



QUICK TAKES • Women Entrepreneurs

WHY WOMEN BECOME ENTREPRENEURS

- A Catalyst study found that the top reasons women cited for leaving companies to start their own businesses were: need for more flexibility, being unhappy with work environment, experiencing a glass ceiling, and feeling unchallenged by one's job. ¹

COUNTING WOMEN-OWNED BUSINESS

- In 2004, an estimated 47.7% (10.6 million) of all privately-held businesses in the U.S. were 50% or more owned by women. This includes businesses in which women hold the majority ownership (51% or more) and businesses in which women and men equally own 50-50. ²
 - 6,659,268 are businesses 51% or more women owned ²
 - 3,970,777 are 50-50 businesses ²
- In 2004, privately-held, 50% or more women-owned firms generated \$2.46 trillion in sales and employ 19.1 million people across the country. ²
- In 2004 estimates, women-owned businesses spent \$492 billion on salaries and \$54 billion in benefits. ²
- Since 1997, women-owned businesses have grown 17.0%, nearly twice the 9.0% growth of all firms. ²
- From 1997-2004, the number of privately-held 50% or more women owned employer firms grew by 28.1%, which is three times the growth rate of all privately-held employer firms in the U.S. ²

WOMEN OF COLOR

- As of 2004, women of color owned an estimated 1.4 million privately-held firms in the U.S., employing over 1.3 million people and generating \$147 billion in sales. ²
- African-American women: ²
 - In 2004, there were an estimated 414,472 majority-owned, privately-held firms owned by African-American women in the U.S., and they generate almost \$19.5 billion in sales
 - 29.0% of minority-women-owned firms are owned by African American women*
 - Firms owned by African-American women now represent 6.2% of all privately-held, majority owned women-owned firms in the U.S
 - 39.1% of all African-American-owned firms are owned by women
- Latinas: ²
 - As of 2004, there are an estimated 553,618 majority-owned, privately-held firms owned by Latinas in the U.S., and they generate \$44.4 billion in sales
 - 38.8% of minority-women -owned firms are owned by Latinas*
 - Firms owned by Latinas now represent 8.3% of all privately-held, majority-owned women owned firms in the U.S.
 - 34.9% of all Hispanic-owned firms are owned by women

- Asian and Pacific Islander women: ²
 - As of 2004, there are an estimated 419,793 majority-owned, privately-held firms owned by Asian and Pacific Islander women in the U.S., and they generate \$69.7 billion in sales
 - 29.4% of minority-women-owned firms are owned by Asian and Pacific Islander women*
 - Firms owned by Asian and Pacific Islander women represent 6.3% of all privately held, majority-owned women-owned firms in the U.S.
 - 33.2% of all Asian and Pacific Islander-owned firms are owned by women
- Native American and Alaska Native women: ²
 - As of 2004, there are an estimated 90,730 majority-owned, privately-held firms owned by Native American and Alaska Native women in the U.S., and they generate \$12.4 billion in sales
 - 6.4% of minority-women-owned firms are owned by Native American and Alaska Native women*
 - Firms owned by Native American and Alaska Native women represent 1.4% of all privately-held, majority-owned women-owned firms in the U.S.
 - 33.2% of all Native American and Alaska Native-owned firms are owned by women

VENTURE CAPITAL

- According to research group VentureOne, 6.56% of VC-backed companies had women founders in the first half of 2006. ³
- Only 2.67% of the total amount raised by VC-backed companies had women CEOs in the first half of 2006. ³

**Total equals more than 100% because of mixed racial heritage.*

Sources

1. Catalyst, *Women Entrepreneurs: Why Companies Lose Female Talent and What They Can Do About It*, 1998.
2. Center for Women's Business Research, *Minority Numbers*. <http://www.womensbusinessresearch.org/minority/index.php>
3. VentureOne, *Women in Management*, 2006.

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