



U.S. Small Business  
Administration

# The State of Women Business

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# Which?



# Which?



# Which?



Perfectly Poo Free Kit

# Primary Data Sources

- I didn't make this up!!
- I extracted data from *several sources*, mainly:
  - 2019 *State of Women-Owned Business Report* by American Express
  - SCORE's *Megaphone of Main Street: Women's Entrepreneurship*, Spring 2018 report.
  - *SPOTLIGHT ON WOMEN-OWNED EMPLOYER BUSINESSES*, March 2019, Nora Esposito, US SBA
  - *Which in turn used:*
    - *United States Census Bureau (multiple sources)*
    - *U.S. Bureau of Economic Analysis*

# Three WOB Segments or Types

1. **Necessity** - Start a business because they can't find quality employment or are underemployed.
2. **Flexibility** – need to accommodate caregiver responsibilities or just generally need more flexibility.
3. **Opportunity** – the classic entrepreneur; they see a good opportunity to grow a business and leave a legacy for their family.

# The US Population of WOB

- **42%** of businesses are women owned (*46.5% in Houston District*)
  - **13 million** (+700K since last year)
  - In 1972 only 402,000
- Five-year **increase 21.3%**
  - compared to only 9% overall
- About **1,817 net new** women-owned businesses every day
- Women are slightly **more likely to start a business** than men

# Driving the % Growth in Businesses – Women of Color

- In 2019, women of color account for **50% of all women-owned businesses**
- This number grew **42.8% in the last five years**
- **African-American** Women were the leaders.

	2019	5yr growth	Share
All women-owned	12,943,353	21.3%	100%
All minority-owned	6,417,407	42.8%	50%
African American	2,681,179	49.8%	21%
Asian American	1,168,348	37.4%	9%
Latina/Hispanic	2,346,190	39.6%	18%
Native American	220,691	33.2%	2%
Non-minority	6,525,946	5.6%	50%



# Driving the % Growth in Revenue – Women of Color

- Revenue of firms owned by WOC grew **38.5% in the last five years**
- **Highest** revenue – **Asian American women**

	2019	5yr growth	Avg
All women-owned	\$ 1,850,114,492	20.8%	\$ 142,939
All minority-owned	\$ 422,462,329	38.5%	\$ 65,831
African American	\$ 64,360,482	35.1%	\$ 24,005
Asian American	\$ 223,577,980	42.8%	\$ 191,362
Latina/Hispanic	\$ 119,371,401	34.6%	\$ 50,879
Native American	\$ 15,152,465	29.0%	\$ 68,659
Non-minority	\$ 1,427,652,164	16.4%	\$ 218,766

# Driving the Growth in Employment – Women of Color

- WOC accounted for **29.8% of all employment growth** in the last 5 years.
- **Asian-American** women led.

	2019	5yr growth	Avg
All women-owned	9,376,981	7.9%	0.72
All minority-owned	2,389,516	29.8%	0.37
African American	449,517	28.3%	0.17
Asian American	1,176,922	31.2%	1.01
Latina/Hispanic	681,503	30.2%	0.29
Native American	81,574	20.6%	0.37
Non-minority	6,987,465	2.0%	1.07

1.1M Women Small Businesses have employees – representing 8.5% of the total  
These businesses average 8 employees and \$1.3M in revenue

# Industries

- **Half of WOBs** are in three industries:

- other services
- health care and social assistance
- professional/scientific/technical

- **Employ the most people** in healthcare and social assistance, accommodations and food services and administrative.

- **Highest total revenue** in wholesale trade, retail trade and professional, scientific and technical services

*... equipment repair, religious activities, grantmaking, advocacy, dry-cleaning and laundry, personal care services (hair and nails etc), death care, pet care, photofinishing, parking services, and dating services.*

*... including day care, rehab, elder care, family services, nursing, medical transportation, health care.*

*... legal, accounting, bookkeeping, payroll, architectural, engineering, design services, computer services; consulting; research; advertising; photography; translation; veterinary...*

*'Necessity and flexibility entrepreneurs' drove a dramatic rise in "other services"... more than doubled between 2007 and 2018... These industries generate less revenue per firm than women-owned businesses overall.*

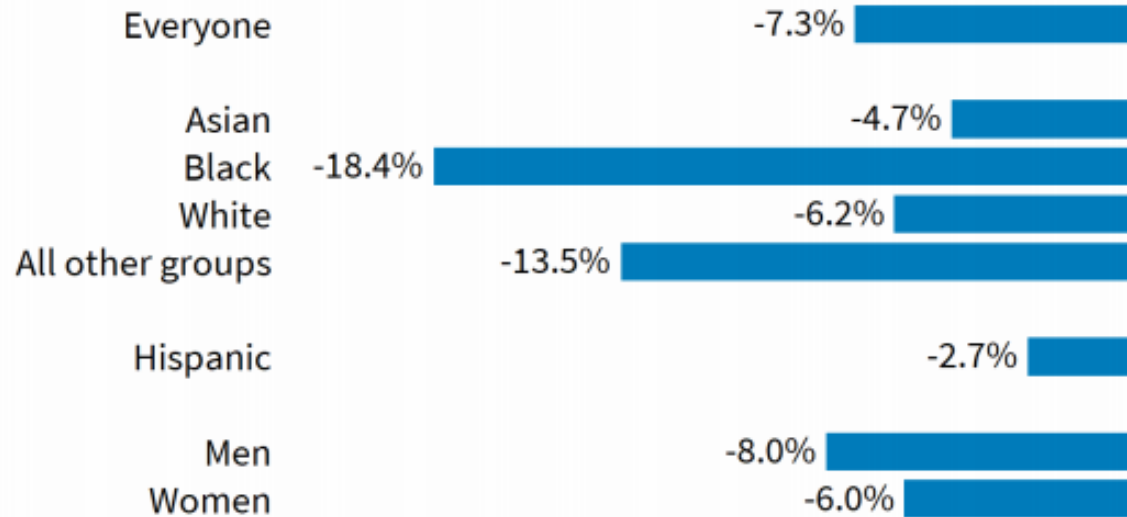
# Financing and Revenue

- For 62% of women their business is the **primary source of income**
- Only **25% of women** were likely to **seek financing for their business**
  - compared to 34% of male entrepreneurs
  - More women use credit cards
- 88% of women-owned businesses under **\$100,000 in revenue**
- **Less than 2% have more than \$1 million in revenue**

# COVID

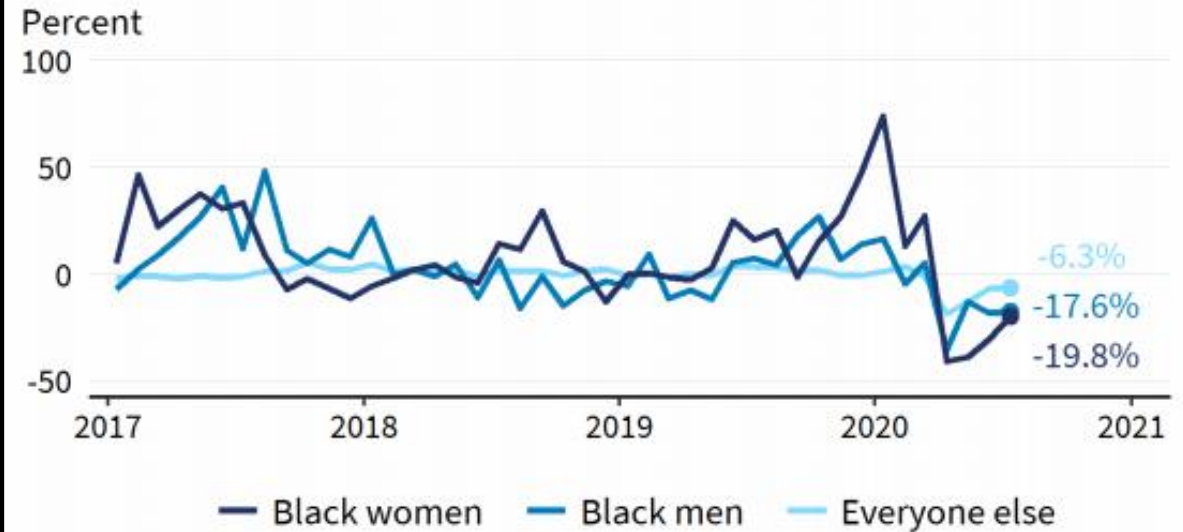
## Changes in Self-Employment (sole prop)

### Change in total working self-employed



Change from July 2019 to July 2020.  
Source: Current Population Survey; BLS, Census, and IPUMS

### Change in Black self-employment by gender



Change relative to 12 months prior.  
Source: Current Population Survey; BLS, Census, and IPUMS

Source: SBA Office of Advocacy, September 29 2020

# Small Business Gender Distribution Houston District

Firm Demography	Number	Proportion	Sales	Proportion of Sales	Average Size
All firms (incl. Corp.)	606,867	100.0%	\$1.3 Bn	100%	\$2.14M
Male	314,346	51.8%	\$ 260,834,629	20.0%	\$830K
Equally	48,122	7.9%	\$ 23,728,415	1.8%	\$493K
Female	234,450	38.6%	\$ 32,988,815	2.5%	\$141K

46.5% have all or some women ownership

\* Based on US Census Data

# WOB Access to SBA Capital Houston District

2017	Gender	Dollar	Proportion	Units	Proportion	Average	% male \$
	Female Owned 50% or less	\$ 162,228,000	17%	237	15%	\$ 684,506	
	Female Owned 50%+	\$ 119,326,900	13%	294	18%	\$ 405,874	68%
	- WBOs	\$ 281,554,900	30%	531	33%	\$ 530,235	
	Male Owned	\$ 646,968,600	70%	1,085	67%	\$ 596,284	
2018	Female Owned 50% or less	\$ 155,047,700	16%	220	15%	\$ 704,762	
	Female Owned 50%+	\$ 132,746,000	14%	268	19%	\$ 495,321	72%
	- WBOs	\$ 287,793,700	31%	488	34%	\$ 589,741	
	Male Owned	\$ 655,019,000	69%	952	66%	\$ 688,045	
2019	Female Owned 50% or less	\$ 163,735,600	18%	206	16%	\$ 794,833	
	Female Owned 50%+	\$ 137,086,900	15%	203	16%	\$ 675,305	92%
	- WBOs	\$ 300,822,500	33%	409	33%	\$ 735,507	
	Male Owned	\$ 622,750,500	67%	848	67%	\$ 734,376	
3 Year Averages		\$ 290,057,033	31%	476	33%		77%

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4. **When seeking capital show your natural enthusiasm, confidence, and rock-steady planning, combined with your prior results.**  
Ask for what you need, not what you think they will give.

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6. **Visualize Your Success.**

# Lessons From Women Entrepreneurs - \$50M Net Worth and Up

Woman	About	Lesson
<b>Arianna Huffington</b>	Founder & editor-in-chief of The Huffington Post; Forbes 52nd Most Powerful Woman in the World; <b>Net Worth \$50M</b>	" <b>Fearlessness</b> is like a muscle... the more I exercise it, the more natural it becomes to <b>not let my fears run me.</b> "
<b>Anita Roddick</b>	Founded The Body Shop –International retail chain and one of the first to prohibit animal testing and promote fair trade with developing countries. <b>Net worth \$65M</b> +/- upon her death.	If you do things well, do them better. <b>Be daring</b> , be first, be different, be just."
<b>Rashmi Sinha</b>	Forbes' Most Powerful Women Entrepreneurs and Fast Company's World's Top 10 Women Influencers. Sold her company to LinkedIn for <b>\$119M</b> .	"I like <b>independence</b> . I like to build things. Being an entrepreneur allows me to do both."
<b>Jessica Alba</b>	Founded The Honest Co. Forbes listed her net worth in 2016 at \$340M; <b>company worth \$1.6Bn</b> .	"... <b>surrounding yourself with people who are incredibly smart</b> , staying focused on the mission ..."
<b>Oprah Winfrey</b>	#20 n Forbes Most Powerful women list, and the top entrepreneur on the list. As a child she wore potato sacks for clothing. Founded The Oprah show & OWN broadcasting network. Forbes says <b>net worth at \$3 billion</b> .	She attributes a large part of her success to gratitude: <b>Don't concentrate on what you don't have.</b> "



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U.S. Small Business  
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## Travel Aficionado Extraordinaire

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