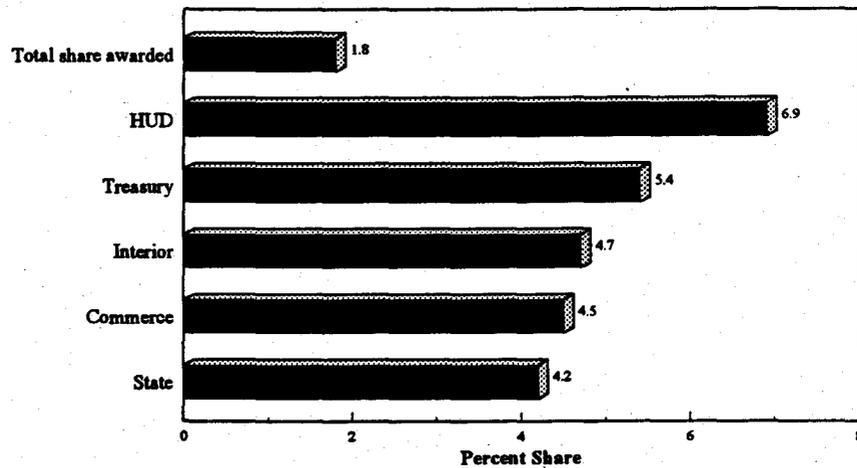
5-2. Agencies Awarding the Most Contract Dollars to Women-Owned Businesses: FY1993



² Fullenbaum, Richard F. and McNeill, Mariana A., *Impact of Federal Procurement on Small Business Development*, prepared under contract to the U.S. Small Business Administration, Office of Advocacy, 1993.

The agencies with the highest *share* of contract dollars awarded to women-owned firms, however, are: Housing and Urban Development (6.9%), Treasury (5.4%), Interior (4.7%), Commerce (4.5%), and State (4.2%).

5-3. Agencies Awarding the Largest Share of Contract Dollars to Women-Owned Businesses: FY1993



Source: SBA, Office of Procurement Assistance

In fiscal year 1993, four agencies exceeded their procurement goals to women by 1% or more: Treasury (goal, 2.5%; actual 5.4%), HUD (5.0%, 6.9%), Commerce (2.9%, 4.6%), and Transportation (2.0%, 3.0%). Conversely, six agencies fell short of their procurement goals for women-owned firms: Justice (4.0% goal, 2.8% actual), State (5.0%, 4.2%), Labor (3.8%, 3.2%), EPA (2.0%, 1.5%), HHS (4.3%, 3.9%), and Agriculture (2.5%, 2.2%).

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Geographic Distribution of Contract Awards Women-owned firms in the states of California (\$123 million), Virginia (\$79 million), Texas (\$79 million), the District of Columbia (\$77 million), Maryland (\$67 million), Alabama (\$63 million), and New York (\$62 million) garner the largest amount of federal contract dollars. As of fiscal year 1987, women-owned firms in these seven areas were awarded 45% of all federal contract dollars. These states are both conspicuous by their proximity to the Nation's Capital and by being home to major defense industries and military installations.

National Women's Business Council

Table 5-1. Annual Change in the Dollar Volume of Federal Contract Actions Over \$25,000 Awarded to Women-Owned Businesses Relative to the Total Amount of Such Awards: FY 1980 - FY 1991 (Thousands of Dollars)

Year	Value of All Contract Awards over \$25,000 (\$000)	Value of Awards to Women Owned Businesses (\$000)	Percent of Contract \$ Awarded to Women-Owned Businesses	Percent Change in Awards to Women-Owned Businesses from Prior Year
1991	\$189,602,220	\$1,765,166	0.93	19.4
1990	171,300,890	1,477,894	0.86	5.3
1989	168,694,981	1,402,939	0.83	5.7
1988	174,097,585	1,327,724	0.76	6.0
1987	181,538,592	1,252,885	0.69	4.7
1986	183,650,227	1,196,851	0.65	9.4
1985	187,985,466	1,094,208	0.58	27.8
1984	167,933,486	856,131	0.51	40.0
1983	155,588,106	611,376	0.39	11.0
1982	152,397,884	550,601	0.36	-49.3
1981	128,864,744	1,085,373	0.84	37.8
1980	100,893,385	787,529	0.78	-

Source: Federal Procurement Data System, "Special Report S89522C" (Prepared for the U.S. Small Business Administration, Office of Advocacy, June 12, 1989); and *idem*, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, July 10, 1990, March 13, 1991 and February 13, 1992).

Table 5-2. Value of Federal Contract Actions Over \$25,000 Awarded to Women-Owned Businesses by State: FY 1986 and FY 1987 (Thousands of Dollars)

State	All Contracts Awarded		Contracts Awarded to Women-Owned Businesses	
	1986	1987	1986	1987
U.S. Total	\$173,327,537	\$170,024,003	\$1,178,207	\$1,220,762
Alabama	2,214,554	2,486,020	46,061	63,423
Alaska	708,118	736,904	22,419	21,869
Arizona	2,994,334	3,725,548	8,026	9,428
Arkansas	981,487	838,218	3,162	7,069
California	33,977,388	30,388,033	127,356	122,972
Colorado	2,876,817	3,695,762	25,560	37,067
Connecticut	5,832,023	5,418,444	20,714	33,449
Delaware	236,770	223,302	1,092	391
District of Columbia	2,340,804	2,420,479	55,903	77,136
Florida	7,073,790	6,962,621	49,213	44,800
Georgia	4,054,066	3,824,542	46,228	22,788
Hawaii	604,169	520,086	9,946	8,803
Idaho	565,929	563,136	3,826	5,851
Illinois	2,672,565	2,924,162	30,077	49,691
Indiana	2,607,416	2,317,654	14,492	12,952
Iowa	776,239	766,034	2,581	5,931
Kansas	2,116,516	1,485,864	11,889	6,034
Kentucky	2,628,273	929,499	7,554	18,004
Louisiana	2,145,756	2,309,066	23,411	20,037
Maine	614,874	870,894	1,943	1,585

National Women's Business Council

State	All Contracts Awarded		Contracts Awarded to Women-Owned Businesses	
	1986	1987	1986	1987
Maryland	6,322,742	6,794,295	82,179	66,606
Massachusetts	9,278,349	9,275,800	21,831	30,421
Michigan	2,846,247	2,147,247	21,811	13,112
Minnesota	2,613,562	2,644,069	9,510	4,609
Mississippi	1,792,172	1,732,750	6,772	8,538
Missouri	6,443,712	6,818,708	11,216	11,708
Montana	132,106	170,287	2,391	4,494
Nebraska	423,323	387,040	6,180	4,683
Nevada	864,629	939,236	6,074	4,670
New Hampshire	493,580	495,266	2,546	3,756
New Jersey	3,826,727	3,832,801	50,234	21,978
New Mexico	2,844,512	3,017,896	5,611	7,352
New York	11,045,481	10,895,055	84,265	61,850
North Carolina	1,433,492	1,585,992	14,054	23,119
North Dakota	285,720	226,579	868	2,867
Ohio	6,453,415	5,698,106	43,843	35,997
Oklahoma	912,927	754,780	21,079	22,871
Oregon	499,513	514,157	10,151	10,669
Pennsylvania	5,272,864	4,967,347	28,717	24,975
Rhode Island	444,408	518,982	1,772	2,905
South Carolina	1,730,494	1,838,666	10,735	21,932
South Dakota	191,244	138,220	1,642	2,349

National Women's Business Council

State	All Contracts Awarded		Contracts Awarded to Women-Owned Businesses	
	1986	1987	1986	1987
Tennessee	2,608,216	3,609,487	31,572	49,560
Texas	12,532,369	10,353,097	71,403	78,778
Utah	1,242,175	1,602,952	6,174	13,069
Vermont	141,692	136,435	1,160	512
Virginia	6,790,155	9,396,640	72,231	79,269
Washington	3,717,401	4,478,674	28,706	29,100
West Virginia	277,594	267,064	6,137	2,412
Wisconsin	1,672,933	1,258,271	5,448	4,712
Wyoming	171,895	121,836	442	2,609

Source: Federal Procurement Data Center, "Special Report T17256," (June 1, 1988).

Note: Total excludes awards made to the U.S. territories (i.e. Puerto Rico, Virgin Islands, and Guam).

National Women's Business Council

Table 5-3. Value of Federal Contract Awards to Women-Owned Businesses by Selected Departments and Agencies: Fiscal Years 1985-1987

Agency / Dept.	FY 1985 ¹		FY 1986 ²		FY 1987 ³		FY 1988 ³	
	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses
Total	\$187,898,086	0.6	\$183,908,732	0.6	\$181,538,592	0.7	\$174,097,585	0.8
Defense	150,594,899	0.4	146,273,381	0.6	142,773,993	0.6	134,923,611	0.7
Energy	14,443,877	0.1	13,467,648	0.1	14,024,839	0.2	14,443,129	0.3
National Aeronautics & Space Administration	7,426,578	0.5	7,327,035	0.7	7,619,105	0.7	8,345,867	0.8
Agriculture	1,521,610	2.1	2,098,096	1.4	1,722,643	2.1	2,285,672	2.3
General Services Administration	3,029,187	3.4	2,162,907	2.0	1,965,901	2.1	2,147,199	0.9
Veterans Administration	1,616,772	2.5	1,855,101	0.6	2,044,724	1.5	2,037,229	1.5
Transportation	2,133,812	1.1	1,715,405	1.5	1,693,799	1.8	1,498,596	1.9
Interior	1,487,239	3.9	1,422,541	0.9	1,312,111	1.0	1,039,425	2.2
Environmental Protection Agency	640,869	1.6	606,474	1.4	1,037,250	1.3	1,012,406	1.3
Health & Human Services	1,091,341	2.1	1,101,067	2.1	978,144	2.9	983,175	3.8
Justice	428,726	1.2	335,581	1.7	721,153	1.1	612,570	6.0

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Agency / Dept.	FY 1985 ¹		FY 1986 ¹		FY 1987 ³		FY 1988 ³	
	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses
Treasury	421,795	4.3	368,914	4.4	621,631	2.6	578,659	1.8
Labor	553,244	2.2	561,181	3.7	556,025	4.7	508,172	4.9
Commerce	436,178	1.5	340,253	2.6	405,124	3.9	433,555	3.4
State	253,054	6.2	342,302	0.8	276,024	1.2	371,701	1.8
Education	165,243	3.0	155,183	1.1	153,677	1.1	165,380	3.4
Housing & Urban Development	68,293	1.8	94,130	0.8	103,165	0.8	119,006	2.3

¹Source: Federal Procurement Data Center, "Special Report 87458A", July 1, 1987.

²Source: Federal Procurement Data Center, "Special Report 88409", May 19, 1988.

³Source: Federal Procurement Data Center, "Special Report 87458A", May 19, 1988.

Note: Starting in FY 1983, the dollar threshold for reporting detailed information on DOD Procurement actions increased from \$10,000 to \$25,000. For civilian agencies a similar change was made starting FY 1986.

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Table 5-4. Value of Federal Contract Awards to Women-Owned Businesses by Selected Departments and Agencies: Fiscal Years 1990-1993

Agency / Dept.	FY 1990 ¹		FY 1991 ¹		FY 1992 ²		FY 1993 ²	
	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses
Total	\$177,840,700	1.3	\$190,074,300	1.5	\$180,382,700	1.6	\$179,144,100	1.8
Defense	123,821,000	1.1	125,878,000	1.2	117,151,000	1.4	116,007,000	1.5
Energy	10,366,500	2.0	17,814,800	2.2	18,147,400	1.8	17,989,200	2.3
National Aeronautics & Space Administration	9,910,000	0.7	10,241,000	0.7	10,527,000	0.7	10,322,000	1.0
General Services Administration	7,731,200	1.3	11,445,500	1.2	8,704,300	1.6	8,296,000	1.7
Veterans Administration	2,864,300	2.0	3,484,500	1.9	3,740,700	2.2	3,919,000	2.3
Transportation	3,495,600	1.8	4,041,200	1.7	3,598,800	1.9	3,950,700	3.0
Agriculture	1,723,400	2.2	3,113,900	2.6	3,374,800	2.5	3,646,000	2.2
Health & Human Services	2,188,400	4.1	2,676,600	4.3	2,570,700	4.1	2,901,400	3.9
Interior	1,150,500	3.6	1,418,400	4.1	1,369,000	4.1	1,280,900	4.7
Environmental Protection Agency	1,126,000	1.4	1,289,000	1.3	1,348,000	1.2	1,213,700	1.5
Justice	1,157,900	2.8	1,772,900	4.5	1,755,500	6.0	1,744,400	2.8

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Agency / Dept.	FY 1990 ¹		FY 1991 ¹		FY 1992 ²		FY 1993 ²	
	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses	All Contract Actions (\$000)	% Awarded to Women Owned Businesses
Treasury	785,200	4.1	997,200	3.3	1,232,400	4.1	1,304,300	5.4
Labor	622,200	3.1	703,400	1.7	783,300	2.1	807,600	3.2
Commerce	502,200	3.5	639,900	3.1	727,300	2.8	697,000	4.5
Housing & Urban Development	363,500	5.9	393,000	4.8	739,200	8.4	695,000	6.9
State	373,300	4.1	514,200	4.2	594,400	3.7	597,900	4.2
Education	255,900	9.7	293,300	1.2	284,200	3.6	202,700	3.6

¹Source: U.S. Small Business Administration, Office of Procurement Assistance, 1992

²Source: U.S. Small Business Administration, Office of Procurement Assistance, unpublished data, 1994.

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Table 5-5. Comparison of Negotiated Contracting Goals and Actual Contract Awards to Women-Owned Small Businesses by Major Procuring Agency: Fiscal Years 1990-1991

Agency / Dept.	FY1990				FY1991			
	Negotiated Goal (%)	Value of Goal (\$000,000)	Actual Contract Awards		Negotiated Goal (%)	Value of Goal (\$000,000)	Actual Contract Awards	
			Value of Awards (\$000,000)	% of Total Dollars			Value of Awards (\$000,000)	% of Total Dollars
TOTAL	1.1	\$2,009.8	\$2,329.2	1.3	1.2	\$2,032.8	\$2,769.7	1.5
Agriculture	1.9	38.9	38.9	2.2	2.4	52.8	81.9	2.6
Commerce	3.4	19.7	17.7	3.5	2.8	17.6	20.1	3.1
Defense	1.0	1,255.0	1,328.9	1.1	1.1	1,227.6	1,513.3	1.2
Education	3.0	5.1	1.9	0.7	3.4	5.7	3.5	1.2
Energy	1.5	210.0	333.0	2.0	1.5	225.0	394.1	2.2
Environmental Protection Agency	1.9	19.0	14.2	1.4	1.6	17.6	17.2	1.3
General Services Administration	1.3	94.2	102.5	1.3	1.0	90.9	141.7	1.2
Health & Human Services	3.0	57.3	89.3	4.1	3.7	65.5	116.2	4.3
Housing & Urban Development	6.2	21.7	21.5	5.9	6.4	29.0	19.3	4.8
Interior	2.6	32.4	41.9	3.6	2.7	32.8	57.5	4.1
Justice	1.2	12.0	32.7	2.8	2.1	31.3	79.1	4.5
Labor	1.0	5.8	19.1	3.1	1.8	10.6	11.9	1.7

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Agency / Dept.	FY1990				FY1991			
	Negotiated Goal (%)	Value of Goal (\$000,000)	Actual Contract Awards		Negotiated Goal (%)	Value of Goal (\$000,000)	Actual Contract Awards	
			Value of Awards (\$000,000)	% of Total Dollars			Value of Awards (\$000,000)	% of Total Dollars
National Aeronautics & Space Administration	0.7	72.4	64.2	0.7	0.6	65.8	67.4	0.7
State	2.5	11.6	15.4	4.1	3.0	13.5	21.7	4.2
Transportation	1.4	33.9	61.1	1.8	1.0	24.2	67.2	1.7
Treasury	4.0	22.0	32.5	4.1	2.5	25.0	33.0	3.3
Veterans Affairs	1.7	49.3	57.5	2.0	1.9	55.1	67.5	1.9
Subtotal-17 Agencies	1.1 ¹	1,960.3	2,272.3	1.3 ¹	1.0	1,990.0	2,712.6	1.0
Other Executive Agencies	1.6 ¹	49.5	56.9	1.7 ¹	2.0	42.8	57.1	2.0

Source: U.S. Small Business Administration, Office of Procurement Assistance, *The Annual Report on Procurement Preference Goals*, (United States Government Printing Office, 1993).

¹ Not negotiated goals but represent percentage of the agencies' estimated (or actual) dollar amount of total prime contract awards to women-owned small businesses compared with their estimated (or actual) dollar amount of total prime contract awards.

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Table 5-6. Comparison of Negotiated Contracting Goals and Actual Contract Awards to Women-Owned Small Businesses by Major Procuring Agency: Fiscal Years 1992 -1993

Agency / Dept.	FY1992				FY1993			
	Negotiated Goal (%)	Value of Goal (\$000,000)	Actual Contract Awards		Negotiated Goal (%)	Value of Goal (\$000,000)	Actual Contract Awards	
			Value of Awards (\$000,000)	% of Total Dollars			Value of Awards (\$000,000)	% of Total Dollars
TOTAL	1.4	\$2,375.4	\$2,908.1	1.6	1.6	\$2,886.5	\$3,205.0	1.8
Agriculture	2.3	56.6	83.5	2.5	2.5	67.6	79.9	2.2
Commerce	2.8	21.7	20.3	2.8	2.9	23.0	31.4	4.5
Defense	1.2	1,373.0	1,609.0	1.4	1.4	1,666.8	1,683.0	1.5
Education	3.4	5.7	10.8	3.6	3.6	9.1	7.2	3.6
Energy	2.0	330.0	327.3	1.8	2.2	385.0	409.4	2.3
Environmental Protection Agency	1.8	18.0	15.8	1.2	2.0	22.0	18.5	1.5
General Services Administration	0.8	73.8	138.3	1.6	1.2	90.8	136.9	1.7
Health & Human Services	4.5	98.4	104.5	4.1	4.3	120.4	111.8	3.9
Housing & Urban Development	4.8	19.5	62.4	8.4	5.0	24.9	48.1	6.9
Interior	3.3	40.5	56.8	4.1	3.8	48.0	59.9	4.7
Justice	3.0	53.0	104.2	6.0	4.0	75.0	49.0	2.8

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Agency / Dept.	FY1992				FY1993			
	Negotiated Goal (%)	Value of Goal (\$000,000)	Actual Contract Awards		Negotiated Goal (%)	Value of Goal (\$000,000)	Actual Contract Awards	
			Value of Awards (\$000,000)	% of Total Dollars			Value of Awards (\$000,000)	% of Total Dollars
Labor	3.0	18.7	16.2	2.1	3.8	30.0	25.9	3.2
National Aeronautics & Space Administration	0.7	75.0	69.1	0.7	0.7	73.5	105.4	1.0
State	4.5	20.7	21.9	3.7	5.0	23.8	25.3	4.2
Transportation	2.0	48.3	66.6	1.9	2.0	67.2	117.4	3.0
Treasury	2.0	22.5	50.1	4.1	2.5	33.8	70.2	5.4
Veterans Affairs	2.0	55.2	82.6	2.2	2.2	63.8	91.0	2.3
Subtotal-17 Agencies	1.4	2,330.6	2,839.4	1.6	1.6	2,824.7	3,070.3	1.7
Other Executive Agencies	1.6	44.8	68.7	1.8	2.1	61.8	134.7	3.8

Source: U.S. Small Business Administration, Office of Procurement Assistance, unpublished data.

¹ Not negotiated goals but represent percentage of the agencies' estimated (or actual) dollar amount of total prime contract awards to women-owned small businesses compared with their estimated (or actual) dollar amount of total prime contract awards.

VI. Strategic Recommendations

VI. STRATEGIC RECOMMENDATIONS

Given what is known about the growth of women-owned businesses over the past decade and, more importantly, where there are gaps in our knowledge, we make the following recommendations for action:

1. Encourage states to collect data and information on women-owned businesses at the state level and to collaborate in developing regional data. While national data can be extremely powerful in bringing recognition to the economic force of women business owners, state by state data are vital for developing programs and infrastructure which will have the most immediate and measurable impact on individual women business owners.
2. Improve the quality of national economic statistics on women-owned businesses throughout the Federal government.
 - The Federal government collects a wealth of information on U.S. businesses across many Federal agencies, both via Censuses and surveys. Much of this information could be useful in analyzing the growth and economic contributions of women-owned firms if gender of business ownership were asked on a consistent basis in government surveys of businesses. If such questions were a required component of government surveys of businesses, the available information on women-owned businesses in the U.S. would increase many-fold.
 - The definition of what constitutes a woman-owned business can vary by agency and by circumstance, however. When looking at smaller firms in order to qualify them for assistance programs, the definition can vary from 50% to more than 50% to 51% or more ownership. That definition is limiting, however, when looking at larger businesses with investors and shareholders. Consistency in definition depending upon circumstance, and making that definition clear to the data user, is critical.
 - The Women's Business Ownership Act of 1988 mandated that the Bureau of the Census institute a complete accounting of the population of women business owners—including c corporations

for the first time—beginning with the 1992 Census. After those numbers are published, it is recommended that a panel of experts and interested parties be convened to discuss the methodology and any problems encountered in the process, and to make recommendations about any possible improvements that can be made in advance of the 1997 Census.

- There has been some discussion about instituting an annual or biannual census of women-owned businesses, or a sampling of women-owned businesses in between the quinquennial censuses. This is a matter worth pursuing, if such data collection can be conducted in a timely and cost effective manner. It is recommended that a timeline for such a program be established and reviewed. If such a program can make data available in a reasonable amount of time, and a budget for such a program can be secured that would not negatively impact other programs, it is a program worth pursuing.
 - A project of great importance is institutionalizing the Characteristics of Business Owners survey. Currently, the program is funded with programmatic monies shifted from within the Department of Commerce and the U.S. Small Business Administration, leaving it very vulnerable to the vagaries of the budgetary process. This valuable survey deserves to be made a regular follow-on to the Economic Census program.
3. Encourage public/private partnerships to fund both quantitative and qualitative research on women business owners. Areas to be studied should include:
- ★ Economic contributions made by women-owned businesses in job creation and revenue generation;
 - ★ Barriers to growth, including access to capital, Federal and state procurement and technical assistance;
 - ★ Social impact of women-owned businesses on employees and the community;
 - ★ Innovation, quality and productivity in women-owned businesses.

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One area in which there has been an effort to collect information is in the area of access to capital and finance:

- In 1989, the Federal Reserve Board and the U.S. Small Business Administration conducted a substantial survey, the National Survey of Small Business Finances (NSSBF) to look at the issues surrounding small business finance. Another NSSBF is underway now.

Very little information from the first NSSBF has been made public to date, though the data are available to researchers. The Federal Reserve Board has published one report analyzing data from the NSSBF, and additional reports are now being prepared. It is recommended that additional research be funded to analyze the data from this survey that relate to women-owned businesses, and to update this analysis when the data from the current survey are released.

4. Continue a strong voice for women-owned businesses in government to ensure:

- ★ Economic policy-makers take into consideration the needs and contributions of women-owned businesses in establishing policy and legislation;
- ★ Collaboration and consistency among research and data collection activities on women business owners;
- ★ Continuing recognition by government policy-makers, corporate leaders and financial decision-makers of the significance of women-owned businesses.

More specifically, it is recommended that:

- The federal government should identify an organization at the national level that has the responsibility for: overseeing the statistics generated on women-owned businesses to ensure consistency and comparability; reviewing and analyzing the statistics on an annual basis; and making substantive policy and legislative recommendations. This organization should be independent of any Department and have both public and private

representation. It must have the authority to ensure that its recommendations result in action.

- **Though it appears that most agencies are meeting their procurement goals with respect to awarding contracts to women-owned businesses, that may well be because those goals are not challenging enough. It is time to raise the bar with respect to procurement goals for women-owned businesses. Goals that range from 1% to 5% are ridiculously low, given that women-owned firms comprise over 31% of the business population. Even granting that women-owned firms are disproportionately located in industries less likely to receive government contracts, the goals for major procuring agencies should be increased significantly—to 5% among those agencies whose goals are currently under that level. The National Women's Business Council strongly supports legislation now under consideration that would raise government procurement goals for women-owned businesses to 5%, and urges its passage.**
- **An extremely valuable source of data on women-owned businesses, available on an annual basis, are the tabulations obtained by the SBA's Office of Advocacy from the Internal Revenue Service on nonfarm sole proprietorships by gender of owner. However, they include a significant number of very small, part-time businesses, which are suppressing revenue figures and which render the information incomparable to quinquennial Census data. It is recommended that the SBA obtain two sets of tabulations from the IRS—one set including **all** nonfarm sole proprietorships, as they currently obtain, another which includes **only** those businesses earning \$500 or more in receipts, the same definition used by the Bureau of the Census in its quinquennial censuses. This filter will make the two data sources more directly comparable, and will enhance the ability to make projections from and interpolations between quinquennial censuses.**
- **Timely and regular information on federal procurement from women-owned businesses is published by the U.S. Small Business Administration. However, there are some inconsistencies in the information obtained by the two offices in the SBA that collect such information, Advocacy and Procurement Assistance. The**

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information obtained by the Office of Procurement Assistance (OPA) is more up-to-date, since it is obtained directly from each agency. However, the information cannot be analyzed as thoroughly as can the information from the Office of Advocacy, which is obtained from the Federal Procurement Data Center (FPDC). So, too, the information obtained by Advocacy from the FPDC does not match the information from OPA.

It is therefore recommended that:

- ▶ the Office of Procurement Assistance attempt to retrieve information from each agency breaking down the value of the contracts awarded into 2 categories: those above \$25,000 and those below, and that;
- ▶ the Office of Advocacy exclude from the data obtained from the FPDC those business categories excluded by OPA: nonprofit institutions, hospitals, educational institutions, state and local governments, etc.

VII. Annotated Bibliography

VII. ANNOTATED BIBLIOGRAPHY OF SOURCES

Arthur Andersen & Co., SC and National Small Business United (NSBU), *Survey Results of Small and Middle Market Businesses: Attitudes, Issues, and Outlook*, (Princeton: July 1992).

The summary of a national mail study of small and middle market companies conducted in 1992 by the Gallup Organization, Inc. of Princeton, New Jersey for National Small Business United and Arthur Andersen & Co. Surveys were mailed to 6,000 small businesses, resulting in six hundred and thirty four (634) completed and usable surveys.

The study covers a variety of small business topics: sources of capital and financing, labor, health care, international marketplace, family-owned businesses and succession, taxation, ownership demographics, and economic outlook among small business owners in terms of sales, profits and employment.

Faith Ando and Associates, Inc., *Minorities, Women, Veterans and the 1982 Characteristics of Business Owners Survey: A Preliminary Analysis* (Washington, D.C.: Research Performed Under Contract for the U.S. Small Business Administration, Office of Advocacy, Under Award No. SBA-3026-OA-88, 1988).

This is one of the earliest analyses of the 1982 Characteristics of Business Owners Survey, conducted by Bureau of the Census. The report provides broad, descriptive tabulations of the Census data on businesses covered by the Census, and characteristics of the business owners.

Cole, Mollie Mills and Lazar, Marcia, *Blue Print for Illinois Women's Business Councils: 8 Steps to Success*, (Prepared for The Illinois Department of Commerce and Community Affairs and U.S. Small Business Administration Under Cooperative Agreement No. SB-2M-00097-08, 1991).

This is a report of a pilot project developed in partnership with the Illinois Small Business Development Center network, and funded by the U.S. Small Business Administration and the Illinois Department of Commerce and Community Affairs (DCCA). The project focused on the establishment of Women Business Councils to unite all who would advocate for women business owners. Five Illinois communities of Carbondale, Peoria, Rock Island, Rockford and Springfield were selected as the sites of the pilots. The end product of the project offers eight steps for the successful organization and development of Women Business Councils.

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Dodds, John A. and McCutchen, Donna B., "Sources of Data on Women Entrepreneurs in the United States and the Companies They Own," The ECE/INSTRAW Joint Work Session on Statistics of Women, Geneva, Switzerland, April 27-29, 1992.

This paper introduces and describes two major sources of information on women-owned businesses which are published by the U.S. Bureau of the Census: the *Survey of Women-Owned Businesses (WOB)* and its follow-on data collection effort, the *Characteristics of Business Owners (CBO) Survey*.

The Entrepreneur Group, *A New Market: The Entrepreneurial Woman*, (1989).

Published by the publisher of *Entrepreneur Magazine* and *New Business Opportunities*, this report is a compilation of information which had previously been gathered on women-owned businesses by the Internal Revenue Service, the Census Bureau, U.S. Small Business Administration, Journal of Small Business Management, USA Today, Entrepreneur Magazine, BIS CAP International, and Computers in Small Business. This report covers growth of women-owned businesses from 1977 to 1988 and their projected growth up to the year 2000, characteristics of female entrepreneurs, reasons for entrepreneurship, methods of business acquisition, industry distribution, views of the owners of their businesses in terms of manageability and profitability, expectations of the owners of income and revenue generation capacities of their firms, and their power in purchasing and investment in equipment and technology.

Fullenbaum, Richard F. and McNeill, Mariana A., *Impact of Federal Procurement on Small Business Development*, (Prepared Under Contract to the U.S. Small Business Administration, Office of Advocacy, 1993).

Utilizing publicly available data, this research effort traces the growth and dissolution of small, minority- and women-owned firms over a four year period, measuring the impact of involvement in federal government procurement on business growth and dissolution.

The Interagency Committee on Women's Business Enterprise, *Annual Report*, (1988).

This report contains information on the distribution of women-owned businesses by industry, business age, manner of acquisition, and amount of capital needed to acquire or start a firm in 1982. In addition, the report cites data from the Internal Revenue Service on share of the number and receipts of women-owned business by state. Information on dollar amounts of Federal prime contract awards to women-owned businesses from 1979 to 1987 are also included.

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The National Foundation for Women Business Owners, *Financing The Business: A Report on Financial Issues From the 1992 Biennial Membership Survey of Women Business Owners.* (Washington, D.C., October 1993).

This study analyzes some of the findings from NFWBO's 1992 Membership Survey of the members of the National Association for Women Business Owners. It describes the sources and types of financing used by women business owners, and compares those results with similar questions asked among a sample of all small- to medium-sized firms.

The National Foundation for Women Business Owners, *Women-Owned Businesses: The New Economic Force.* (Washington, D.C., March 1992).

This report was the culmination of an 18-month study of women-owned businesses by The National Foundation for Women Business Owners and Cognetics, Inc. By providing updated information on the number, annual sales, employment profiles and industrial distribution of such businesses, this report demonstrated the significance of women-owned businesses as a major economic force in the U.S.

O'Hare, William and Larson, Jan, "Women in Business: When, What and Why," *American Demographics*, Vol. 13, July 1991, pp. 34-38.

This article analyzes the rate of women business ownership by comparing the number of women-owned firms with the number of adult women in each state. The article highlights the states with the greatest number of women-owned firms, the highest rates of women business ownership, and the most opportunities for women to start businesses.

Skolnick, Jonathan and Chmelynski, Harry, *The Pattern of Federal Procurement From Minority and Women-Owned Businesses*, (Prepared Under Contract to the U.S. Small Business Administration, Office of Advocacy, 1993).

Utilizing government procurement records, this study performed an analysis of contract awards made to minority- and women-owned businesses, then compared the pattern of these awards with the pattern made to other firms, adjusting for industry composition among all groups.

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Target Group, Inc., *Survey of Women-Owned Construction Firms, Chicago PMSA, (October 13, 1993).*

This report summarizes a survey of over 80 members of the Women Contractors Owners and Entrepreneurs (WCOE) located within Chicago. The objective of the survey was to document the needs of women contractors and demonstrate the demand for a construction assistance and bonding program.

U.S. Department of Commerce, Bureau of the Census, *1982 Economic Censuses: Women-Owned Businesses.* (Washington, D.C.: U.S. Government Printing Office, April 1986).

A census of women-owned businesses was first incorporated into the economic censuses of the Census Bureau in 1972. Collected in the years ending with a two (2) and a seven (7), it provides basic economic data on women-owned firms and is based entirely on existing administrative information of the U.S. Bureau of the Census, the Internal Revenue Service and the Social Security Administration. The published data provide number of firms, and their gross sales and receipts, number of paid employees, and annual payroll. The data are presented by geographic area, industry division, size of firm, and legal form of organization.

The census includes the business population that filed IRS forms 1040, Schedule C (individual proprietorships); 1065 (partnerships); or 1120S (subchapter S corporations).

U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses: Women-Owned Businesses.* (Washington, D.C.: U.S. Government Printing Office, August 1990).

In 1987 the Census Bureau introduced a number of changes in its survey methodology which should be noted when comparing the data from the 1987 report with those from the earlier reports. For comparison purposes 1982 data are included in the 1987 volume with adjustments to reflect changes in methodology. The most important changes are as follows:

- In 1987 a firm was included only if it had business receipts of \$500 or more. In the previous surveys any firm filing a business tax return with business receipts greater than zero was included. Firms with \$499 or less were counted in the number of firms column but their receipts were rounded to the nearest thousand, making their contribution to receipts zero.
- In 1987 procedures were implemented to correct an IRS coding process which listed many firms in miscellaneous category.

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U.S. Department of Commerce, Bureau of the Census, *1982 Characteristics of Business Owners Survey*. (Washington, D.C.: U.S. Government Printing Office, April 1986).

U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses: Characteristics of Business Owners*. (Washington, D.C.: U.S. Government Printing Office, April 1992).

Published starting with the 1982 Economic Census, the *Characteristics of Business Owners (CBO)* survey provides data about the characteristics of minority-owned businesses and their owners as well as a comparable non-minority, male owned business universe. The data were collected through a statistically selected sample mail survey and were combined with administrative records data, which were originally obtained for use in the economic censuses. The data from the sample survey were collected as part of the economic censuses, and they are intended to expand and to augment the data published in the Economic Censuses reports, *Survey of Women-Owned Businesses (WOB)* and *Survey of Minority-Owned Business Enterprises (SMOBE)*, which are limited to number of firms, employment, annual payroll, and gross receipts. CBO presents data on the characteristics of owners and businesses owned by Hispanics, Blacks, other minorities, women, and non-minority males by industry division, size of firm, and legal form of organization.

U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses: Survey of Minority-Owned Business Enterprises*. (Washington, D.C.: U.S. Government Printing Office, August 1991).

The *Survey of Minority-Owned Business Enterprises (SMOBE)* provides basic economic data on businesses owned by Blacks, persons of Hispanic or Latin American ancestry, and persons of American Indian, Asian, or other minority origin or descent. A significant portion of the data is provided by gender. The published data include number of firms, gross receipts, number of paid employees, and annual payroll and are presented by geographic area, industry division, size of firm, and legal form of organization of firm.

U.S. Department of Commerce, *Women and Business Ownership: An Annotated Bibliography*. (Washington, D.C.: U.S. Government Printing Office, July 1986).

Though not an exhaustive bibliography, this compendium is a selection of those sources which may be of most interest to researchers and policy and program developers. This document lists and discusses formal research documents, unpublished dissertations and theses, charts and tables, unpublished government reports, government hearing records, legal case books, selected articles and books from the popular press, and popular guides to small business management for women.

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U.S. Department of Commerce, The President's Interagency Task Force on Women Business Owners, *The Bottom Line: (Un)Equal Enterprise in America*, (1978).

This report is the result of a study which was mandated by the President to identify the available data on women entrepreneurs, the need for additional data and to propose methods of collecting such data. The report also identified the primary conditions, federal programs and practices which have discouraged women from becoming entrepreneurs and which have the effect of discriminating against women entrepreneurs or placing them at a competitive disadvantage. Based on its findings the report proposed changes in the federal law, regulations and practices and advise as to the impact of such changes on the federal budget.

U.S. Department of Labor, Women's Bureau, *Facts on Working Women: Women Business Owners*, Report No. 89-5, (December 1989).

This fact sheet profiles women-owned businesses and includes growth in the number and receipts of women-owned sole proprietorships, their share of total business receipts, and the most popular industries in which women own businesses. Comparisons are made between men-owned and women-owned businesses in terms of employment size, income generation capacity, age of business, method of acquisition, initial capital requirements, source of initial capital, and age, marital status, ethnic origin, managerial experience, and education of the owners.

U.S. Department of Labor, Women's Bureau, *Facts on Working Women: Hispanic Origin Women Business Owners*, Report No. 89-6, (December 1989).

This fact sheet profiles businesses owned by women of Hispanic or Latin American ancestry. The profile includes share of these businesses of the total number of women-owned sole proprietorships in the U.S. in 1982, the most popular industries which Hispanic women business owners are engaged in, states with the highest share of firms owned by Hispanic women, employment size, sales, profit/loss, income generation capacity, initial capital requirements, debt ratios, the most dominant sources of debt, survival rate, and age of firm, and age, marital status, previous management experience and education of the owner.

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U.S. Department of Labor, Women's Bureau, *Facts on Working Women: Asian-American Women Business Owners*, Report No. 89-8, (December 1989).

This fact sheet profiles businesses owned by Asian-American women. The profile includes share of these businesses of the total number of women-owned sole proprietorships in the U.S. in 1982, the most popular industries which Asian-American women business owners are engaged in, states with the highest share of firms owned by Asian-American women, employment size, sales, profit/loss, income generation capacity, initial capital requirements, debt ratios, the most dominant sources of debt, survival rate, and age of firm, and age, marital status, previous management experience and education of the owner.

U.S. Department of Labor, Women's Bureau, *Facts on Working Women: American Indian/Alaska Native Women Business Owners*, Report No. 89-9, (December 1989).

This fact sheet profiles businesses owned by American Indian/Alaska Native women. The profile includes share of these businesses of the total number of women-owned sole proprietorships in the U.S. in 1982, the most popular industries which American Indian/Alaska Native women business owners are engaged in, states with the highest share of firms owned by American Indian/Alaska Native women, employment size, sales, profit/loss, income generation capacity, initial capital requirements, debt ratios, the most dominant sources of debt, survival rate, and age of firm, and age, marital status, previous management experience and education of the owner.

U.S. Department of Labor, Women's Bureau, *Facts on Working Women: Black Women Business Owners*, Report No. 89-7, (September 1989).

This fact sheet profiles businesses owned by Black women. The profile includes share of these businesses of the total number of women-owned sole proprietorships in the U.S. in 1982, the most popular industries which Black women business owners are engaged in, states with the highest share of firms owned by Black women, employment size, sales, profit/loss, income generation capacity, initial capital requirements, debt ratios, the most dominant sources of debt, survival rate, and age of firm, age, marital status, previous management experience and education of the owner.

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U.S. Department of the Treasury, Internal Revenue Service, *Sole Proprietorship Businesses: Business Receipts and Net Income, by Sex of Proprietor, Major Industry and State*, (Tabulations are Prepared Annually Under Contract For the U.S. Small Business Administration, Office of Advocacy) Tax Year 1980 - Tax Year 1991.

These cross tabulations provide information on the number of businesses, business receipts and loss and profits of female-operated, male-operated, and jointly operated businesses by region and major industry division.

U.S. Small Business Administration, Office of Advocacy, *The State of Small Business: A Report of the President*. (Washington, D.C.: U.S. Government Printing Office, 1982 - 1993).

The Small Business Economic Policy Act of 1980 and Public Law 96-302 requires the President to report annually to the Congress on the state of small business and competition. The State of Small Business reports are prepared for the President by the U.S. Small Business Administration. They report on the state of small business in terms of their numbers, location, size, ownership characteristics (e.g. gender, education, manner of acquisition, legal form of organization, etc.), sales and receipts, share of Federal procurement, and so forth. They describe the impact of economic changes, Federal policy, and tax and security laws on small business. They provide information on Federal agency small business offices. As information becomes available, appendices are prepared which describe trends seen among women- and minority-owned businesses.

U.S. Small Business Administration, Office of the Chief Counsel for Advocacy, *A Status Report to Congress: Statistical Information on Women in Business*, (December 1990).

Through enactment of Public Law 100-533, *The Women's Business Ownership Act of 1988*, U.S. Congress mandated the Small Business Administration to conduct a study of the most cost effective ways to collect data on women-owned businesses. This report surveys the coverage and limitations of the data collected, presents pros and cons, and eleven courses of action which could be taken to improve data on women-owned firms. The request for this study came as a response to the growing significance of the women-owned firms in the economic activities of the U.S. and the insufficient availability of comparable or accurate information about these firms.

This report cites the findings of the 1982 and 1987 Census on the number and receipts of women-owned businesses by industry and legal form of organization (sole proprietorships, partnerships, and Subchapter S Corporations). The report adds to the Census data the information collected by the *National Survey of Small Business Finances (NSSBF)*, the only

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federally produced estimate of the number and receipts of regular corporations owned by women.

U.S. Small Business Administration, Office of Advocacy, *Small Business in the American Economy*. (Washington, D.C.: U.S. Government Printing Office, 1988).

This report complements the 1988 edition of *The State of Small Business: A Report of the President*. It focuses on the economic trends facing small business in the next fifteen years and takes a special look at issues in manufacturing, small business worker training, and the participation of women and minorities in business ownership.

The chapter on women owned businesses covers growth in the number of women-owned businesses and sole proprietorships, their industry distribution, regional distribution of women-owned proprietorships in terms of numbers and receipts, federal procurement awards to women-owned businesses, and characteristics of women-owned sole proprietorships in terms of such elements as age of the owner, tenure of the current business, acquisition parameters, and size of business.

University of Utah, Survey Research Center, *Utah Women Business Owners Survey*, (September 1992).

This survey, sponsored by the Department of Community and Economic Development and the Women's Business Development Council, compares female-owned businesses to male-owned businesses in Utah. The report of the survey provides a comparison of the two groups in terms of the primary industries in which each group is engaged, years of operation of businesses, plans for expansion, training and education of the owners, age of the owners, credit issues, and employment profiles.

Venture Concepts, *America's Hidden Resources: A Survey of State and City Programs for Women Owned Business Owners*, (March 1988).

This report profiles state, city and private nonprofit programs relating to women business owners. It provides an overview and a profile of each program, takes a look at the barriers discouraging equal participation of women in the economic mainstream, and illustrates approaches being used to overcome these barriers. The report includes a state-by-state and a city-by-city directory of existing programs located at the city and state levels and a synopsis of a number of private sector programs that were found during the course of the research.

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Wisconsin Department of Development, *Wisconsin Women-Owned Businesses*, (June 1991).

With the objective to assess the status of women-owned businesses in Wisconsin, this report analyzes trends in women business ownership participation, changes in firm size, industry distribution, demographic information on women business owners, barriers in accessing capital by women business owners, participation in state administered financing programs and state procurement.

A significant portion of data for this report are extracted from the 1982 and 1987 volumes of the *Economic Census of Women-Owned Businesses*. The primary source for demographic information is a survey of top 5000 women-owned businesses which was conducted by the international accounting firm of Deloitte and Touche. This survey received responses from 669 firms.

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