Produced by

The 2024 Impact of Women-Owned Businesses

Executive summary

The Impact of Women-Owned Businesses

The impact that women-owned businesses make on the economy is undeniable. Women own 14,017,000 businesses representing 39.1% of all businesses, employing 12,164,000 million people and generating $2.7 trillion.

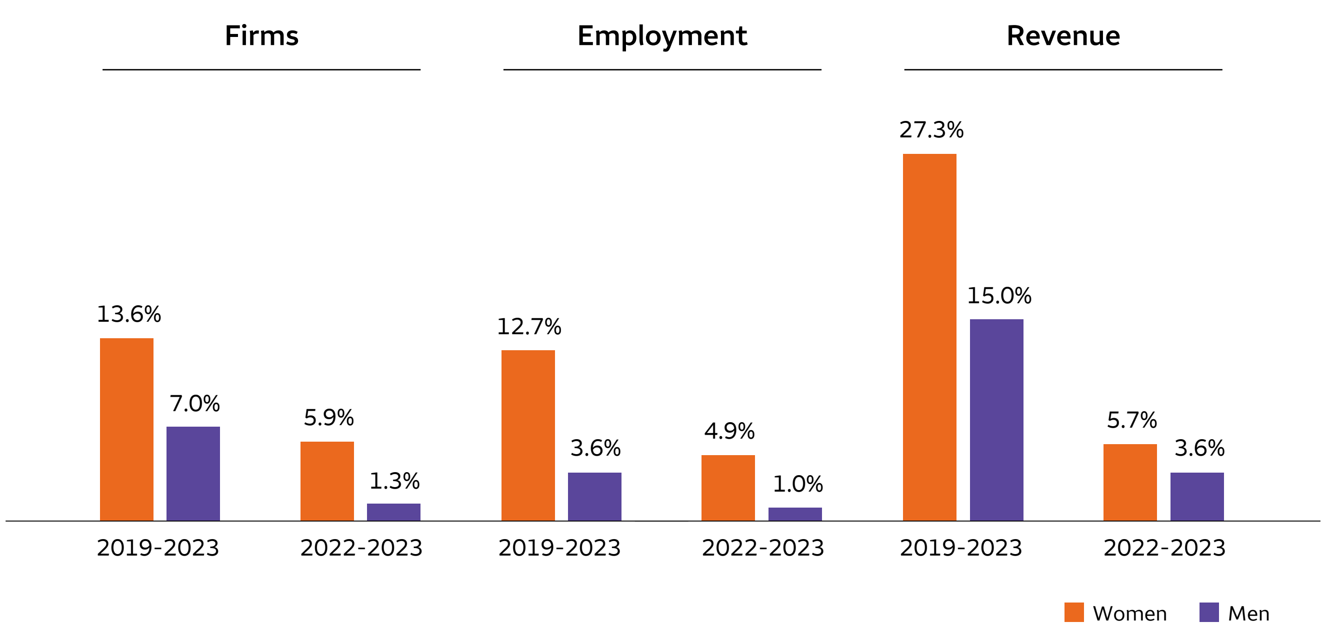
The impact of women-owned businesses

U.S.	Employ	Generate
14 million	12.2 million	$2.7 trillion
women-owned businesses 39.1% of all U.S. firms	people—9.2% of total employees	5.8% of total firm revenue nationally

The growth of women-owned businesses outpaced men's for firms, employment, and revenue during the pandemic and post-pandemic in 2023.

Between 2019 and 2023, the impact women-owned businesses made on the U.S. economy was palpable—adding 1.7 million firms, $579.6 billion in revenue, and 1.4 million jobs to the economy.

Firm, employment, and revenue growth rates by gender of the business owner



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The Impact of Women-Owned Businesses

Increasing women-owned businesses impact

Still, women could make a greater impact if the gaps between women of color (WOC) and white women-owned businesses, as well as between women and men, were closed.

Women-owned businesses have the potential of generating billions if not trillions of additional revenue

Total additional revenue if all women-owned businesses' average revenue matches men's	$7.9 trillion
Total additional revenue if minority-women-owned businesses' average revenue matches white women's	$667 billion
Total women-owned businesses' revenue in 2023	$2.7 trillion

Though small in number—39,938—women-owned businesses with 50+ employees average $82.5 million in revenue, make an outside impact on the economy, employing half of the women-owned businesses workforce and generating half the revenue.

Nearly half a million businesses with revenues between $250,000 and $999,999 showed their ambition by growing their aggregate revenues by about 30% during the pandemic. But their growth stalled at the million-plus mark—declining 1%. Understanding their challenges is critical in closing the gap in revenue for women-owned businesses.

The role of industry preference in business size

Women bring a different perspective to the businesses they start and grow. They often provide essential services such as child-, elder-, special needs-care, and other healthcare and social assistance, and education services. But providing these services comes at a cost. Women-owned nonemployers—nearly 90% of all women-owned businesses—average less than $50,000.

Women start these businesses because they are passionate about providing products and services in these sectors and because they can start these businesses without needing much outside capital.

As more women are becoming entrepreneurs, they are expanding into other fields such as finance, insurance, transportation, and warehousing.

Executive summary

The Impact of Women-Owned Businesses

The impact of the pandemic on women-owned businesses

Because many women-owned businesses are "personal," the COVID-19 pandemic hit them particularly hard. Their businesses were likely to be affected by lockdowns and Paycheck Protection Program (PPP) dollars were difficult to access during the first wave of distribution.

But, by 2021, federal stimulus money and philanthropic dollars reached women-owned businesses. They quickly adapted their businesses, relying on digital marketing, developing new products and services that leveraged technology, or providing safety products that were needed to protect people from COVID-19.

Those who were laid off had the time to think about starting a business, either because they needed the income or wanted to work for themselves. They also had financing options. Personal savings rates increased because there were fewer things to spend money on and because government stimulus money increased available cash. Home values rose. Startup entrepreneurs had savings and the ability to take out home equity loans, which provided the capital to bootstrap and launch new businesses. The number of new businesses surged.

Overcoming barriers to growth

Despite this impressive impact, women still lag behind men in these metrics. Women do not own as many businesses as men do nor do their businesses generate as many jobs or as much revenue as men do.

Making childcare affordable, improving access to capital, and continuing programs tailored to the specific needs of different groups will allow women-owned businesses—especially those owned by WOC—to realize their potential. That could be worth billions if not trillions of dollars, and millions of jobs—making a major impact on the economy.

About the report

The 2024 Impact of Women-Owned Businesses report—an inaugural report commissioned by Wells Fargo—delves into the data to determine what barriers women entrepreneurs—particularly WOC—face. More importantly, the report lays out specific steps that the government, corporations, philanthropists, and entrepreneurial support organizations took to dismantle those barriers and what still needs to be done.

Closing the disparities for women-owned businesses, particularly WOC, will grow the economy, create jobs, spur innovation, and improve U.S. competitiveness. Women, their families, and their communities will become more prosperous.

Ecosystem players can use *The 2024 Impact of Women-Owned Businesses* report as a guide to better understand and eliminate the gender disparities that impact women business owners. You can access the main report and demographic backgrounders here.

Dedication: Candace Waterman

Candace's life work embodied her belief in what women-owned businesses CAN do.

Wells Fargo is pleased to dedicate *The Impact of Women-Owned Businesses* (IWOB) report to Candace Ayles Waterman, who passed away on May 19, 2023. Affectionately known to loved ones as "Can," she was a trailblazer and champion for women entrepreneurs. This important work highlights the growth of women-owned businesses over the last four years, which has outpaced the market, demonstrating women have the grit, determination, and adaptability to act and achieve results. Even in the face of adversity, women had the confidence to launch new businesses, create innovative solutions, and expand into diverse markets. Candace's life work embodied her belief in what women-owned businesses CAN do.

Candace served as CEO of Women Impacting Public Policy (WIPP) and worked tirelessly to make significant strides in economic equity, access to capital, procurement inclusion, and access to the global marketplace for more than 14 million women-owned companies in the United States. With 35-plus years of experience, spanning both the private and public sector, Candace owned three successful companies, giving her firsthand knowledge of the barriers women-owned businesses face. Candace served as a U.S. Delegate of the W20, amplifying her influence as a global thought leader. Before heading WIPP, Candace held key positions at the Women's Business Enterprise National Council (WBENC), leading groundbreaking initiatives and successfully digitizing the certification program. Candace's unwavering commitment to education, diversity, inclusion, and operational excellence earned her numerous prestigious awards.

We are forever grateful for Candace's tireless advocacy on behalf of women entrepreneurs around the globe. Her passion and leadership will continue to inspire and empower women entrepreneurs for generations.

Contents

Introduction

Gender plays an important role in who has the wherewithal to start and grow a business. Rarely has this been more apparent than during the COVID-19 pandemic and the first year following that era.

The 2024 Impact of Women-Owned Businesses report—an inaugural report commissioned by Wells Fargo—dives deep into the patterns of women-owned businesses. It examines the impact of gender as it interacts with:

- **market conditions**
- **race and ethnicity**
- **business size** including employer and nonemployer status
- **industry**
- **geography**

The report goes beyond analyzing numbers to explain the causes that underlie the patterns. It chronicles the initial economic shock of COVID-19 between 2019 and 2020, the normalization of the pandemic between 2021 and 2022, and the beginning of the post-pandemic era in 2023.

Women-owned businesses, particularly those owned by women of color (WOC), were hard hit during the first year of the pandemic's economic shock. By the second year, these entrepreneurs proved their resilience by shifting their businesses online, expanding product or service offerings, and creating partnerships.

COVID-19's economic upheaval created challenges for many businesses. It also opened opportunities for women to develop new businesses that solved market pain points, provided greater personal fulfillment than previous jobs, accommodated caregiving responsibilities with flexible hours, or ensured financial stability.

Nonemployer businesses usually increase during economic shocks while employer firms decrease. Typically, nonemployer firm numbers grow during economic shocks while employer firms fall. But not this time. During the pandemic, the number of employer firms increased. People had the time and money to start businesses. In most cases, women-owned businesses grew at higher rates than those owned by men.

Now, 14 million women-owned businesses represent 39.1% of all U.S. businesses. Their ranks increased by 13.6% from 2019—the year before the pandemic—to 2023—the year the pandemic officially ended. In the past year, 2022 to 2023, their ranks increased by 5.9%.

The pandemic, coupled with the killing of George Floyd, focused attention on socioeconomic inequity. Government, corporations, financial institutions, and philanthropists reacted by funding an unprecedented level of grants, training, and mentorship for underrepresented groups.

Women-owned businesses, especially those owned by WOC, are coming out of the pandemic stronger than they did from the 2008 financial crisis.

Purpose

This research highlights the historical differences in wealth, business experience, size of networks, industry specialization, and capital access—particularly among WOC—that limit women's ability to start and grow businesses. It compares the recovery of women-owned business segments from the 2008 financial crisis to the pandemic to help inform policies, programs, and funding priorities. For a deeper dive into how different sectors fared between 2019 and 2023, demographic backgrounders are available.

Though the crisis brought on by the pandemic has subsided, work must continue to close gender gaps in entrepreneurship.

Ecosystem players—policymakers, funders, entrepreneurial supporting organizations, educators, researchers, media, and entrepreneurs—can use the report as a guide to better understand and eliminate the gender disparities that impact women business owners.

Sources, terms used, and definitions

Projected numbers for employer and nonemployer firms are based on the U.S. Census Bureau data.

- Employer firm numbers are based on Annual Business Survey (ABS) and Annual Survey of Entrepreneurs (ASE) data.
- Nonemployer firm numbers use the Nonemployer Statistics by Demographics series (NES-D) data, which is sourced from administrative records.

Both surveys use a revenue threshold of $1,000. Projections rely on multiple statistical models and are adjusted using the Gross Domestic Product (GDP) and level of consumption data from the U.S. Bureau of Economic Analysis (BEA), as well as data from the U.S. Bureau of Labor Statistics (BLS) and the Current Population Survey (CPS). A more detailed explanation of the methodology is on page 30.

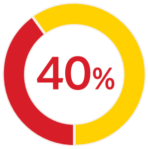
The terms male and female are typically used to refer to biological sex, while the terms men and women are used to refer to gender identity and are inclusive of transgender people. *The Impact of Women-Owned Businesses* report intends to be inclusive of all people, which is why the terms women- and men-owned businesses are used in place of female- and male-owned businesses. Currently, the U.S. Census Bureau only collects data for male and female categories.

Expanding data collection to include rural populations, LGBTQAI+, and people with disabilities is critical to understanding their unique challenges so policies, programs, and funding priorities can address them. As more demographics are added to the ABS and NES-D, and there are enough years of historical data to project the numbers, future reports will include them. In other populations, such as Native peoples, the small sample size results in large fluctuations in the numbers. The Census Bureau is working with tribal governments to improve data collection.

This report focuses on women-owned businesses, which the Census defines as 51.0% or more owned, operated, and controlled by one or more women. Please note that share numbers for women- and men-owned businesses do not add up to 100%. Missing are equally-owned businesses and other businesses.[1]

Women-owned businesses: Adaptability in the face of adversity

Over the decades, women-owned businesses have grown their numbers to nearly 40% of all businesses.



The COVID-19 pandemic brought unprecedented challenges for small businesses even as it fueled entrepreneurial activity in the United States.[2]

Lockdowns reduced consumer demand and increased supply-chain disruptions, making it challenging to meet demand. Early on, Black/African American-owned businesses, followed by Hispanic/Latino-, Asian-, immigrant-, and women-owned businesses, suffered a disproportionate decline in activity.[3] These businesses were also less likely to receive funding during the first wave of the Paycheck Protection Program (PPP), which was designed to provide relief to small businesses affected by the pandemic.[4]

Some businesses adapted and pivoted. Others saw demand for their products and services soar. The pandemic spurred a new wave of entrepreneurship. Personal savings rates increased because there were fewer things to spend money on and because government stimulus money increased available cash. Home values rose. Startup entrepreneurs had savings and the ability to take out home equity loans, which provided the capital to bootstrap and launch new businesses.[5]

Business applications spiked in July 2020, the summer after the pandemic's onset. Though the pace of applications has cooled, it remains historically high compared to pre-pandemic times.

Women turned to entrepreneurship for greater flexibility related to when and where they worked. Younger women wanted more financial stability. Mid-career women wanted control of their destinies and more meaningful work.[6]

Whether women were starting, stabilizing, or growing businesses, they benefited from government stimulus money, corporate and nonprofit support, and increased focus on closing economic disparities.

The impact of women-owned businesses

U.S.	Employ	Generate
14 million	12.2 million	$2.7 trillion
women-owned businesses 39.1% of all U.S. firms	people—9.2% of total employees	5.8% of total firm revenue nationally

Number of firms and share of women-owned businesses

The 14,017,000 women-owned businesses in the United States represent 39.1% of all U.S. enterprises. The 19,337,000 men-owned businesses account for 54% of all enterprises. Women-owned businesses employ 12,164,000 workers and generate $2.7 trillion in revenue.

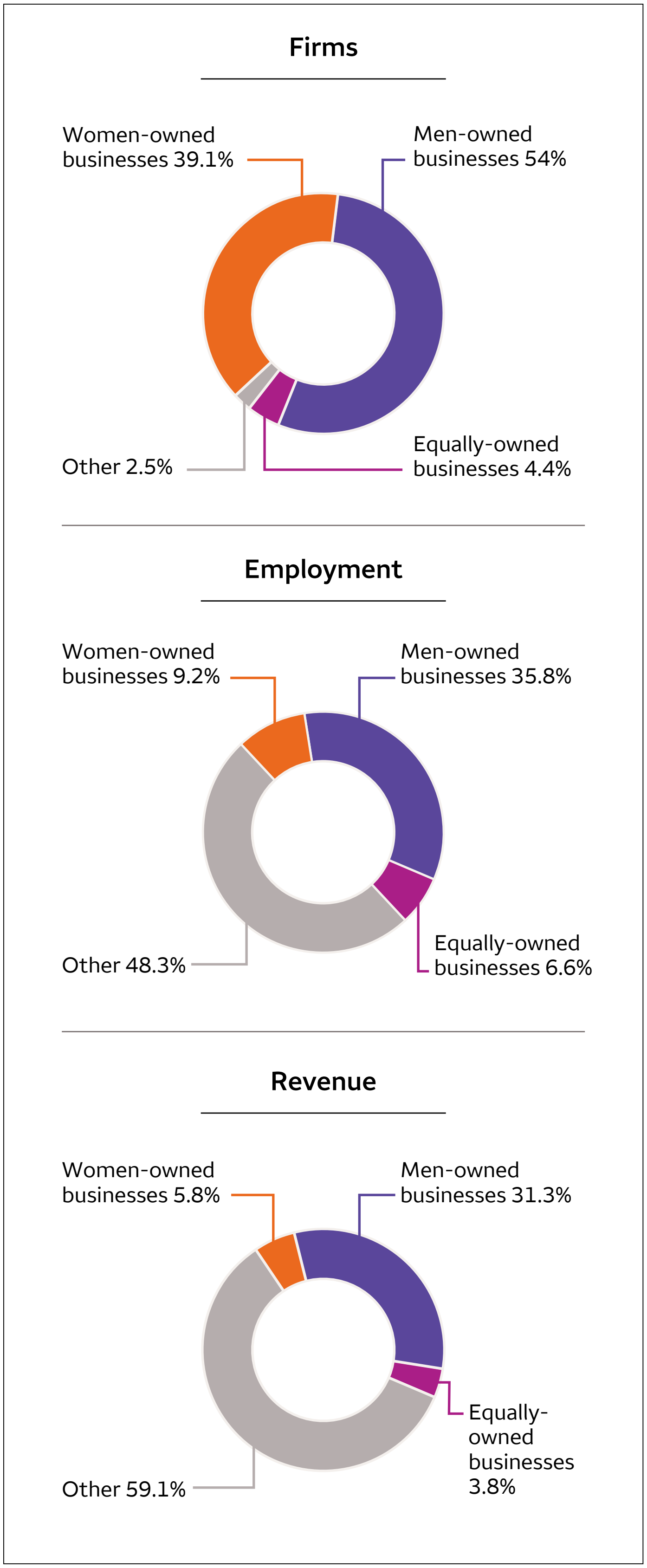
Mind the gaps: Women-owned businesses' economic contributions are uneven

Closing the disparity between women- and men-owned businesses grows the economy, creates jobs, spurs innovation, and improves U.S. competitiveness. Women and their families become more prosperous.

Over the decades, women-owned businesses have grown their numbers to nearly 40% of all businesses. Though many in number, their economic might—share of employment (9.2%) and revenue (5.8%)—has not kept pace. The reasons include:

- Many women need the flexibility of working when and where they want because they have caregiving responsibilities and their companies are part-time endeavors.[7]
- Women become entrepreneurs out of necessity when they can't find jobs or need to supplement their income.[8,9]
- Women's businesses are more likely to operate in low-revenue-producing sectors, such as personal care and beauty services or caregiving. Women choose these industries because they are passionate about the products and services they deliver and these businesses don't require much capital to start.

2023 share of firms, employment, and revenue by gender



Women-owned businesses have the potential of generating billions if not trillions of additional revenue

Total additional revenue if all women-owned businesses' average revenue matches men's — $7.9 trillion

Total additional revenue if minority-women-owned businesses' average revenue matches white women's — $667 billion

Total women-owned businesses' revenue in 2023 — $2.7 trillion

The growth of women-owned businesses outpaces the market

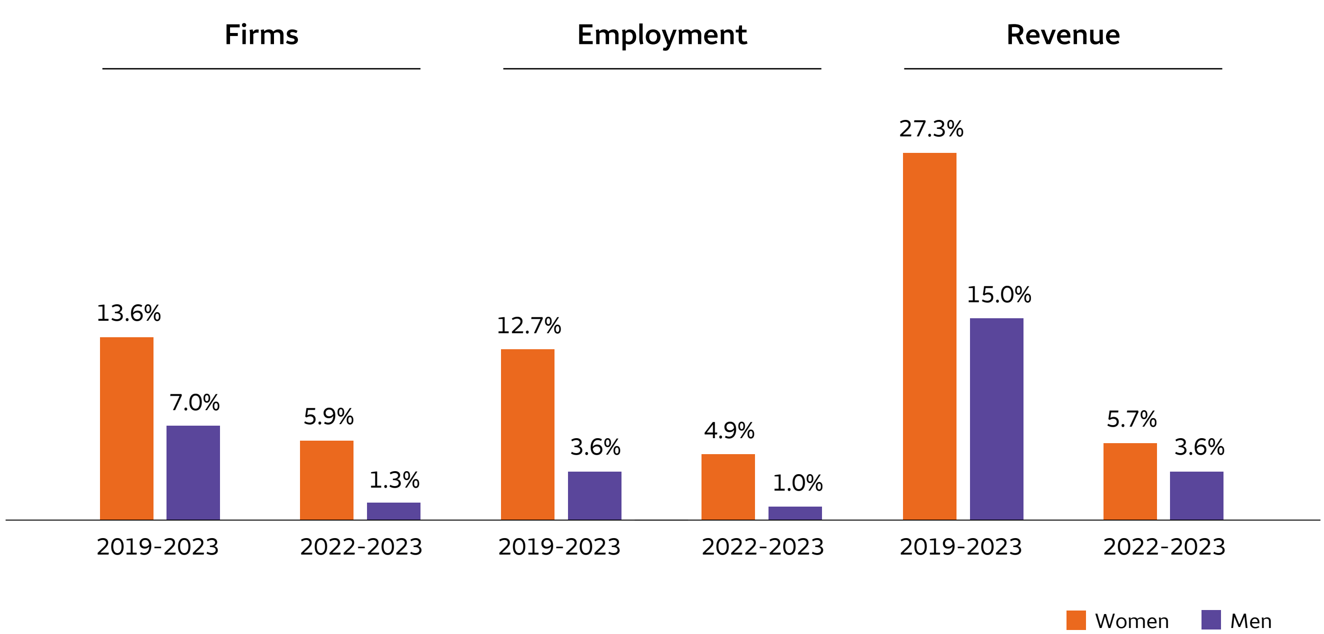
Number of firms: Between 2019 and 2023, the number of women-owned businesses increased at nearly double the rate of those owned by men. From 2022 to 2023, the rate of growth increased to 4.5 times that of men's. Women business owners demonstrated adaptability by:

- shifting to online sales by adding e-commerce and using social media and live streaming.
- adding new services such as virtual consultations, classes, and events.
- partnering with other businesses.

Employment: Both women-owned employer firms and those owned by men increased their share of the workforce, but the rate of growth for women's businesses was 3.5 times that of men's between 2019 and 2023, and nearly 5 times as high from 2022 to 2023.

Revenues: Both women- and men-owned businesses increased their share of total revenues. However, from 2019 to 2023, women-owned businesses' growth rate outpaced the rate of men's by 82.4% and, in 2022 to 2023 alone, by 59.1%.

Firm, employment, and revenue growth rates by gender of the business owner



Closing the disparity between women- and men-owned businesses grows the economy.

Equally-owned businesses increase the number of women entrepreneurs

Many firms are owned by a less-than-majority share of women , which is nonetheless significant. However, 51% ownership by women brings distinct benefits. These companies gain an edge in competing for targeted government and corporate business development opportunities through supplier-diversity programs. Numbers for 2023 indicate that 43.5% of all businesses are majority-owned or equally-owned by women.

Firms equally-owned by men and women generate a significant percentage of jobs and revenue for the economy.

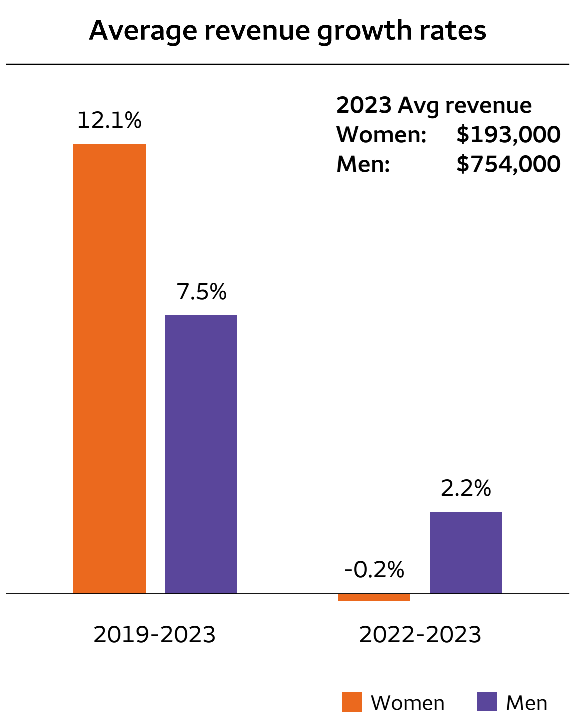
- The 1.6 million equally-owned businesses account for 4.4% of all businesses.
- Equally-owned businesses employ 8.7 million workers and generate $1.7 trillion in revenue.
- Nearly 53.3% are employer firms, which is a substantially higher share than either women- or men-owned businesses.

Small in size but growth-oriented

For many reasons, women-owned businesses remain smaller than those owned by men. Women face the challenge of running a business while primarily being responsible for family caregiving and household tasks. Moreover, women tend to have businesses in low-revenue-generation industries. Women often have smaller networks and more significant obstacles to accessing capital. Women's businesses proved nimble, agile, and growth-oriented during the pandemic, despite being smaller than men's and having fewer resources.

Average revenue by gender: Typically, men-owned businesses' average revenue ($754,000) is nearly four times that of women-owned businesses ($193,000). Between 2019 and 2023, women-owned businesses grew faster than those owned by men. But from 2022 to 2023, women-owned businesses' average revenue declined by 0.2%, while revenue of those owned by men increased by 2.2%.

2019-2023 women-owned businesses' growth in share of firms, employment, and revenues was uneven



Women business owners show strength in the face of adversity

Women-owned businesses faced a range of challenges in launching, stabilizing, and growing their businesses between the onset of the pandemic and the end of the crisis period, including lack of access to financing, decreased demand for their products or services, and increased caregiving responsibilities.

Despite these challenges, new and existing government programs and private initiatives have bolstered women-owned small businesses.

Overall, the pandemic has highlighted the existing barriers women-owned businesses face, disparities between men- and women-owned businesses, and the continued need for targeted support to ensure the survival and growth of women's businesses.

2020: The onset of the pandemic

While many businesses experienced supply chain interruptions and a decline in demand due to government-mandated lockdowns, others welcomed an increased need for their products.

The pandemic's silver lining was that people who were laid off and not going out had time to think about starting a business. Not only did they have the time, but many had more money. Savings rates were up, stock portfolios had grown, home values were up, interest rates were low, and loans were available. Business applications skyrocketed in July 2020 and remain high—reversing a decades-long slump in entrepreneurial activity.[10]

Number of firms: Despite pandemic-related business closures, women launched more businesses in 2020 than they closed. The number of men-owned businesses declined.

Employment: Women-owned businesses grew their workforces. Men-owned businesses' contracted slightly.

Revenue: Women-owned businesses' revenue increased while men-owned businesses' shrank.

2021: Vaccines became widely available, but serious challenges remained

Some businesses experienced tailwinds as their industries took off. Others faced significant headwinds during the pandemic, including reduced revenues, layoffs, and closures. Government aid and other support programs had a significant impact, helping businesses survive or adapt to the challenges.

Number of firms: Women-owned businesses inched up in 2021, while men-owned businesses slightly declined.

Employment: Women-owned businesses slightly increased their workforces but not as much as men-owned businesses.

Revenue: Women-owned and men-owned businesses' revenue increased at about the same rate.

2022: Businesses adjusted to the new normal

Many businesses successfully adapted to changing government regulations, new patterns of consumer behavior, and supply chain disruptions.

Number of firms: The number of men-owned businesses increased at more than double the rate for women-owned businesses.

Employment: Women-owned businesses' employment growth rate was triple that of men-owned businesses.

Revenue: Women-owned and men-owned businesses' revenue increased, but women's increased more.

2023: Headwinds build

To battle inflation, interest rates continue to rise.[11] Borrowing money is more expensive, loans are less likely to be approved, and venture capital is less available.[12] Consumer spending has slowed, and the risk of recession has loomed for much of the year.[13]

Number of firms: The growth rate of women-owned businesses eclipsed that of their men-owned counterparts.

Employment: Women-owned businesses dramatically outpaced the employment growth rate for men-owned businesses.

Revenue: Women-owned businesses' revenue growth rate exceeded that of their men-owned counterparts.

Trends in firms, employment, and revenue by pandemic years by gender

	Firms		Employment		Revenue	
	Women (millions)	Men (millions)	Women (millions)	Men (millions)	Women (millions)	Men (millions)
2019						
Numbers	12,338	18,078	10,792	45,566	$2,121,880	$12,673,616
2020						
Numbers	12,808	17,987	10,897	45,393	$2,179,860	$12,298,168
Growth rate	3.8%	-0.5%	1.0%	-0.4%	2.7%	-3.0%
2021						
Numbers	12,822	17,878	10,956	45,906	$2,317,954	$13,048,121
Growth rate	0.1%	-0.6%	0.5%	1.1%	6.3%	6.1%
2022						
Numbers	13,237	19,085	11,600	46,752	$2,555,873	$14,067,287
Growth rate	3.2%	6.8%	5.9%	1.8%	10.3%	7.8%
2023						
Numbers	14,017	19,337	12,164	47,217	$2,701,477	$14,571,036
Growth rate	5.9%	1.3%	4.9%	1.0%	5.7%	3.6%
2019-2023 growth rate	**13.6%**	**7.0%**	**12.7%**	**3.6%**	**27.3%**	**15.0%**

Comparing the recovery of women-owned businesses from the 2008 crisis to pandemic recovery

The financial crisis of 2008 hit businesses owned by WOC hard, except for those owned by Asian women. By 2012, these businesses had yet to recover average revenue, which was still down by 25% or more.

Governments in developed countries took a much more substantial role in stimulating their economies in response to COVID-19. The U.S. fiscal response was even more robust, accelerating recovery compared to other developed economies[14] and spurring higher rates of new business formation.[15]

Between 2019 and 2020, the average revenue for Black/African American and Hispanic/Latino women-owned businesses was down 9.7% and 5%, respectively. By 2023, average revenues had grown from 2019 levels by 32.7% and 17.1%, respectively.

A comparison of women-owned businesses' average revenue by race and ethnicity by economic cycle

	Pre-Fin Crisis 2007	Post-Financial Crisis 2012**		Steady Economy 2019		Onset of Covid-19 2020		Pandemic Ends 2023	
	(000)	(000)	Growth 2007-2012	(000)	Growth 2007-2019	(000)	Growth 2019-2020	(000)	Growth 2019-2023
All women-owned businesses	**$151.7**	**$142.1**	**-6.3%**	**$173.2**	**14.2%**	**$171.5**	**-1.0%**	**$192.7**	**12.4%**
Asian American	$167.7	$181.1	8.0%	$187.8	12.0%	$195.1	3.9%	$201.9	7.5%
Black/African American	$40.4	$27.8	-31.3%	$35.6	-11.8%	$32.1	-9.7%	$47.3	32.7%
Hispanic/Latino	$70.6	$53.5	-24.2%	$74.5	5.4%	$70.7	-5.0%	$87.2	17.1%
Native American/ Alaska Native*	$91.8	$69.1	-24.7%	$76.8	-16%	$90.3	17.6%	$142.8	86.0%
Native Hawaiian/ Other Pacific Islanders*	$100.9	$75.2	-25.4%	$62.8	-37.8%	$74.4	18.6%	$85.7	36.5%
White	$181.0	$189.0	4.4%	$196.2	8.4%	$201.7	2.8%	$221.0	12.7%

* The small sample size and the lack of corroborating data points for nonemployer firms make the numbers more likely to fluctuate and less reliable.
** The U.S. Census Bureau Survey of Businesses (SBO) was only collected every five years.

During the pandemic, women-owned businesses made an impressive impact on the economy: Adding **1.4 million jobs** and **$579.6 billion**.

During the pandemic, women-owned businesses benefited from the breadth and depth of aid from the government, corporations, philanthropic organizations, and entrepreneurial support organizations.

- The federal government, as well as state and local governments, provided a historic amount of stimulus money.[16]

- Community Development Financial Institutions (CDFIs) focus on providing capital and financial services to underserved communities. As economic first responders, CDFIs provide loans to small businesses to help them recover from economic shocks.[17] While banks generally reduce lending to small businesses during financial crises, CDFIs lend *into* economic storms, acting as shock absorbers. An unprecedented amount of funding was provided to CDFIs from the federal government,[18] banks, corporations,[19] and philanthropists.[20] Many CDFI funders provided flexible capital, allowing them to offer:
  - grants
  - lower interest rates
  - deferred loan payments
  - coverage for loan losses
  - improved technology so they can respond more quickly to the needs of small businesses
  - Many corporations and government entities—whether local, state, or federal—prioritized supplier-diversity programs during the pandemic. These programs supported minority- and women-owned businesses, which were disproportionately impacted by the economic consequences of the pandemic.[21]

- Major retailers boosted Black/African American women-owned businesses, in particular, by selling their products, creating incubators, offering training and mentorship programs, and providing financial support.[22]

- The Buy Black movement gained momentum following the social unrest and unequal impact of the pandemic on Black/African American-owned businesses. The movement more than doubled mentions on Yelp and Black/African American businesses received higher-than-average ratings.[23]

Women-owned businesses made an impressive impact on the economy. They added 1.4 million jobs and $579.6 billion to the economy between 2019 and 2023.

Clearly, the interventions worked.

During the pandemic, women-owned businesses benefited from the breadth and depth of support from:

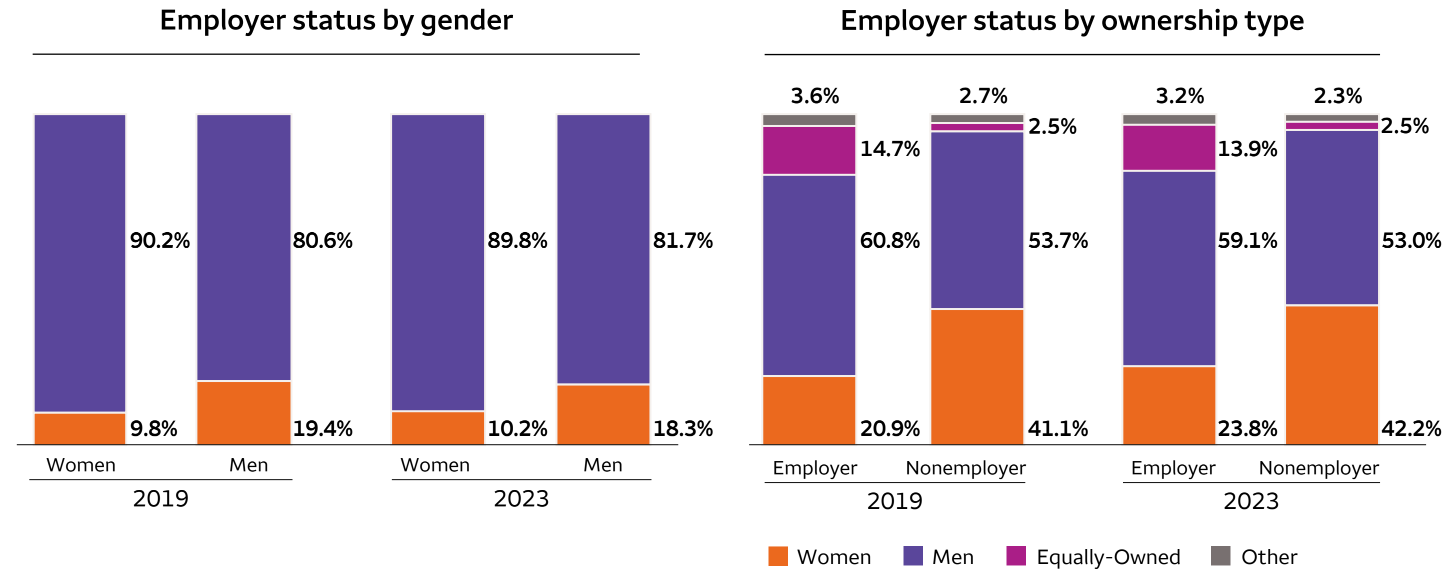
Government

Corporations

Philanthropic organizations

Entrepreneurial support organizations

Trends in employer status by gender and ownership type



Understanding the different impacts on employer and nonemployer firms

Typically, employers contract during economic shocks and nonemployer firms increase. Necessity entrepreneurs—those who can't find jobs or need to supplement their income—are most likely to be nonemployers. The pandemic was different. Women-owned employers and nonemployers both increased in numbers and did so at a faster rate than those owned by men.

Women-owned employer firms now number 1,424,000. Their share of all women-owned businesses grew from 9.8% in 2019 to 10.2% in 2023. Still, their share of all employers is only 23.8% compared to 59.1% for men-owned businesses.

Women now own 12,593,000 nonemployer firms. Their share of all nonemployers grew from 41.1% in 2019 to 42.2% in 2023.

Employer firms innovate and grow

Employer firms create jobs and are more likely than nonemployer firms to develop innovative products and services and increase productivity. These firms tend to be larger and more established than nonemployer firms, with the resources to invest in growth and weather economic storms.

Though far fewer in numbers (1.4 million) than nonemployer firms (12.6 million), they play an outsized role in the economy. Impressively, women's ownership share of employer firms increased from the pre-pandemic era to the post-pandemic period, while men's decreased. Women increasingly own employer firms.

Number of employer firms: There are 2.5 times as many men-owned employers (3,533,000) as women-owned employers (1,424,000). Between 2019 and 2023, the number of women-owned employers grew by 17.8%. Men-owned employer firms grew by 0.7%. From 2022 to 2023, the number of women-owned firms grew by 5.9% compared to only 0.1% for those owned by men.

Employment: Men-owned employers have nearly four times as many workers (47.2 million) as women-owned employers (12.2 million). Between 2019 and 2023, the overall workforce of women-owned employers grew by 12.7%, while men-owned employers grew by 3.6%. From 2022 to 2023, women-owned employers' workforce grew by 4.9% compared to 1.0% for their men-owned counterparts.

Revenue: Men-owned employers generate nearly six times the revenue ($13.5 trillion) of women-owned employers ($2.3 trillion). Between 2019 and 2023, women-owned employers' revenue grew by 26.2%, while men-owned employers grew by 14.3%. From 2022 to 2023, women-owned employers' revenue grew by 4.4% compared to 3.1% for their men-owned counterparts.

Nonemployer firms provide financial stability in uncertain times

Nonemployer firms have no paid employees. They can be individual gig economy workers, startups that will go on to hire, or established businesses that rely on contract workers. Examples include real estate agents, social media managers, tutors, and virtual assistants.

During the pandemic, the disproportionate effect of job losses on women and the need for flexibility around caregiving responsibilities led many to turn to entrepreneurship out of financial necessity or the need for flexibility. Necessity and flexibility entrepreneurs usually fall in the nonemployer category and may return to the workforce when the job market improves, or the need for flexibility disappears.[24] Nonemployer firms can be a primary or supplemental source of income for their entrepreneurs.

Most small businesses are nonemployer firms. Both women's and men's share of nonemployer small businesses is rising. The reasons include:

- Online platforms, such as Uber, Etsy, and Fiverr, make starting and running businesses easier without investing in traditional infrastructure, such as office space or equipment.
- The growth of remote work enables people to start businesses from anywhere in the world.
- Social media platforms like Facebook, Instagram, and TikTok make connecting with potential customers and partners easier.
- The development of new technologies, such as artificial intelligence and machine learning, is making it easier for businesses to automate tasks and operate more efficiently.

Women are more likely than men to own nonemployer firms.

Nonemployer firms represent a large percentage of all firms but only a small percentage of total revenues.

Number of nonemployer firms: Currently, there are 12.6 million women-owned nonemployer firms and 15.8 million men-owned nonemployers. As COVID raged between 2019 and 2023, the number of women-owned nonemployer firms increased by 13.1% and men-owned employers by 8.5%. From 2022 to 2023, women-owned nonemployers increased by 5.9% and men-owned employers grew by 1.6%.

Revenue: Men-owned nonemployers generate 2.5 times the revenue ($1.1 trillion) of women-owned nonemployers ($419.4 billion). Between 2019 and 2023, revenues for women-owned nonemployer firms increased by 33.7% and revenues of those owned by men by 24.7%. From 2022 to 2023, women-owned nonemployers' revenue increased by 13.6%, and the increase for men-owned nonemployers is 10.6%.

Trends in racial and ethnic diversity: Women of color make progress

While progress is uneven, WOC are becoming more entrepreneurial and increasingly going for the brass ring by hiring employees. The growing number of businesses owned by minority women reflects this trend.

Disparities for WOC are greatest for employer firms

Women are underrepresented as entrepreneurs: They account for more than half the U.S. population, but only 42.2% of nonemployer firms and 23.8% of employer firms. Relative to the percentage they represent of the women's population, Black/African American and Hispanic/Latino women are the most underrepresented demographic segments among women-owned employers.

Black/African American and Hispanic/Latino women:

- are less likely to have access to capital than men.[25]
- are more likely to have caregiving responsibilities than men and white women, making it more difficult to commit full-time to their businesses.[26]

Yet, Black/African American women-owned employers have the highest average number of employees: 9.4 compared to the next highest category of 8.7 for white women-owned employers. Black/African American women-owned businesses are outpacing all women-owned businesses in employment growth rates. However, when Black/African American women seek financing for things like marketing, lenders are more likely to deny loans or charge higher interest rates, denying them the ability to achieve their full revenue potential.

During the pandemic and the transition to the post-pandemic period, Hispanic/Latino women-owned employers increased at a much higher rate than all women-owned employers. This trend was also true for employment.[27]

While Black/African American women-owned employers increased at rates similar to all women-owned employers, their employment and revenues increased at a higher rate than for all women-owned employers.

Trends in number of firms, employment and revenues for women-owned employers by racial/ethnic group

Number of employer firms

Race/Ethnicity	2023 number of firms*	% chg 2019-2023	% chg 2022-2023	Share of all women-owned employers	Share of population**
All women-owned businesses	**1,424,080**	**17.8%**	**5.9%**	**100.0%**	**100.0%**
Minority	386,848	24.0%	6.1%	27.2%	40.7%
Asian American	188,006	12.2%	4.1%	13.2%	6.3%
Black/African American	56,350	18.3%	5.0%	4.0%	13.9%
Hispanic/Latino	126,819	41.2%	9.7%	8.9%	18.5%
Native American/Alaska Native***	11,631	35.0%	1.1%	0.8%	1.3%
Native Hawaiian/Other Pacific Islanders***	4,042	84.3%	19.5%	0.3%	0.3%
White	1,164,051	16.6%	6.2%	81.7%	59.2%

Employment

Race/Ethnicity	2023 total employment	% chg 2019-2023	% chg 2022-2023	Share of all women-owned employers	Avg # of employees*
All women-owned businesses	**12,163,517**	**12.7%**	**4.9%**	**100.0%**	**8.5**
Minority	1,458,549	17.4%	6.4%	12.0%	3.8
Asian American	1,447,903	17.9%	6.8%	11.9%	7.7
Black/African American	528,424	17.8%	7.6%	4.3%	9.4
Hispanic/Latino	845,229	15.5%	5.5%	6.9%	6.7
Native American/Alaska Native***	72,970	29.3%	3.2%	0.6%	6.3
Native Hawaiian/Other Pacific Islanders***	11,926	-14.1%	-5.6%	0.1%	3.0
White	10,102,295	10.6%	4.5%	83.1%	8.7

Revenue

Race/Ethnicity	2023 total revenue (000)	% chg 2019-2023	% chg 2022-2023	Share of all women-owned employers	Avg rev per firm (000)
All women-owned businesses	**$2,282,116,200**	**26.2%**	**4.4%**	**100.0%**	**$1,602.5**
Minority	$404,207,858	47.1%	26.1%	17.7%	$1,044.9
Asian American	$217,181,931	18.5%	3.1%	9.5%	$1,155.2
Black/African American	$58,487,248	60.0%	11.2%	2.6%	$1,037.9
Hispanic/Latino	$115,363,258	18.5%	4.1%	5.1%	$909.7
Native American/Alaska Native***	$11,248,285	28.4%	2.3%	0.5%	$967.1
Native Hawaiian/Other Pacific Islanders***	$1,927,136	24.3%	1.3%	0.1%	$476.8
White	$1,989,746,493	25.1%	4.3%	87.2%	$1,709.3

* Black/African American and white Hispanic/Latino business owners are counted in both race and ethnicity segments. Demographic segments will therefore add up to more than the total number of firms, employment, and revenue.

** Women of Color in the United States (Quick Take)," Catalyst, February 1, 2023. https://www.catalyst.org/research/women-of-color-in-the-united-states/.

*** The small sample size and the lack of corroborating data points for these demographics make the numbers more likely to fluctuate and less likely to be reliable.

Women of color are increasingly turning to solopreneurship, but revenue gaps remain

Women of color represent a share of women-owned nonemployers similar to, if not higher than, their share of the women's population. In fact, Black/African American and Asian women represent a higher fraction of women-owned nonemployers than their share of the overall population.

Based on average revenues, Black/African American women-owned employers have the smallest firms and Asian women have the largest. During the pandemic and transition periods, revenue growth was highest for Black/African American, Asian, and, most especially, Hispanic/Latino women-owned nonemployer firms.

Trends in number of firms and revenues for women-owned nonemployers by racial/ethnic group

Number of nonemployer firms

Race/Ethnicity	2023 number of firms*	% chg 2019-2023	% chg 2022-2023	Share of all women-owned nonemployers	Share of population**
All women-owned businesses	**12,592,636**	**13.1%**	**5.9%**	**100.0%**	**100.0%**
Minority	4,016,466	2.5%	6.0%	31.9%	40.7%
Asian American	1,125,673	13.6%	3.8%	8.9%	6.3%
Black/African American	2,022,893	12.6%	4.0%	16.1%	13.9%
Hispanic/Latino	1,882,597	5.8%	-0.7%	14.9%	18.5%
Native American/Alaska Native***	81,908	-44.7%	1.5%	0.7%	1.3%
Native Hawaiian/Other Pacific Islanders***	29,068	-21.4%	6.4%	0.2%	0.3%
White	9,333,094	11.3%	6.6%	74.1%	59.2%

Revenue

Race/Ethnicity	2023 total revenue (000)	% chg 2019-2023	% chg 2022-2023	Share of all women-owned nonemployers	Avg rev per firm (000)
All women-owned businesses	**$419,360,832**	**33.7%**	**13.6%**	**100.0%**	**$31.5**
Minority	$102,639,337	39.1%	16.8%	24.5%	$25.6
Asian American	$48,040,240	40.0%	16.9%	11.5%	$42.7
Black/African American	$39,784,932	36.6%	16.2%	9.5%	$19.7
Hispanic/Latino	$59,830,844	43.2%	17.7%	14.3%	$31.8
Native American/Alaska Native***	$2,112,407	-35.4%	4.7%	0.5%	$25.8
Native Hawaiian/Other Pacific Islanders***	$911,154	0.2%	16.4%	0.2%	$31.3
White	$330,525,568	31.6%	12.8%	78.8%	$35.4

* Black/African American and white Hispanic/Latino business owners are counted in both race and ethnicity segments. Demographic segments will therefore add up to more than the total number of firms, employment, and revenue.

** Women of Color in the United States (Quick Take)," Catalyst, February 1, 2023. https://www.catalyst.org/research/women-of-color-in-the-united-states/.

*** The small sample size and the lack of corroborating data points for nonemployer firms make the numbers more likely to fluctuate and less likely to be reliable.

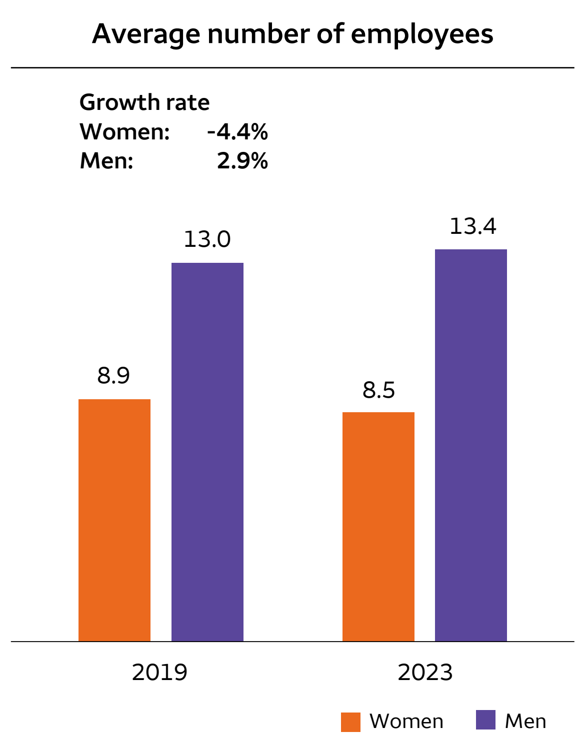
Business size: Challenges and opportunities

Women-owned businesses by number of employees

Generally, women-owned businesses average fewer employees (8.5) than those owned by men (13.4); women's businesses are about two-thirds the size of men's. Before the pandemic, women-owned businesses employed 8.9 people and men-owned 13.0 on average.

The number of women-owned employer firms jumped 17.8%, while men's firms increased only 0.7% between 2019 and 2023. The dramatic rise in new employer firms is pushing down the average number of employees. This is because most younger businesses haven't achieved their full revenue potential and typically employ fewer workers than established businesses.

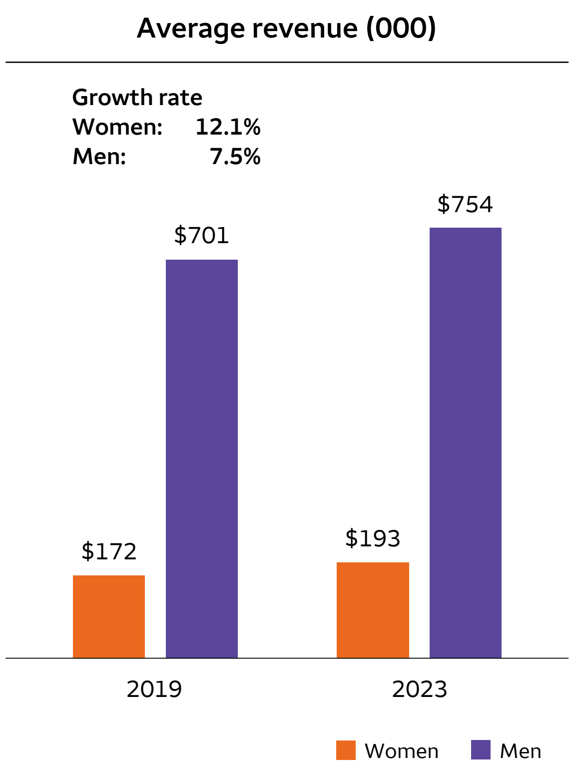
Women-owned businesses by number of employees



Women-owned businesses by revenue

In 2023, women-owned businesses averaged $193,000 in revenue compared to $754,000 for men-owned businesses. From a revenue perspective, women-owned businesses are dramatically smaller than men's at about one-quarter the size. Overall, from 2019 to 2023, the average revenue of women-owned businesses rose by 12.1%, but declined slightly by 0.2% from 2022 to 2023.

Women-owned businesses by revenue



Number of firms by revenue category: With the significant uptick in women starting businesses during the pandemic and beyond, it is no surprise that growth was greatest for companies with sales less than $50,000. Growth for companies generating higher revenues was relatively stable at about 7%.

Employment by revenue category: The surge in women starting employer firms led to a 75% leap in the employee growth rate of companies generating less than $50,000 in total revenue. The percentage increase remained relatively high for higher-revenue categories, ranging from 41.4% for firms with revenues of $50,000 to $99,999 to 16.5% for those with revenues between $500,000 and $999,999.

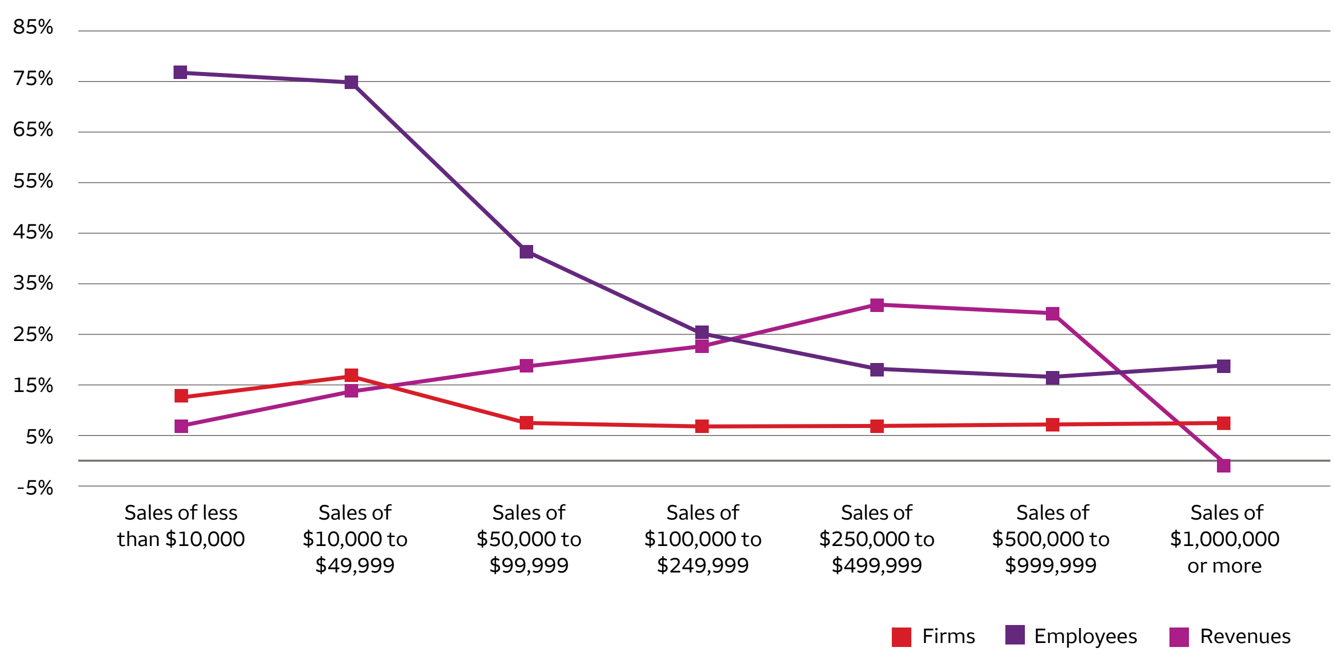
Business income by revenue category: The growth rate increased dramatically as revenue category sizes increased, from 6.7% for women-owned businesses earning less than $10,000 to 29.3% for those between $500,000 and $999,999.

Women have progressed in growing their businesses, but getting past the $1 million mark remains challenging. Companies with revenues between $250,000 and $999,999 grew by over 30%, while firms generating more than a million dollars declined by 1%.

Women face a society that discourages them from achieving greater heights, as evidenced by the persistent challenges they must overcome with accessing capital from lenders or investors and the lack of affordable childcare, which would allow them to focus on growing their businesses.

- Two-thirds of businesses today cannot access either some or all of the capital they truly need to succeed.[28]
- The lack of affordable, quality childcare presents a major obstacle to work for mothers, who shoulder an outsized responsibility for unpaid family caregiving when no other options exist.[29]

2022-2023 growth rates for women-owned businesses by size of business



Women-owned businesses with 50 or more employees make a significant impact on the economy

Women-owned businesses with 50-plus employees may be few in number, but they contribute mightily to the economy. They account for nearly half of women-owned businesses' employment and revenues. Across all size categories, their growth rate was dramatically higher than men-owned businesses, contributing to the recovery of the U.S. economy.

The share of women-owned businesses with 50-plus employees (15.7%) is much smaller than men-owned businesses (55.5%). Closing this gap has the potential to impact the economy significantly.

Trends in businesses with 50+ employees

	Number of employees				
	50-99	**100 to 249**	**250 to 499**	**500+**	**50+**
Women-owned businesses					
2023 number of firms	22,695	12,820	2,649	1,774	39,938
Share of employee size category	17.2%	16.4%	12.4%	8.0%	15.7%
Share of women-owned businesses	1.6%	0.9%	0.2%	0.1%	2.8%
2019-2023 firm growth	25.8%	66.6%	48.4%	50.8%	39.2%
2022-2023 firm growth	10.4%	13.1%	14.5%	15.9%	11.8%
Total employment	1,387,322	1,671,632	1,024,719	1,884,442	5,968,115
Total revenues	**$253,736,526**	**$415,709,067**	**$200,025,140**	**$400,350,294**	**$1,269,821,027**
Men-owned businesses					
2023 number of firms	79,104	43,613	10,577	7,639	140,933
Share of employee size category	59.8%	55.8%	49.6%	34.4%	55.5%
Share of women-owned businesses	2.2%	1.2%	0.3%	0.2%	4.0%
2019-2023 firm growth	2.7%	8.8%	-0.2%	9.0%	4.7%
2022-2023 firm growth	1.0%	2.4%	1.4%	2.4%	1.5%
Total employment	5,515,220	6,650,149	3,832,056	11,749,228	27,746,654
Total revenues	**$1,757,142,698**	**$2,226,211,485**	**$1,575,564,617**	**$3,280,256,613**	**$8,839,175,413**

Women-owned businesses with 50+ employees account for nearly half of women-owned businesses' employment and revenues.

Industry trends:
Women are active in more industries

**Women are diversifying.
In 2023, half of all women-owned businesses are concentrated in four industries, an increase from three industries more than a decade ago.**

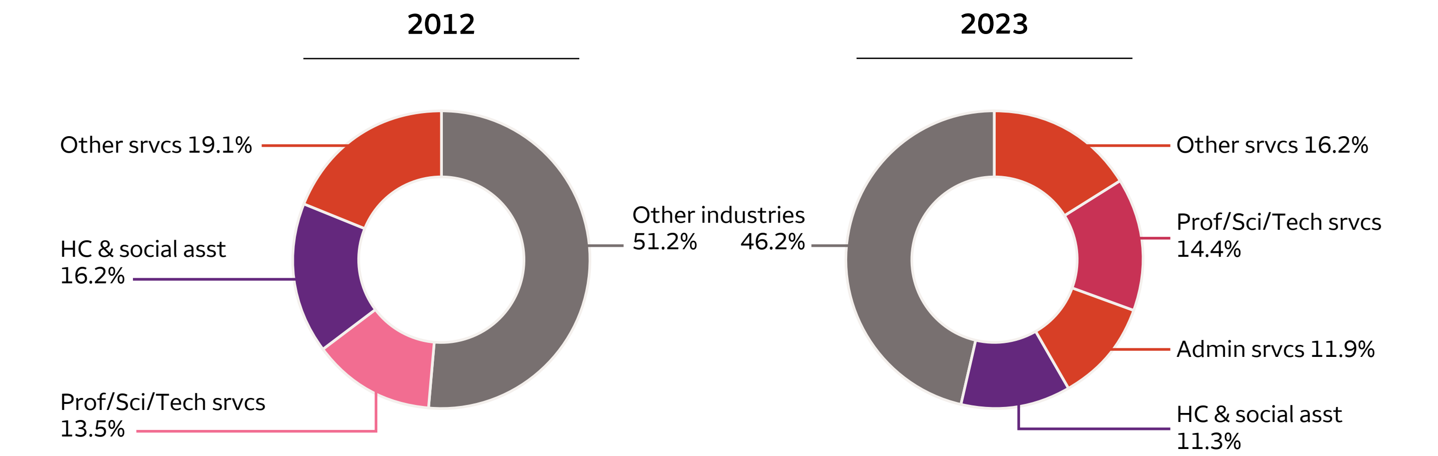
The most significant growth came in the transportation and warehouse industry.

Women bring a different perspective to the businesses they start and grow. They often provide essential services such as child-, elder-, and special needs-care as well as other healthcare, social assistance, and education services. But providing these comes at a cost. Women-owned nonemployers—about 90% of all women-owned businesses—average less than $50,000.

More than a decade ago, women-owned businesses were concentrated in just three industries. Now, half of all women-owned businesses are concentrated in four industries: other services; professional/scientific/technical services; administrative and support and waste management and remediation services; and healthcare and social assistance. Women are diversifying, which is good news.

Between 2019 and 2023, for women-owned employers, the sectors that saw the most significant growth—about 50%—in the number of firms were finance and insurance firms and real estate firms. For women-owned nonemployers, the most significant growth came in the transportation and warehouse industry (51%), followed by other services (32.7%), and education services (24.8%).

Industry trends for women-owned businesses



Other services is the most popular industry for women-owned businesses. These businesses include hair and nail salons, pet care, laundries, and dry cleaners.

Number of firms: In 2023, women owned 2,267,000 other services companies, accounting for 16.2% of all women-owned businesses. From 2019 to 2023, the number of these businesses grew by 32.7%. However, from 2022 to 2023, the number decreased by 2.7%.

Employment: In 2023, other services firms employ 601,000 workers. From 2019 to 2023, the workforce increased by 7.8%. However, from 2022 to 2023, the number decreased by 0.5%.

Revenue: These businesses generate $92,073,000. From 2019 to 2023, total revenues grew by 15.3%. This sector also had the lowest average revenue.

Professional, scientific, and technical services, which includes legal, bookkeeping, and consulting, was the second most popular industry.

Number of firms: In 2023, women owned 2,017,000 businesses in this category, accounting for 14.4% of all women-owned businesses. From 2019 to 2023, these firms grew by 14.1%. From 2022 to 2023 alone, the number increased by 4.9%.

Employment: In 2023, these firms employ 1,000,000 people. From 2019 to 2023, their workforce declined by 1.8%. Of the most popular industries, this sector also had the lowest average number of employees.

Revenue: In 2023, these firms will generate $249,358,000 in revenue. From 2019 to 2023, total revenues grew by 17.4%. From 2022 to 2023, the number increased by 5%.

Administrative and support and waste management and remediation services ranked third. The industry includes office administration, staffing agencies, and security and surveillance services.

Number of firms: In 2023, women own 1,671,000 businesses of this type, accounting for 11.9% of all women-owned businesses. From 2019 to 2023, the number of these businesses grew by 13.4%. From 2022 to 2023, the number increased by 11.4%.

Employment: In 2023, these firms employ 1,334,000 people. From 2019 to 2023, total employment declined by 6%. However, from 2022 to 2023, the number increased by 2.9%.

Revenue: In 2023, these firms generate $144,649,000 in revenue. From 2019 to 2023, total revenue grew by 15.1%. Revenue increased 4% from 2022 to 2023.

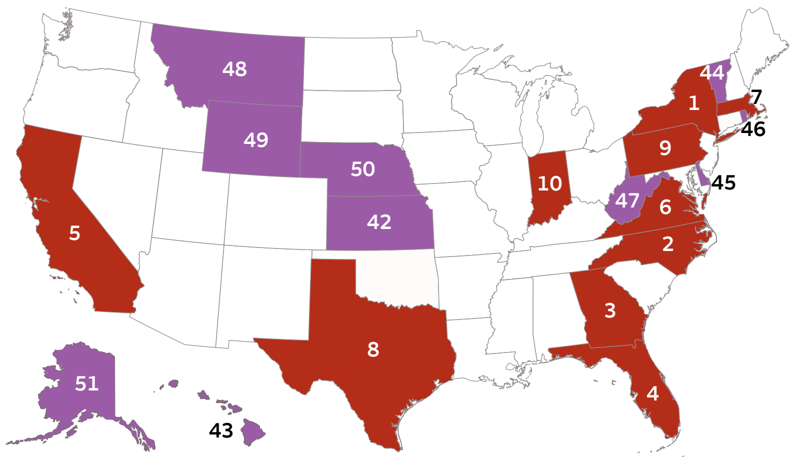
Health care and social assistance ranked fourth. The industry includes child daycare and home care providers, mental health practitioners, and physicians.

Number of firms: In 2023, women own 1,588,000 healthcare and social assistance companies, accounting for 11.3% of women-owned businesses. From 2019 to 2023, the number of these businesses declined by 9.3%. From 2022 to 2023 alone, the number decreased by 6.2%.

Employment: In 2023, these firms employ 2,268,000 people. From 2019 to 2023, total employment grew by 5.8%. From 2022 to 2023 alone, the number increased by 1.8%.

Revenue: In 2023, these firms generate $212,924,000 in revenue. From 2019 to 2023, total employment grew by 12.2%. From 2022 to 2023, the number increased by 3.3%.

Geographic trends: The conditions that create and suppress opportunities



Top 10 states		Bottom 10 states	
1	New York	42	Kansas
2	North Carolina	43	Hawaii
3	Georgia	44	Vermont
4	Florida	45	Delaware
5	California	46	Rhode Island
6	Virginia	47	West Virginia
7	Massachusetts	48	Montana
8	Texas	49	Wyoming
9	Pennsylvania	50	Nebraska
10	Indiana	51	Alaska

The report ranks the economic vibrancy of **women-owned businesses by state (and the District of Columbia) and top 50 Metropolitan Statistical Areas (MSAs)** by averaging the growth rates during the pandemic for the number of women-owned firms and employment and the share of women-owned businesses for firms, employment, and revenue of all businesses between 2019 and 2023.[30]

State economic clout rankings

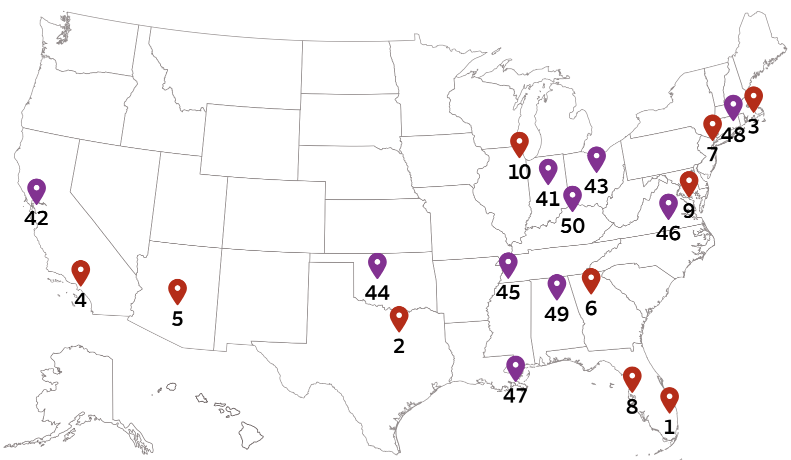
The states with the highest economic clout for women-owned businesses had strong economies during the pandemic with supportive environments for women-owned businesses. Women-owned businesses in the top ten MSAs had strong growth between 2019 and 2023 in firm numbers and employment. Their share of firms, employment, and revenue of all businesses was also high.

Weaker economies hindered the growth of women-owned businesses in the bottom ten states. Women-owned businesses in these states had lower growth rates for firm numbers and employment and represented a smaller share of the number of all businesses, employment, and revenue. Other contributing factors might have included a lack of access to capital and resources such as training, mentorship, and networking opportunities.

MSA economic clout rankings

The top ten MSAs had strong economies with a mix of industries, a strong job market, entrepreneurial cultures in which there was access to capital, along with government contracting opportunities, as well as training, mentorship, and networking opportunities to help them meet the demands of a changing economy. Women-owned businesses had strong growth during the pandemic in firm numbers and employment, and a high share of women-owned businesses in terms of firm numbers, employment, and revenue.

The bottom ten MSAs have several things in common that impede women from starting and growing companies. Women-owned businesses were less likely to grow in weaker economies and represent a lower share of all businesses in terms of firm numbers, employment, and revenue. There were fewer resources available to help women-owned businesses weather the economic storm that the pandemic wrought.



Top 10 MSAs

1 Miami-Fort Lauderdale-West Palm Beach, FL
2 Dallas-Fort Worth-Arlington, TX
3 Boston-Cambridge-Newton, MA-NH
4 Los Angeles-Long Beach-Anaheim, CA
5 Phoenix-Mesa-Scottsdale, AZ
6 Atlanta-Sandy Springs-Roswell, GA
7 New York-Newark-Jersey City, NY-NJ-PA
8 Tampa-St. Petersburg-Clearwater, FL
9 Washington-Arlington-Alexandria, DC-VA-MD-WV
10 Chicago-Naperville-Elgin, IL-IN-WI

Bottom 10 MSAs

41 Indianapolis-Carmel-Anderson, IN
42 San Jose-Sunnyvale-Santa Clara, CA
43 Columbus, OH
44 Oklahoma City, OK
45 Memphis, TN-MS-AR
46 Richmond, VA
47 New Orleans-Metairie, LA
48 Hartford-West Hartford-East Hartford, CT
49 Birmingham-Hoover, AL
50 Louisville/Jefferson County, KY-IN

Conclusion: Women-owned businesses can increase their impact on the economy

Women-owned businesses make significant contributions to the economy. In 2023, 14 million women-owned businesses employ 12.2 million people and generate $2.7 trillion in revenue.

Still, women could make a greater impact.

While they represent 39.1% of U.S. firms, women-owned businesses account for only 9.2% of the workforce and 5.8% of revenue. Closing the gap in average revenues between WOC- and white women-owned businesses has the potential to generate $667 billion in additional revenue. Closing the gap in average revenues between women- and men-owned businesses has the potential of generating $7.9 trillion in additional revenue.

Women are energizing the post-COVID economy, but their impact can be even larger with additional support. Remote work provides more flexibility for balancing work and life, yet affordable child care remains a hurdle. Similarly, access to capital and financing remains challenging. Understanding and addressing these challenges will further strengthen women-owned businesses and help close the earnings gap between women and men.

The contrast in the recovery between the pandemic and the financial crisis showed that women-owned businesses CAN[31] thrive with support. To sustain the surge in women launching businesses—especially among women of color—and close the gap in company size between women- and men-owned businesses, the ecosystem for women-owned businesses must create conditions that help these businesses start up and thrive. The following actions will contribute to creating these conditions.

Increase access to capital: Women entrepreneurs often face challenges accessing capital from banks, venture capitalists, or other financing institutions. This lack of access can make it difficult for women to start or grow businesses. Options vary based on how fast women want to grow, the businesses' potential, and the business's stage. Credit-challenged women seeking $50,000 or less need different connections than those who are scaling their businesses quickly and need venture capital. Most women are seeking small amounts of capital. These options need to be expanded, applications need to be simplified, and approvals or denials made quickly.

Raise awareness of financing options: Since the 2008 financial crisis, various new financing options have become available, including rewards-, debt-, and equity-based crowdfunding and online lenders. Microloans from mission-driven lenders, specialized loans, and grants to women-owned businesses have increased. Other options, such as revenue-based financing and merchant cash advances, have expanded. However, not all providers are reputable and women may feel intimidated by so many choices. Education about the pros and cons of each is essential, accompanied by connections to reputable providers.

Improve access to markets: Women entrepreneurs often have smaller networks, which can limit their ability to reach potential customers.

- Certification opens business development opportunities to local, state, and federal government agencies and corporations with supplier-diversity programs.
- Women may also want to expand beyond the U.S. and need support for and connections to export opportunities.

These programs need to alert entrepreneurs when requests for proposals (RFPs) are available, provide matchmaking services, and provide mentorship, training, and networking opportunities, which help increase the visibility of women-owned businesses.

Tailor technical assistance: The needs of women-owned businesses vary based on women's aspirations, where they are in their journeys, and the unique challenges they face.

- Training can give women the entrepreneurial skills and know-how to start or grow a business. Digital marketing proved essential during the pandemic and will remain so. These skills help women entrepreneurs increase brand awareness, generate leads and sales, sell directly online, and improve customer service. Solopreneurs will need to learn these skills for themselves, while larger companies may need to provide training to their teams. Or companies may choose to outsource this function, in which case they need connections to reputable providers.

  Depending on women's specific needs and goals, they may need training in business planning, financial management, sales and marketing, and leadership and management.

- Mentors provide guidance and support, share their experiences, connect entrepreneurs with resources, and motivate and inspire. Their knowledge, experience, and connections are most useful when aligned with the direction the entrepreneur is headed.

- Providing networking opportunities for women entrepreneurs can help them connect with other entrepreneurs and mentors, learn from others' experiences, and build relationships that lead to business opportunities. These opportunities need to be tailored specifically to women-owned businesses.

Amplify and celebrate successes to inform and empower others: Sharing best practices will lead to more effective programs that result in improved outcomes for entrepreneurs and grow the economy. Closing the gap in women's entrepreneurship requires a coordinated effort from local, state, and federal governments, funders, large corporations, philanthropists, entrepreneurial-supporting organizations, and educational institutions.

For example, The Small Business Administration (SBA) allocated capital to CDFIs and Minority Depository Institutions (MDIs) to better reach women-owned businesses, especially those owned by WOC, during the second wave of PPP loans. CDFIs and MDIs have a proven track record of working with underserved communities. PPP loans reached more women-owned businesses, especially those owned by WOC.

Celebrating the successes of women entrepreneurs helps break down stereotypes that entrepreneurship is a man's game. It CAN inspire more women to start and grow their businesses.

By working together, we can create an environment where women CAN make an even greater impact on the economy and for themselves.

By working together, we can create an environment where women CAN make an even greater impact on the economy and for themselves.

Methodology

This report is based on data from the United States Census Bureau, with projections built on data from 2002 to 2020.

Projections include number of firms, number of employees, and total revenue from 2021 to 2023 for employer firms and from 2020 to 2023 for nonemployer firms. These projections account for gender, race, and ethnicity, firm size, industry, and geography.

Employer firms' estimations used 2017 to 2020 data from the Annual Business Survey (ABS) and 2014 to 2016 data from the Annual Survey of Entrepreneurs (ASE). Nonemployer firms' estimations used 2017 to 2019 data from the Nonemployer Statistics by Demographics Survey (NES-D) and 2002, 2007, and 2012 data from the Survey of Business Owners (SBO). Additional macroeconomic data from the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Federal Reserve System were used.[32]

Several econometric models were used to calculate projections. For employer firms, these models incorporated real data trends and variables such as nominal GDP and national consumer spending.

For nonemployer firms' revenue, the level of national consumer spending was also used to project revenue. For the number of firms, the yearly nominal GDP and the female labor force rate were used to project the number of women-owned firms, and the annual real GDP and the male unemployment rate were used to project the number of men-owned firms.

When there were gaps in historical data, data imputation was applied.[33]

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[30] Economic clout usually includes combining the growth rate for revenue as well as number of firms and employment. However, revenue numbers were available only for 2017. With only one year of data on which to base projections, there were lower confidence levels in the growth rate projections (meaning there is a high probability of overestimation).

[31] Capitalizing CAN is a nod to Candace Ayles Waterman, the CEO of Women Impacting Public Policy, who recently passed away unexpectedly. She exemplified the can-do attitude of women-owned businesses. With the right support, women CAN make even greater contributions to the economy.

[32] The data used for employer firms and size of business projections was from February 15, 2023. For nonemployer firms projections, we used the latest data available as of May 18, 2023 (national and state information) and June 06, 2023 (metropolitan statistical areas (MSA) information).

[33] Data imputation was made on the following projections: revenues and number of firms for employer firms by race and gender; employment, revenues, and number of firms by gender and industry; number of firms and employment by gender and state; number of firms and employment by gender and MSA.

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