



NEWS RELEASE

Woman-Owned Businesses Are Growing 2X Faster On Average Than All Businesses Nationwide

9/23/2019

THE NUMBER OF WOMEN STARTING PART-TIME BUSINESSES, OFTEN REFERRED TO AS “SIDEPRENEURS,” IS GROWING NEARLY TWICE AS FAST AS THE OVERALL GROWTH OF WOMEN ENTREPRENEURS OVER THE PAST FIVE YEARS

THE NINTH ANNUAL STATE OF WOMEN-OWNED BUSINESSES REPORT FINDS FIRMS OWNED BY WOMEN OF COLOR GREW AT MORE THAN DOUBLE THE RATE OF ALL WOMEN-OWNED BUSINESSES

Women-owned businesses continue to fuel the economy and now represent 42% of all businesses — nearly 13 million — employing 9.4 million workers and generating revenue of \$1.9 trillion. According to the annual State of Women-Owned Businesses Report, commissioned by American Express (NYSE: AXP), in 2019, these U.S. women with diverse ethnic and geographic backgrounds started an average of 1,817 new businesses per day in the U.S. between 2018 and 2019, down only slightly from the record-setting 2018 number of 1,821.

The annual report, based on U.S. Census Bureau data adjusted by Gross Domestic Product data, found that women-owned businesses continue to trend above all businesses. Over the past five years:

- The number of women-owned businesses increased 21%, while all businesses increased only 9%.
- Total employment by women-owned businesses rose 8%, while for all businesses the increase was far lower at 1.8%.
- Total revenue for women-owned businesses also rose slightly above all businesses: 21% compared to 20% respectively.

“The face of entrepreneurship is evolving to include all women, regardless of demographics. Even more impressive is that women are starting businesses on their own terms – whether it be their full-time focus or a part time



activity,” said Courtney Kelso, Senior Vice President of American Express. “The economic impact of women-owned businesses is undeniable, from the trillions they contribute via revenue to the millions of jobs they provide. We are committed to backing these women entrepreneurs because when they win, we all win.”

SIDE-HUSTLE: WOMEN ENTREPRENEURS – THE ULTIMATE MULTITASKERS?

As work trends shift towards side hustles and the gig economy, so does female entrepreneurship. This year’s report examines how part-time entrepreneurship, often referred to as “sidepreneurship,” is providing additional options to traditional employment and entrepreneurship for women.

Over the last five years, growth in the number of women sidepreneurs has grown at a rate that is nearly twice as fast as the overall growth in female entrepreneurship: 39% compared to 21%, respectively. Minority women are responsible for a large portion of that growth from 2014-2019 where we see sidepreneurship among minority women-owned businesses two times higher than all businesses: 65% compared to 32%, respectively.

When looking at specific minority groups over the last five years, growth in side entrepreneurship is up:

- 99% among African American women
- 70% among Native Hawaiian/Pacific Islander women
- 63% for Asian American women
- 46% for Latina/Hispanic women
- 36% among Native American/Alaska Native businesswomen

WOMEN OF COLOR ARE STARTING BUSINESSES AT A REMARKABLE 4.5 TIMES THE RATE OF ALL BUSINESSES

In almost every category, women of color are leading the women-owned business charge. Women of color represent 39% of the total female population in the U.S. but account for 89% of the net new women-owned businesses per day (1,625) over the past year. While the number of women-owned businesses grew 21% from 2014 to 2019, firms owned by women of color grew an astounding 43% and African American women-owned firms grew even faster at 50%.

As of 2019, women of color account for 50% of all women-owned businesses. An estimated 6.4 million women of color-owned businesses employ nearly 2.4 million people and generate \$422.5 billion in revenue. But, even as new minority-owned businesses are opening, the revenue disparity is increasing. In 2014, minority-owned businesses averaged \$67,800 in revenue; by 2019 the average had dropped to \$65,800, a decline of 3%.

African American women-owned businesses represented the highest rate of growth of any group in the number of firms between 2014 and 2019 as well as between 2018 and 2019. They started 42% of net new women-owned businesses, which is three times their share of the female population (14%).

The report estimates that if revenues generated by minority women-owned firms matched those currently generated by all women-owned businesses, they would add four million new jobs and \$981 billion in revenues to the U.S. economy.

INDUSTRY TRENDS

Over half of all women-owned businesses are concentrated in three industries:

- Other services (e.g., hair and nail salons and pet care businesses) accounted for 22% of all women-owned businesses (2.8 million firms).
- Healthcare and social assistance (including child day care and home healthcare services) accounted for 15% of all women-owned businesses (1.9 million firms).
- Professional/scientific/technical services (including lawyers, bookkeepers, architects, public relations firms and consultants) accounted for 13% of all women-owned businesses (1.6 million firms).

While these industries have the most women-owned businesses, they don't produce the most revenue. The three industries in which women-owned businesses have the highest total revenue are wholesale trade (17%), retail trade (14%) and professional, scientific and technical services (10%).

WOMEN-OWNED BUSINESSES ARE SUCCESSFUL ACROSS THE COUNTRY

The report analyzes geographic trends for all 50 states and the District of Columbia, as well as the 50 most populous metropolitan areas in the U.S.

The states with the largest growth in number of women-owned firms in 2019 are:

1. Michigan
2. Georgia
3. Florida
4. South Carolina
5. Nevada

Between 2014 and 2019, the top states where women-owned businesses increased their economic clout — defined as growth in the number of firms and growth in employment and revenue — are:

1. Georgia
2. Oregon
3. Idaho (tie)

3. Nevada (tie)
4. South Dakota

The top metropolitan areas where women-owned businesses increased their economic clout from 2014 to 2019 are:

1. Detroit, MI
2. Charlotte, NC/SC
3. Atlanta, GA
4. Austin, TX
5. San Antonio, TX

The states showing the highest employment vitality - a measure of employment growth rate from 2014 to 2019 at women-owned firms and their average number of employees are:

1. Maine
2. Minnesota
3. Indiana
4. Delaware (tie)
4. Virginia (tie)

Explore the full 2019 State of Women-Owned Businesses Report, [here](#).

METHODOLOGY

This 2019 State of Women-Owned Businesses Report, commissioned by American Express is based on data from the United States Census Bureau Survey of Business Owners (SBO), which is conducted every year in years ending in two and seven. Data from the 2012 Census surveys were collated, analyzed and extrapolated forward to 2019, 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 was obtained from the U.S. Bureau of Economic Analysis ([bea.gov](#)).

Specifically, the report compared growth in GDP from 2012 to Q4 2018 (\$16.2 to \$20.9 trillion). Relative annual growth rates were then used to estimate the growth in the number of firms over the 2012 to 2019 period thus adjusting a straight-line extrapolation to account for relative economic growth between the two time periods. 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 2018).

The sidepreneurship projections are based on 2007 and 2012 SBO data for women who work fewer than 20 hours per week on their own businesses. Data was collected, analyzed and extrapolated forward to 2019, factoring in weighted relative changes in women-owned firms by race and ethnicity. The adjustment factors used to project the number of sidepreneur women consider the growth rate between 2012 and 2019 of the number of firms owned by women by ethnic group.

For detailed information on the Survey of Business Owners, visit the U.S. Census Bureau's American FactFinder web portal: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

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