



# THE 2015 STATE OF WOMEN-OWNED BUSINESSES REPORT

Commissioned by American Express OPEN  
A Summary of Important Trends, 1997-2015



## INTRODUCTION

*This publication marks our fifth annual investigation into the state of women-owned businesses in the United States. It provides stakeholders in the women’s enterprise development community – policy makers, entrepreneurial support organizations, suppliers and customers, and women business owners themselves – with information and intelligence that can inform their efforts. American Express OPEN is proud to build upon the growing interest and commentary generated by our previous reports.*

*Our analysis continues to indicate that, while the number of women-owned firms continues to increase at rates exceeding the national average and their economic clout continues to strengthen, they remain smaller than the average firm. Since the first annual report published in 2011, we have expanded our analysis to include an investigation into growth trends at the metropolitan area level, new insights on the size of firms within industries, an exploration of growth along the business size spectrum, an analysis of the tremendous growth seen among multicultural women-owned firms, and a look at daily business creation rates – comparing rates before and after the recent recession.*

*With this body of work, based upon published information from the U.S. Census Bureau, we hope to spark debate and discussion, draw attention to the growing diversity of women-owned enterprises AND women business owners, and help point the way to areas where policy and programmatic support can help even more women-owned firms to reach their full potential.*

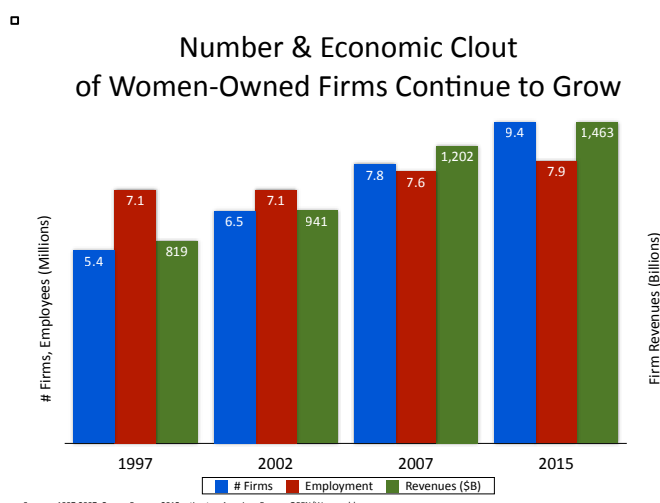
## THE STATE OF WOMEN-OWNED BUSINESSES IN 2015: SUMMARY OF KEY TRENDS

### NATIONAL TRENDS

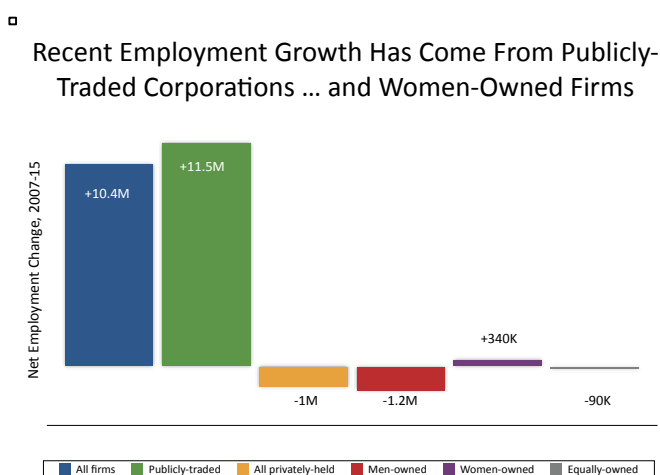
As of 2015, it is estimated that there are just over 9.4 million women-owned businesses in the United States, generating nearly \$1.5 trillion in revenues and employing over 7.9 million people.

Between 1997 and 2015, when the number of businesses in the United States increased by 51%, the number of women-owned firms increased by 74% – a rate 1-1/2 times the national average.

Indeed, the growth in the number (up 74%), employment (up 12%) and revenues (up 79%) of women-owned firms over the past 18 years exceeds the growth rates of all but the largest, publicly-traded firms – topping growth rates among all other privately-held businesses over this period.



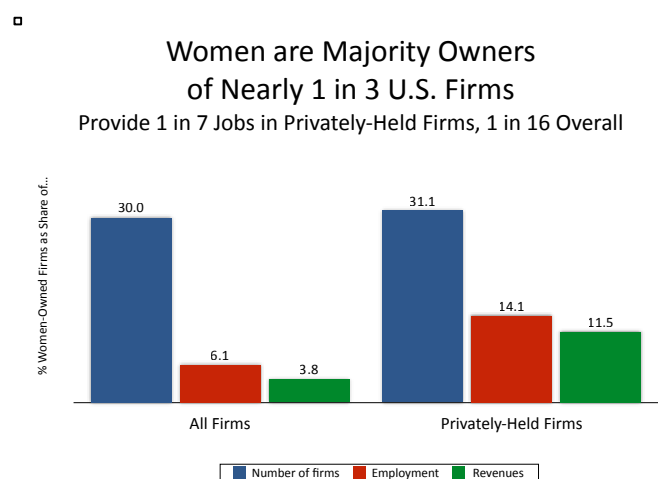
Private sector employment has started to pick up, but at a rate half that of pre-recession levels. Where are new jobs coming from? Overwhelmingly from publicly-traded companies. Since 2007, the overall increase of 10.4 million net new jobs in the private sector is comprised of an 11.5 million *increase* in employment in large, publicly-traded corporations, combined with a nearly 1 million *decline* in employment among smaller, privately-held companies.



American Express OPEN/Womenable estimates as of 2015, based on 1997-2007 data from US Census Bureau.

The only bright spot in recent years with respect to privately-held company job growth has been among women-owned firms. They have added an estimated 340,000 jobs since 2007. Among men-owned and equally-owned firms, employment has declined over the past eight years.

Women-owned firms now account for 30% of all enterprises, and are growing faster in number and employment than most other firms. Despite this fact, women-owned firms employ only 6% of the country's workforce and contribute just under 4% of business revenues – roughly the same share they contributed in 1997. When large, publicly-traded firms are excluded, women-owned firms comprise 31% of the privately-held firm population and contribute 14% of employment and 12% of revenues.



American Express OPEN/Womenable estimates as of 2015, based on 1997-2007 data from US Census Bureau.

Combining equally-owned firms with women-owned enterprises finds that women- and equally-owned firms number 14.7 million as of 2015, generate nearly \$3 trillion in revenues, and employ nearly 16 million people. Women- and equally-owned firms together represent 47% of U.S. firms and contribute 13% of total employment and 8% of firm revenues.<sup>1</sup>

## NUMBER OF NET NEW WOMEN-OWNED FIRMS<sup>2</sup>

Business creation activity typically waxes and wanes depending on overall economic vitality.<sup>3</sup> Over the entire 18-year period from 1997 to 2015, there were an average of 608 net new women-owned

<sup>1</sup> Changes in the way that equally-owned firms have been defined over time guard against an accurate reporting of trends in the growth of women- and equally-owned firms over time.

<sup>2</sup> "Net New" takes into account the number of firm births minus firm deaths or changes in ownership resulting in the loss of woman-owned status.

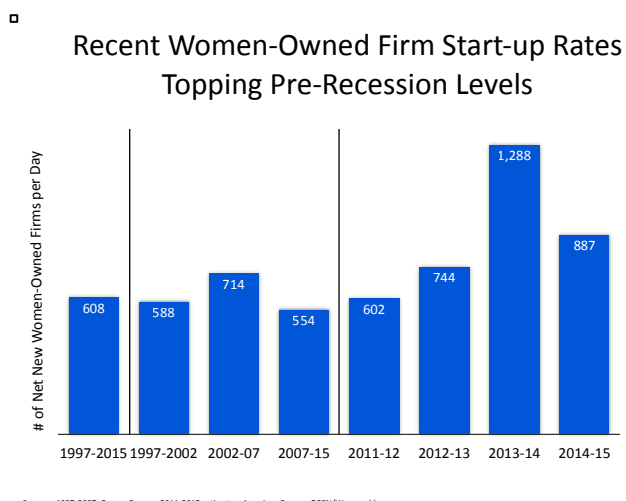
<sup>3</sup> Typically, start-up activity increases in a recession, and declines as larger firms start hiring again. However, the recession of 2007-08 was different – new firm formation declined and is only now picking back up. See analysis from the Bureau of Labor Statistics

businesses started each day. In the years leading up to the recent recession (2002-2007), the daily number of net new women-owned businesses rose to 714, but in the years since – from 2007-2015 – that daily number is a lower 554 net new women-owned firms. Over the past eight years, 38% of net new firms in the U.S. economy have been women-owned firms.

Start-up activity among women is on the rise, however. The daily rate of net new women-owned firms was 602 in 2011-12, 744 in 2012-13, 1,288 in 2013-14, and this past year was 887 net new women-owned firms per day – all higher than the overall 554 per day over the entire 2007-15 period.

The majority of the 887 net new women-owned firms launched per day in 2014 are firms owned by minority women. Nearly 500 (484) net new minority-owned women-owned firms were launched each and every day in 2014, compared to 402 net new non-minority women-owned firms per day – thus accounting for 55% of the net new women-owned firms over the past year alone.

Among those 484 net new minority-owned firms per day last year were 223 African American women-owned firms, 168 Latina-owned firms, and 105 Asian American women-owned firms started each day in 2014.



Sources: 1997-2007, Census Bureau. 2011-2015 estimates, American Express OPEN/Womenable.

## GEOGRAPHIC TRENDS

Nationally, the number of women-owned firms has increased by 74% since 1997. The states with the fastest growth in the number of women-owned firms over the past 18 years are: Georgia (up 132%), Texas (116%), North Carolina (98%), North Dakota (89%) and New York (89%).

The states with the lowest growth in the number of women-owned firms

Top Ten States for Women-Owned Firms: A Ranking of Growth in Number & Economic Clout					
State	Number	Revenue	Employment	Combined Rank, 2015	Combined Rank, 2012
North Dakota	4	1	2	1	5
Wyoming	15	2	5	2	1
District of Columbia	23	3	1	3	1
Arizona	20	10	3	4	4
Georgia	1	25	13	4	8
Nevada	7	11	12	4	1
Maryland	8	22	9	7	7
Texas	2	20	24	8	15
Utah	11	4	30	8	11
Hawaii	18	26	6	10	12

(<http://www.bls.gov/bdm/entrepreneurship/entrepreneurship.htm>), and a recent article in Bloomberg BusinessWeek drawing upon Census data (<http://www.bloomberg.com/bw/articles/2014-09-29/entrepreneurship-startup-rates-rebound-from-great-recession-slump>).

between 1997 and 2015 are: Alaska (14%), West Virginia (26%), Iowa (27%), Kansas (32%) and Maine (36%).

In terms of growth in combined economic clout, however – meaning averaging together the rankings in growth in the number, revenues and employment of women-owned firms – the states (and federal districts) in which all of these measures combined place women-owned firms in a much better than average position over the 1997 to 2015 period are: North Dakota, Wyoming, the District of Columbia and Arizona, Georgia and Nevada (all three tied for 4<sup>th</sup> place). The five states at the bottom of the combined economic clout ranking are: Iowa, Rhode Island, Maine, Vermont and Ohio.

Looking at the entire 18-year period from 1997 to 2015 can mask the lingering effects of the recession. Nationally, there has been a 74% increase in the number of women-owned businesses between 1997 and 2015. The growth rate in the most recent eight-year period (21% between 2007 and 2015) is about equal to the rate seen during the five years leading up to the recession (20% from 2002 to 2007). However, between 2007 and 2012 there was only a 7% increase in the number of women-owned firms, followed by an 11% increase between 2007 and 2013, and a 17% increase from 2007 to 2014. Thus, nationally the rate of women-owned business formation has recovered from the effects of the recession.

At the state level we see a more nuanced picture. Comparing the growth in the number of women-owned firms post-recession compared to the five-year pre-recession period at the state level reveals 28 states in which current women-owned firm growth matches or tops pre-recession rates, including four states – Nebraska, North Dakota, Iowa and Ohio – in which the increase in the number of women-owned firms from 2007-2015 was more than twice that seen in the 2002-2007 period.

Conversely, there are 23 states (including the District of Columbia) in which post-recession women-owned firm growth has not yet caught up to pre-recession growth rates – including six states in which post-recession growth in the number of women-owned firms is less than half of the growth rate seen in the 2002-2007 pre-recession period. Those six states are: Nevada, Florida, Delaware, Arizona, Maine and Idaho. And Nevada has actually seen a net decline in the number of women-owned firms compared to 2007. In these states, the effects of the recession linger most strongly.

Looking at the top 25 most populous metropolitan areas finds the greatest number of women-owned businesses to be located in: New York, NY/NJ with 676,700

Top Ten Metro Areas for Women-Owned Firms: A Ranking of Growth in Number & Economic Clout						
Metropolitan Area	Number	Revenue	Employment	Combined Rank, 2015	Combined Rank, 2012	
San Antonio TX	1	11	1	1	2	
Portland OR	12	2	3	2	10	
Houston TX	4	1	13	3	3	
Atlanta GA	3	10	8	4	9	
Riverside CA	7	7	9	5	4	
Tampa/St. Petersburg FL	6	15	4	6	7	
Sacramento CA	17	3	6	7	4	
Washington DC/MD/VA	8	8	10	7	1	
Dallas TX	2	4	21	9	8	
Seattle WA	19	6	2	9	11	

women-owned firms as of 2015; Los Angeles, CA with 436,900; Chicago, IL with 305,000; Miami, FL with 224,100; and Dallas, TX with 221,100.

Averaging together the 13-year growth rankings<sup>4</sup> in the number, revenue and employment of women-owned firms in the 25 largest metropolitan areas in the country – to look at combined economic clout – finds that San Antonio, TX; Portland, OR; Houston, TX; Atlanta, GA; and Riverside, CA are the top-ranked metro areas in terms of the growth in the economic strength of women-owned businesses.

As previously stated, the growth in the number of women-owned businesses in the five-year period before the recession (2002-07) is about the same as during the 2007-2015 period – 20% versus 21%. In three of the top 25 metropolitan areas – Portland, OR; Denver, CO; and Pittsburgh, PA – post-recession growth in the number of women-owned businesses is likewise the same or better than during the 2002-2007 period. In fact, post-recession growth in Portland is 127% of the growth seen during 2002-07.

At the other end of the spectrum, recent growth in the number of women-owned firms lags pre-recession growth by 50% or more in eight of the top 25 metro areas, namely: Miami, FL; Tampa/St. Petersburg, FL; Riverside, CA; Phoenix, AZ; Sacramento, CA; Los Angeles, CA; Atlanta, GA; and Chicago, IL.

## INDUSTRY TRENDS

Women-owned firms are found in all sectors of the economy. However, looking at the distribution of women-owned firms by industry finds that the greatest number of women-owned firms is found in health care and social assistance (including doctors and dentists, residential care facilities and child care providers) – 17% of women-owned firms own health care or social services-related businesses. Other top sectors for women-owned firms include other services (which includes auto and appliance repair, beauty salons and pet-sitting services), with 16% of women-owned firms in that grouping; professional/scientific/technical services (including attorneys, accountants, public relations and human resources/organizational development consulting), 13%; administrative support and waste management services, 11%; and retail trade, 10%. Together, these five sectors account for two-thirds of all of the women-owned firms in the country.

And, while women own firms in all industries, the industries with the highest concentration of women-owned firms are health care and social assistance (53% of firms in this sector are women-owned, compared to a 30% share overall), educational services (45%), other services (42%), and

Concentration and Distribution of Women-Owned Firms by Industry Sector		
Industry Sector (with 2%+ women-owned firms)	Concentration Within Industry	Distribution Across Industries
Construction	7.4%	2.3%
Wholesale Trade	19.4	1.6
Retail Trade	32.1	9.5
Transportation and Warehousing	11.4	1.8
Finance & Insurance	19.7	2.1
Real Estate	26.1	8.3
Professional/Scientific/Technical Services	29.2	13.3
Administrative, Support & Waste Mgmt Svcs	37.4	10.5
Educational Services	44.9	4.9
Health Care & Social Assistance	52.8	16.8
Arts, Entertainment, Recreation	30.7	4.9
Accommodation & Food Service	24.7	2.4
Other Services	41.6	15.5
All Other Industries (with <2%)	18.9	6.1
Total, all industries	30.0	100.0

<sup>4</sup> The boundaries of metropolitan areas were changed after the 2000 census, thus metropolitan area trends can only be analyzed back as far as the 2002 economic census.

administrative support and waste management services (37%). The industries with the lowest concentration of women-owned firms (in industries contributing 2% or more of the business population) are construction (where just 7% of firms are women-owned), transportation and warehousing (11%), wholesale trade (19%) and finance and insurance (20%). Despite those two ends of the concentration spectrum, most of the other industries find women-owned firms close to the 30% average share – again illustrating that women-owned firms continue to diversify in all sectors of the U.S. economy.

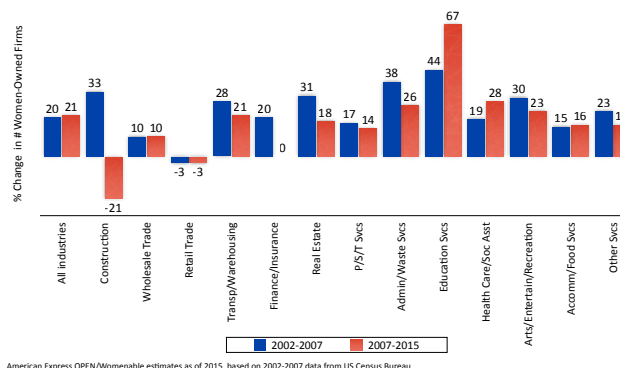
Between 2002 and 2015, the number of women-owned firms has increased by 45%.<sup>5</sup> During that time period, the fastest growth in the number of women-owned firms by industry has been in education services (up 139%), administration and waste services (up 73%), arts/ entertainment/recreation (up 59%), and health care and social assistance (up 53%) – all well above the 45% average growth. The two sectors with the lowest growth rates over the period are construction (up only 5%) and retail trade (down 6%).

Comparing the growth in the number of women-owned firms to that of all firms in each industry sector since 2002 finds that women-owned firms are exceeding overall sector growth rates in eight of the 13 most populous industries, and match sector growth in three others. Growth in the number of women-owned firms lags sector averages over the 2002-15 period only in retail trade and educational services.<sup>6</sup>

And comparing the growth in the number of women-owned firms by sector in the pre-recession period of 2005-2007 to the most recent 2007-2015 period finds that education services and health care and social assistance services are the only two sectors in which the growth in the number of women-owned firms since 2007 exceeds that of the growth seen in 2002 to 2007. In three other sectors – wholesale trade, professional/scientific/technical services and accommodation and food services – growth rates are similar.

At the other end of the spectrum, women-owned construction firms have taken the greatest recessionary hit. There was a 33% increase in the number of women-owned construction firms between 2002 and 2007, and a 21% decline between 2007 and 2015. In addition, there was no increase in the number of women-owned firms in finance or insurance between 2007 and 2015. Women-owned retail firms continue to struggle as well, with a 3% decline in both the 2002-2007 and 2007-2015 periods.

**Education, Health/Social Services Only Sectors Seeing Greater Post-Recession New Firm Growth**  
 Women-Owned Construction Firms Suffering Post-Recession Decline



What about the relative economic clout of women-owned firms across industries? Economy-wide, just 9% of all firms in the country could be considered as having “high economic impact” – meaning that they generate \$500,000 or more in revenues – and only 4% of women-owned firms likewise meet that standard. Relative to the overall 4% of women-owned firms surpassing the \$500,000 revenue mark, women-owned firms in three industries – wholesale trade (19%), construction (11%) and accommodation and food services (11%) – are those most likely to be making a high economic impact.

<sup>5</sup> Unlike the other national and state-level trends reported in this publication, which go back to 1997, industry trends can only be reported as far back as the 2002 Census due to changes in industry classification between 1997 and 2002 (from SIC Codes to NAICS codes).

<sup>6</sup> Six industry groups, comprising 2% or less of the business population, are excluded from this analysis, but are included in the summary tables at the back of this report.

Compared to their peers, a look at the share of women-owned and all firms with the highest economic impact finds that women-owned firms are standing toe to toe with their industry peers in two industries: construction, where 11% of women-owned firms and 11% of all construction firms are pulling in \$500,000+ per year; and in transportation and warehousing, where 6% of each are generating \$500,000 or more in revenues.

## TRENDS IN ETHNIC DIVERSITY

In 1997, there were just under 1 million (929,445) firms owned by minority women, accounting for one in six (17%) women-owned firms. That number has skyrocketed to an estimated 3,111,300 as of 2015, now comprising one in three (33%) women-owned firms. These 3.1 million multicultural women-owned firms employ 1.6 million workers in addition to the owner and generate an estimated \$268 billion in revenues.

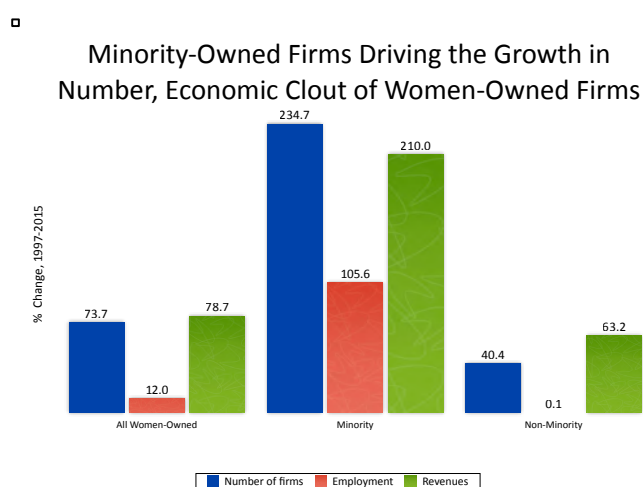
While minority women-owned firms are smaller than non-minority women-owned businesses both in terms

Average Size of Women-Owned Firms by Race/Ethnicity			
Race/Ethnicity	Number of Firms	Avg. # Employees (other than owner)	Avg. Revenues per Firm
All women-owned firms	9,410,800	0.8	\$155,477
All minority-owned	3,111,300	0.5	86,199
African American	1,319,400	0.2	39,893
Asian American	714,100	1.0	170,723
Latina	1,094,400	0.4	68,479
Native American/Alaska Native	125,800	0.3	81,849
Native Hawaiian/Pacific Islander	21,200	0.8	96,877
Non-Minority	6,299,500	1.0	189,694

of average employment and revenues, their growth in number and economic clout is generally far outpacing that of all women-owned firms. Indeed, the growth in the number of African American (+322% from 1997 to 2015), Asian American (+195%), Latina (+224%), Native American/ Alaska Native (+135%), and Native Hawaiian/Pacific Islander (+268%) women-owned firms all top the growth in the number of non-minority women-owned firms (+40%) over the past 18 years.

Growth in employment (except among Native American/Alaska Native women-owned firms) and revenue growth are also stronger among firms owned by minority women than among non-minority women-owned firms. While this is, in part, due to growth from a smaller base number, it does indicate that business ownership is an increasing career path for all women.

Firms owned by African American women number an estimated 1,319,400 as of 2015. These 1.3 million firms employ 297,500 workers in addition to the owner and generate an estimated \$52.6 billion in revenue. African American women own fully 49% of all African American-owned firms,



American Express OPEN/Womenable estimates as of 2015, based on 1997-2007 data from US Census Bureau.



employ 29% of the workers employed by African American-owned firms, and contribute 29% of the revenue generated by African American-owned businesses. While nationally African American women comprise 14% of all women-owned firms, African American women comprise a greater than average share of all women-owned firms in Georgia (35%), Maryland (33%), and Illinois (22%).

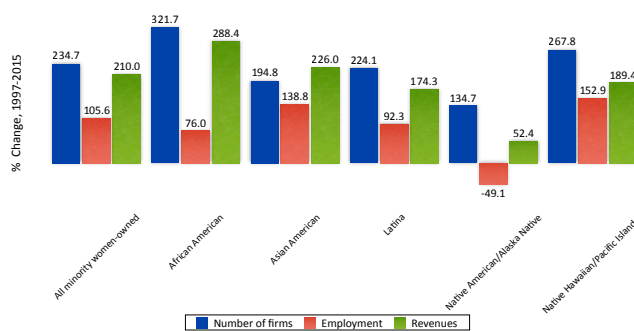
Firms owned by Latinas number an estimated 1,094,400 as of 2015. These firms employ 451,100 workers in addition to the owner and generate an estimated \$74.9 billion in revenue. Latina women own 37% of all Latino-owned firms, employ 20% of the workers employed by Latino-owned firms, and contribute 16% of the revenue generated by Latino-owned businesses. While nationally 12% of women-owned firms are owned by Latinas, Latinas comprise the greatest share of all women-owned firms in New Mexico (31%), Texas (26%), Florida (25%) and California (21%).

Firms owned by Asian American women number an estimated 714,100 as of 2015. These firms employ 733,800 workers in addition to the owner and generate an estimated \$121.9 billion in revenue. Asian American women own 36% of all Asian American-owned firms, employ 23% of the workers employed by Asian American-owned firms, and contribute 19% of the revenue generated by Asian American-owned businesses. While nationally Asian American women own 8% of women-owned firms, a greater than average share of Asian American women-owned firms (compared to all women-owned firms in the state) can be found in Hawaii (56%), California (18%), New Jersey (11%) and New York (11%).

Firms owned by Native American or Alaska Native women number an estimated 125,800 as of 2015. These firms employ 37,700 workers in addition to the owner and generate an estimated \$10.3 billion in revenue. Native American/Alaska Native women own 48% of all Native American/Alaska Native-owned firms, employ 35% of the workers, and contribute 30% of the revenue generated by Native American/Alaska Native-owned businesses. While nationally Native American/Alaska Native women comprise just 1% of women-owned firms, that share rises to 11% in Oklahoma, 8% in New Mexico and 3% in Arizona.

Firms owned by Native Hawaiian or Pacific Islander women number an estimated 21,200 as of 2015. These firms employ 16,000 workers in addition to the owner and generate an estimated \$2 billion in revenue. Native Hawaiian/Pacific Islander women own 42% of all Native Hawaiian/Pacific Islander-owned firms, employ 40% of the workers, and contribute 26% of the revenue generated by Native Hawaiian/Pacific Islander owned businesses. Native Hawaiian/Pacific Islander women-owned firms comprise less than 0.5% of the women-owned business population nationally. In Hawaii, however, 13% of women-owned firms are majority owned by Native Hawaiians or natives of other Pacific Islands.

**African American Women-Owned Firms Lead the Way in Number & Revenue Growth**  
Native Hawaiian Firms Top the Employment Growth Charts



American Express OPEN/Womenable estimates as of 2015, based on 1997-2007 data from US Census Bureau.

## STUDY METHODOLOGY

This report is based on data from the United States Census Bureau, specifically their quinquennial business census, the Survey of Business Owners (SBO), which is conducted every five years in years ending in 2 and 7. Data from the past three Census surveys – 1997, 2002, and 2007 – were collated, analyzed and extrapolated forward to 2015, factoring in relative changes in Gross Domestic Product (GDP) not only nationally but also at industry, state and metropolitan statistical area levels. All GDP data were obtained from the Bureau of Economic Analysis ([bea.gov](http://www.bea.gov)) – another bureau, like the Census Bureau, within the U.S. Department of Commerce.

Specifically, growth in GDP from 1997 to 2007 (\$8.3 to \$14 trillion) was compared to that from 2007 to the fourth quarter of 2014 (\$14 to \$17.4 trillion). Relative annual growth rates were then used to estimate the growth in the number of firms over the 2007 to 2015 period – thus bending a straight-line extrapolation downward in keeping with slower economic growth during this most recent period.<sup>7</sup> This was done not only at the national level, but also by applying actual gross state, metro area and industry-level output figures (which were available up to the fourth quarter of 2013).

For detailed information on the 2002 and 2007 economic censuses, visit:

[http://www.census.gov/econ/census07/www/get\\_data.html](http://www.census.gov/econ/census07/www/get_data.html). (The 1997 economic census is no longer available electronically.)

A preview of changes for the 2012 economic census (which will be published in 2015) may be found at:

<http://www.census.gov/econ/census/index.html>.

## ACKNOWLEDGEMENTS

This report is commissioned and provided by American Express OPEN. American Express OPEN is the leading payment card issuer for small businesses in the United States and supports business owners and entrepreneurs with products and services to help them run and grow their businesses. This includes business charge and credit cards that deliver purchasing power, flexibility, rewards, savings on business services from an expanded lineup of partners and online tools and services designed to help improve profitability. Learn more at [www.OPEN.com](http://www.OPEN.com) and connect with us at [openforum.com](http://openforum.com) and [twitter.com/openforum](https://twitter.com/openforum).

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This report was prepared for American Express OPEN by Womenable, a research, program and policy development consultancy whose mission is to improve the environment for women-owned businesses worldwide. Womenable pursues this mission by working with the stewards of women's entrepreneurship around the world – policy makers, multi-lateral organizations, corporate decision makers, entrepreneurial support organizations and the women's business community – to evaluate, implement and improve policies and programs to support women's enterprise development. Learn more at [womenable.com](http://womenable.com).

## DETAILED TABLES

Detailed tables, summarizing trends from 1997 to 2015 and providing detailed information by state, metropolitan area, industry, race/ethnicity are available in a separate document, [The 2015 State of Women-Owned Businesses: Summary Tables](#).

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<sup>7</sup> For example, national annual GDP growth over the 2007-2014 period was 85.1% of annual GDP growth between 1997 and 2007, and just 64.4% of growth from 2002 to 2007.

This report was published in May 2015 by American Express OPEN, with research provided by Womenable – which takes full responsibility for the integrity of the findings and the conclusions drawn. Our sincere thanks are extended to the Economic Census Branch of the Company Statistics Division of the U.S. Census Bureau, which provided invaluable insights during the preparation of this analysis.

