Women In Business

After a recent class session that I had given, a young lady stopped me and asked about the “number of women going into business?” today and would I address that in a newspaper column some time. Great idea! So here is an update on the topic. The main point is that a growing number of women are becoming business CEOs. They consistently make up about half of the clients of the South East Minnesota Chapter of SCORE and this is similar to the experience of SCORE chapters across the Nation.

The most recent data that I found is from American Express OPEN’s 2013 State of Women-Owned Businesses Report: A Summary of Important Trends, 1997-2013. According to this study, as of 2013, it is estimated that there are over 8.6 million women-owned businesses in the United States, generating over $1.3 trillion in revenues and employing nearly 7.8 million people.

The states with the greatest number of women-owned firms, naturally, are the most populous ones. California is home to the greatest number of women-owned firms in the country, followed by Texas, New York, Florida, and Illinois. The top five states are the same as in 1997, although Texas has surpassed New York to claim the number two spot.

Nationally, the number of women-owned businesses has increased by 50% since 1997. The states with the fastest growth in the number of women-owned firms over the past 14 years are: Georgia (97.5%), Nevada (87.6%), Mississippi (76.7%), Florida (73.3%), and North Carolina (68.8%). The states with the lowest rates of increase in the number of women-owned firms between 1997 and 2011 are: Alaska (8.8%), West Virginia (17.8%), Iowa (20.1%), Indiana (23.7%), and Vermont (26.2%).

In Minnesota, the number of women-owned businesses increased by 27.3% in the last 15 years, from 108,417 in 1997 to an estimated over 138,000 currently. During this same period, the number of employees in these firms increased 15.2% and the gross sales increased 45.9%. This is a major economic clout in the Minnesota economy.

I found it interesting that this year’s report expanded its focus to look specifically at the phenomenal growth of firms owned by women of color. While firms owned by women of color are smaller than non-minority women-owned businesses both in terms of average employment and revenues, their growth in number and economic clout is generally far outpacing that of all women-owned firms. The growth in the number of African American, Asian American, Latina, Native American/Alaska Native, and Native
Hawaiian/Pacific Islander women-owned firms are all up over 100 percent from 1997-2013, topping the growth in the number of non-minority women-owned firms over the past 15 years.

This year’s key findings from this report also include:

- As of 2013, the number of firms owned by women of color has skyrocketed to an estimated 2,677,700, and now comprises 31 percent of women-owned firms. In 1997, there were just under 1 million firms owned by women of color, accounting for just 17 percent of women-owned firms.
- When looking specifically at the 2007-2013 period, the net increase of 5.3 million jobs economy-wide has come almost entirely from very large public corporations and women-owned firms.
- The states in which growth in the number, employment, and revenues of women-owned firms has been the strongest are the District of Columbia, North Dakota, Nevada, Wyoming and Georgia.

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