

# Small Business Facts

## SPOTLIGHT ON WOMEN-OWNED EMPLOYER BUSINESSES

March 2019, Nora Esposito, Research Fellow

### At A Glance

According to the Census Bureau's latest Annual Survey of Entrepreneurs (2016), there are 1,118,863 women-owned businesses with employees in the United States. Overall, 21 percent of employer businesses had majority female ownership, employing 9.4 million workers at a total annual payroll of \$318 billion and amassing \$1.5 trillion in total annual receipts. On average, a woman-owned firm had \$1.3 million in annual sales and employed eight workers. Small businesses constitute the majority of these firms with 99.9 percent of female-owned employer businesses having fewer than 500 employees.

### The Female Business Owner

Between 2014 and 2016, the number of women-owned employer firms grew six percent, double the three percent growth rate for employer firms owned by men. This was driven by a 14 percent increase in the number of employer businesses owned by minority women. Despite their growth, women-owned employer businesses' shares of employment and total receipts have remained unchanged. Women are underrepresented as they are the majority owners of 21 percent of employer businesses, and their businesses count for only 12 percent of total sales and 16 percent of total employment. This may be due to industry distribution as women-owned employer businesses are more heavily concentrated in services industries with lower sales and employment. Female employer business owners were also more likely to own a younger business and work fewer than 20 hours a week and less likely to have had prior experience owning a business at the time of the survey.

### Industry and Geographic Diversity

Women-owned businesses are active in a wide range of sectors and areas. Chart 1 outlines the industries with the largest number of workers employed by a female-owned business. The top sectors for employment were health care and social assistance with 1.7 million employees, and the accommodation and food services group with 1.5 million employees. Chart 2 shows the percentage of businesses owned by women in each state. States with the highest share of businesses owned by women were Alaska with 26 percent, and Missouri and Hawaii each with 25 percent of employer businesses owned by women.

*\*There are 9.9 million women-owned businesses total when including businesses without employees (or nonemployers) according to the latest government data. The U.S. Census Bureau's Annual Survey of Entrepreneurs is focused on employer businesses only. For information on both employer and nonemployer women-owned businesses, see the Office of Advocacy publication "Women's Business Ownership: Data from the 2012 SBO."*

### Chart 1. Top Industries by Employment at Women-owned Employer Firms

Industry	Employees	Number of Employer Businesses	Payroll (\$billion)
Health care and social assistance	1,718,000	187,000	\$49.4
Accommodation and food services	1,451,000	109,000	\$23.9
Administrative and support	1,216,000	70,000	\$35.8
Professional, scientific, and technical services	896,000	178,000	\$49.6
Retail trade	830,000	135,000	\$21.7

Source: U.S. Census Bureau, Annual Survey of Entrepreneurs

### Facts About Women-Owned Employer Businesses

**9.4 Million**

Workers Employed

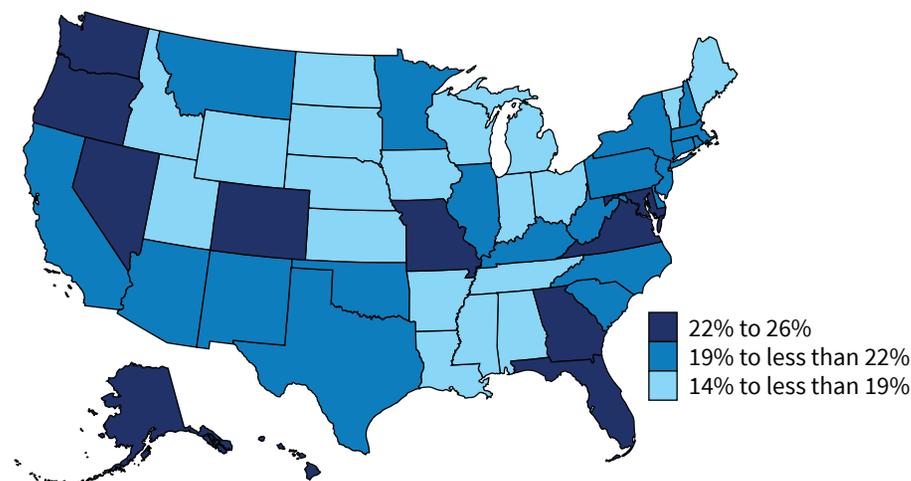
**1.1 Million**

Employer Businesses Owned by Women

**99.9%**

Are Small Businesses

### Chart 2. Share of Businesses Owned by Women



Source: U.S. Census Bureau, Annual Survey of Entrepreneurs