

Women in Business: A Demographic Review of Women's Business Ownership

Office of Advocacy
U.S. Small Business Administration

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Women in Business, 2006 A Demographic Review of Women's Business Ownership

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Office of Advocacy, U.S. Small Business Administration
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Focusing on the special characteristics of women-owned businesses and women's economic well-being, this report provides newly released information on women in the work force and women-owned businesses, including women's population statistics, their labor force participation, age, education, occupation, work schedules, average personal and household income, business ownership, and business dynamics.

Highlights

- Women constituted more than 51 percent of the American population and nearly 47 percent of the labor force in 2004.
- Of women in the United States, 14.5 percent were in poverty in 2004. The poverty rate among unemployed women was more than double the rate among women overall, at 31.8 percent.
- Nearly one in four families, or more than 8.3 million, was headed by a single mother caring for her own children younger than 18. Families headed by single fathers numbered 2.3 million.
- In 2002, women owned 6.5 million or 28.2 percent of nonfarm U.S. firms. More than 14 percent of these women-owned firms were employers, with 7.1 million workers and \$173.7 billion in annual payroll.
- Women-owned firms accounted for 6.5 percent of total employment in U.S. firms in 2002 and 4.2 percent of total receipts.
- Compared with non-Hispanic white business owners, of whom 28 percent were women, minority groups in the United States had larger shares of women business owners, ranging from 31 percent of Asian American to 46 percent of African American business owners.

- Of all women business owners, 8.33 percent claimed Hispanic heritage, 85.95 White, 8.43 percent African American, 1.23 percent American Indian and Alaska Native, 5.25 percent Asian, and 0.18 percent Native Hawaiian and other Pacific Islander.

- Almost 80 percent of women-owned firms had receipts totaling less than \$50,000 in both 1997 and 2002. Total receipts for firms in this under-\$50,000 group constituted about 6 percent of total women-owned business receipts in both years.

- The 7,240 women-owned firms with 100 employees or more accounted for \$275.0 billion in gross receipts or 34.2 percent of the total receipts of women-owned employer firms in 2002.

- The largest shares of women-owned business receipts were in wholesale and retail trade and manufacturing in both 1997 and 2002.

- According to 2002 data, significant proportions of women-owned businesses were in professional, scientific, and technical services, and in health care and social assistance, but the share of receipts in these businesses was smaller than in the trades and manufacturing.

- Between 1997 and 2002, the numbers of women-owned firms overall increased by 19.8 percent and of women-owned employer firms, by 8.3 percent.

- Firms owned by women increased employment by 70,000; those owned by men lost 1 million employees; those owned jointly by men and women lost 2.6 million; and publicly held and other firms not identified by gender of ownership increased employment by 10.9 million between 1997 and 2002.

- Overall, neither women nor men saw the receipts and payroll of their firms increase as fast as

those of large publicly held firms and other firms not classifiable by gender.

- The number of businesses owned equally by men and women declined over the 1997–2002 period, except those owned by African Americans.

Scope and Methodology

Data sources include, but are not limited to the Current Population Survey, the American Community Survey, the Economic Census, and the Survey of Business Owners. See the report's appendix for detail on data and its limitations.

This report was peer reviewed consistent with the Office of Advocacy's data quality guidelines. More information on this process can be obtained by contacting the director of economic research at advocacy@sba.gov.

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Foreword

I am pleased to provide *Women in Business: A Demographic Review of Women's Business Ownership*, the latest in the Office of Advocacy's series of periodic studies on women in business. The economic well-being of American women has seen improvement in recent years, in part because of their increasing involvement in business ownership, according to data presented by Advocacy economist Ying Lowrey.

Women in Business is the first of two Office of Advocacy studies on small business subgroups, to be followed by *Minorities in Business* later this year. These reports provide basic information on important trends in America's small business economy and point users to key data sources in the U.S. government for more information. I encourage readers to use this as a resource for quick answers and as a starting place for further investigation.

The Office of Advocacy continues its ongoing efforts to strengthen and advocate for small firms through research efforts such as these. This study, along with other Advocacy research, may be viewed at the Office of Advocacy website at www.sba.gov/research. For comments or questions about this study, contact Dr. Ying Lowrey at ying.lowrey@sba.gov. To be added to Advocacy's listservs, visit <http://web.sba.gov/list>.

We appreciate your interest in and support for small business.

A handwritten signature in black ink, appearing to read "Thomas M. Sullivan". The signature is fluid and cursive, with a large initial "T" and "S".

Thomas M. Sullivan
Chief Counsel for Advocacy

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Executive Summary

Recently released statistics provide new information on women in the work force and women-owned businesses, including women's population statistics, their labor force participation, age, education, occupation, work schedules, average personal and household income, business ownership, and business dynamics. Data sources here include, but are not limited to the Current Population Survey, the American Community Survey, the Economic Census, and the Survey of Business Owners. This report presents information about the special characteristics of women-owned businesses and women's economic well-being.

Demographics

- Women constitute more than 51 percent of the American population, and nearly 47 percent of the labor force.
- Of women in the United States, 14.5 percent were in poverty in 2004. The poverty rate among unemployed women was more than double that, at 31.8 percent.
- Nearly one in four families, or more than 8.3 million, was headed by a single mother caring for her own children younger than 18. Families headed by single fathers totaled 2.3 million.
- Of the total labor force, more than 3.9 million people (less than 3 percent of total wage-and-salary earners and more than 32 percent of total self-employed workers) were “moonlighters” involved in both self-employment and wage-and-salary work.
- Three groups were categorized to compare the gender differences in their demographic profiles: the civilian labor force, professional workers, and moonlighters.
- More than 36.8 percent of the female labor force and 30.6 percent of the male labor force were in professional occupations as defined in the Standard Occupational Classification (SOC) system (management, business, and financial occupations; professional and related occupations).
- Moonlighters were more likely than the civilian labor force overall and less likely than those in professional occupations to be married, with higher levels of education, in better paying occupations, and with higher personal and household income.
- Professional women were more likely than professional men, moonlighters, and the overall civilian work force to work full time. More than a quarter of professional women worked in government.

Women-owned Businesses

- In 2002, women owned 6.5 million or 28.2 percent of nonfarm U.S. firms. More than 14 percent of these women-owned firms were employers, with 7.1 million workers and \$173.7 billion in annual payroll.
- Women-owned firms accounted for 6.5 percent of total employment in U.S. firms in 2002 and 4.2 percent of total receipts.
- Compared with non-Hispanic White business owners, of whom 28 percent were women, minority groups in the United States had larger shares of women business owners, ranging from 31 percent of Asian American to 46 percent of African American business owners.

- Of all women business owners, 8.33 percent claimed Hispanic heritage, 85.95 White, 8.43 percent African American, 1.23 percent American Indian and Alaska Native, 5.25 percent Asian, and 0.18 percent Native Hawaiian and Other Pacific Islander.
- Almost 80 percent of women-owned firms had receipts totaling less than \$50,000 in both 1997 and 2002. Total receipts for firms in this under-\$50,000 group constituted about 6 percent of total women-owned business receipts in both years.
- More than 84 percent of all women-owned employer firms had fewer than 10 employees in 2002. As a share of all women-owned firms with employees, these very small firms accounted for 29 percent of total business receipts, employed nearly 27 percent of the workers, and paid more than 26 percent of the total payroll.
- The 7,240 women-owned firms with 100 employees or more accounted for \$275.0 billion in gross receipts or 34.2 percent of the total receipts of women-owned employer firms in 2002.
- The largest shares of women-owned business receipts were in wholesale and retail trade and manufacturing in both 1997 and 2002.
- According to 2002 data, significant proportions of women-owned businesses were in professional, scientific, and technical services, and in health care and social assistance, but the share of receipts in these businesses was smaller than in the trades and manufacturing.

Women-owned Business Dynamics

- Between 1997 and 2002, the numbers of women-owned firms overall increased by 19.8 percent and of women-owned employer firms, by 8.3 percent.
- Firms owned by women increased employment by 70,000; those owned by men lost 1 million employees; those owned jointly by men and women lost 2.6 million; and publicly held and other firms not identified by gender of ownership increased employment by 10.9 million between 1997 and 2002.
- Overall, neither women nor men saw the receipts and payroll of their firms increase as fast as those of large publicly held firms and other firms not classifiable by gender.
- A special Census tabulation allows a comparison of survival rates, as well as expansion and contraction rates, for employer businesses owned by women of various ethnic groups over three time spans—1997-1998, 1997-1999, and 1997-2000.
- Over the 1997-2000 period, the firms owned by Asian American women had the highest survival rate of 77 percent, compared with the other ethnic groups.
- There were significant expansions in women-owned establishments between 1997 and 2000. At the same time, more than 20 percent of each ethnic group of women-owned businesses lost employment because of contractions each year of the period studied.
- Of the ethnic groups examined, only American Indian and Alaska Native women-owned businesses registered a net gain in employment at the end of the three-year period after the combined effects of business expansions, contractions, and deaths or closings. (Not included in this calculation is the effect of business births or openings.)

Introduction

Women's business ownership has greatly influenced the economy in general and women's economic well-being in particular. This report presents demographic descriptions of the female population and labor force, followed by data on women-owned businesses. The report concludes with a look at the relationship between women-owned businesses and women's economic well-being in the United States.

Demographic Characteristics of Women in the Population and Labor Force

Women constituted more than 51 percent of the American population and nearly 47 percent of labor force in 2004. Women's labor participation rate was about 46.2 percent, approximately 10 percentage points less than that of men (Table 1).¹

Of the female population, about 14.5 percent were in poverty in 2004, about 3 percentage points more than men.² The poverty rate among unemployed women was more than double the women's overall poverty rate, at 31.8 percent—a rate almost 8 percentage points higher than that of unemployed men (Table 2).

Women carry a large share of the responsibility for caregiving in the United States (Table 3). Of American families, 75 percent were headed by married couples. Married couples headed 69 percent of households with children of their own under 18 years of age. Seven percent of these households with children were headed by men with no wife present and more than three times that many—24 percent—were headed by women with no husband—a partial explanation for the higher poverty rate among unemployed women.

“Moonlighters” are people involved in more than one job that may be wage-and-salary work and/or self-employment. Of the total labor force, more than 3.9 million people—less than 3 percent of total wage-and-salary earners and more than 32 percent of total self-employed workers—took both self-employment and wage-and-salary work in 2004. Moonlighters accounted for about 2.9 percent of the male labor force and 2.4 percent of the female labor force. Like the civilian labor force, moonlighters take a variety of occupations that differ somewhat by gender (Table 4). Table 4 indicates that “management, business and financial occupations” constitute similar shares of the men's and women's occupations in the labor force. Almost 24 percent of women in the labor force held “professional and related occupations,” 8 percentage points more than the share of the male labor force in these occupations. Many working women were also in the office and administrative support and service sectors.

¹ The labor force participation rate is the percentage of working age persons in a given cohort who are either working or looking for a job.

² For the definition of poverty used in the American Community Survey, see <http://www.census.gov/acs/www/UseData/Def/Poverty.htm>.

Table 1 Total U.S. Population and Labor Force by Gender, 2004

	Estimated number	Share of total (percent)	Labor participation rate (percent)
Total U.S. population	284,577,956	100.0	X
Male	139,214,726	48.9	
Female	145,363,230	51.1	
Total U.S. labor force	144,720,309	100.0	50.9
Male	77,559,334	53.3	55.7
Female	67,160,975	46.7	46.2
Data Source: U.S. Census Bureau, 2004 American Community Survey.			

Table 2 Poverty Rates in the Total and Unemployed U.S. Populations by Gender, 2004 (percent)

	Poverty rate in the total population	Poverty rate in the unemployed population
Male	11.6	24.0
Female	14.5	31.8
Note: For the definition of poverty used in the American Community Survey, see http://www.census.gov/acs/www/UseData/Def/Poverty.htm .		
Data Source: U.S. Census Bureau, 2004 American Community Survey.		

Table 3 Households and Families by Gender of Family Householder, 2004

	Number of households	Number of families	Households with own children under 18 years
Total number of U.S. households	109,902,090	73,885,953	34,976,246
Married couple family household	55,223,574	55,223,574	24,319,914
Male householder, no wife present family household	4,811,462	4,811,462	2,348,065
Female householder, no husband present family household	13,850,917	13,850,917	8,308,267
Nonfamily household	36,016,137	--	--
Percent of total	100	100	100
Married couple family household	50	75	69
Male householder, no wife present family household	4	6	7
Female householder, no husband present family household	13	19	24
Nonfamily household	33	--	--
Note: Data are limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters.			
Data Source: U.S. Census Bureau, 2004 American Community Survey.			

Table 4 Occupations of Women in the Labor Force and Moonlighters, 2004 (percent)

Occupation	Civilian labor force ¹		Moonlighters ²	
	Male	Female	Male	Female
Management, business, and financial occupations	14.57	12.89	19.8	14.8
Professional and related occupations	16.03	23.95	22.5	32.3
Service occupations	13.15	20.45	9.7	15.8
Sales and related occupations	11.03	12.13	12.7	13.0
Office and administrative support occupations	6.26	22.36	4.5	19.0
Farming, fishing, and forestry occupations	1.07	0.39	0.9	0.1
Construction and extraction occupations	11.83	0.42	10.6	0.2
Installation, maintenance, and repair occupations	6.56	0.33	6.0	0.1
Production occupations	9.11	4.58	6.2	2.7
Transportation and material moving occupations	9.85	2.05	7.3	2.1
Armed Forces	0.04	0.01	0.0	0.0
Not in universe, or children	0.51	0.45	0.0	0.0
Total	100.0	100.0	100.0	100.0

¹The data universe for this group is A_CIVLFF=2, i.e., civilian labor force. The “civilian labor force” did not include children or armed forces.
²The data universe for this group is WSAL_YN=1 (Yes—wage and salary earnings received in 2004) and SEMP_YN=1 (Yes—self-employment for any job in 2004).
Data Sources: U.S. Census Bureau, 2005 Current Population Survey, March Supplement. Occupational titles are defined in the Department of Labor’s Standard Occupational Classification (SOC) system—see <http://www.bls.gov/soc/>.

In 2004, there were 53 million American professional workers: about 28 million women and 25 million men (Table 5). Professionals are defined here as those in the occupations of management; business and financial operations; computers and mathematics; architecture and engineering; life, physical, and social sciences; community and social services; law; education, training, and libraries; arts, design, entertainment, sports, and media; healthcare practitioners and technicians; and healthcare support. These professions are often considered desirable for their human capital intensity, social status, and/or earnings potential. Women were about as intensely involved as men in business and financial operations. In other fields there were distinct gender differences. Women were more concentrated in education, training, library, and healthcare occupations, while men were more likely to be in management, science, and engineering.

Three groups were compared for gender differences in their 2004 demographic profiles: the civilian labor force, professional workers, and moonlighters (Table 6). Of the professionals, 70 percent of men and about 61 percent of women were married, 10 percent and 7 percent, respectively, more than in the general labor force. Professionals were highly educated, concentrated in the 25-59 age groups, and more likely to have health insurance in their own name. Men continued to earn more than women: nearly 21 percent of men professionals were in the highest income level (\$100,000 plus), compared with 5 percent of women, and more men

Table 5 Detailed Occupational Information for Professionals¹ by Gender, 2004 (percent)

Detailed industry and occupation	Male	Female
Management occupations	36.6	19.6
Business and financial operations occupations	10.3	11.8
Computer and mathematical science occupations	9.7	3.2
Architecture and engineering occupations	9.6	1.3
Life, physical, and social science occupations	3.1	2.0
Community and social services occupations	3.6	4.5
Legal occupations	3.3	2.8
Education, training, and library occupations	9.0	22.3
Arts, design, entertainment, sports, and media occupations	6.2	4.8
Healthcare practitioner and technical occupations	7.2	17.6
Healthcare support occupations	1.4	10.0
Total	100.0	100.0

¹ The data universe for this group is: A_DTOCC=1 through 11: management occupations, business and financial operations occupations, computer and mathematical science occupations, architecture and engineering occupations, life, physical, and social science occupations, community and social services occupations, legal occupations, education, training, and library occupations, arts, design, entertainment, sports, and media occupations, healthcare practitioner and technical occupations, and healthcare support occupations.
Data Sources: U.S. Census Bureau, 2005 Current Population Survey, March Supplement. Occupational titles are defined in the Department of Labor's Standard Occupational Classification (SOC) system—see <http://www.bls.gov/soc/>.

were in the next two highest income brackets. Almost 42 percent of men and more than 33 percent of women lived in households with the top household income (\$100,000 and over).

Where did people work, and how many hours? While the overwhelming majority worked in the private sector in 2004, almost 26 percent of women professionals and more than 16 percent of their male counterparts worked for government (Table 7). Nearly 89 percent of women professionals worked full time, about 20 percentage points more than in the general civilian labor force. More men than women in all three groups—the labor force, professionals, and moonlighters—claimed self-employment as their major income earning source.

Tables 6 and 7 also give a complete profile of American moonlighters in 2004. In most of the characteristics discussed here, moonlighters fell between the general civilian labor force and the professionals. American moonlighters were more likely than the general civilian labor force and less likely than the professionals to be married and educated, to hold better-paying occupations, and to live in households with higher levels of household income. The fact that almost one-third of moonlighters earn their primary income from self-employment and that they are more educated than the average labor force participant may imply that self-employed workers benefit from higher levels of education.

Table 6 Profiles of the Labor Force, Professionals, and Moonlighters by Gender, 2004 (percent)

Items	Civilian labor force ¹		Professionals ²		Moonlighters ³	
	Male	Female	Male	Female	Male	Female
Marital status						
Married	59.1	53.4	70.3	60.5	69.3	57.8
Not married	11.1	19.4	9.4	17.8	11.7	19.3
Never married	29.7	27.2	20.3	21.6	19.0	22.8
Education level						
Less high school	14.6	10.8	2.6	2.8	6.5	5.1
High school degree	31.4	28.5	12.9	15.3	25.0	18.2
Some college	25.8	31.5	22.3	29.2	30.0	33.7
Bachelor's degree	18.3	19.8	35.2	32.2	22.5	26.1
Post graduate	9.9	9.5	27.1	20.4	16.0	16.9
Age groups						
15-24	14.6	15.4	7.1	8.4	8.7	10.6
25-39	33.8	32.0	32.9	35.5	31.5	32.9
40-49	25.0	25.6	27.0	27.6	29.6	27.7
50-59	18.3	19.3	22.6	21.5	19.6	20.2
60 and over	8.3	7.7	10.5	7.1	10.6	8.6
Health insurance in own name						
Not in universe	25.6	21.9	12.4	12.6	21.1	19.6
Yes	60.2	53.7	75.1	64.4	63.3	52.1
No	14.2	24.4	12.4	23.0	15.5	28.3
Personal income						
<\$20,000	25.8	39.6	10.9	23.7	15.6	33.2
\$20,000 to <\$40,000	29.8	34.6	19.2	33.4	21.8	29.8
\$40,000 to <\$60,000	19.8	14.6	22.3	22.7	22.6	17.0
\$60,000 to <\$80,000	10.4	6.2	16.3	10.9	13.8	9.1
\$80,000 to <\$100,000	5.2	2.3	10.5	4.2	6.1	3.7
\$100,000 and over	9.0	2.6	20.8	5.1	20.1	7.2
Household income						
<\$20,000	7.4	9.6	3.4	5.0	4.9	7.2
\$20,000 to <\$40,000	17.6	19.2	9.6	13.4	12.0	16.3
\$40,000 to <\$60,000	19.9	19.4	14.5	17.5	17.3	16.7
\$60,000 to <\$80,000	17.3	16.8	16.2	16.9	16.2	19.0
\$80,000 to <\$100,000	12.5	11.7	14.5	13.7	13.8	10.9
\$100,000 and over	25.3	23.2	41.8	33.4	35.7	29.9

¹ The data universe for this group is A_CIVLFF=2, i.e., civilian labor force. The "civilian labor force" did not include children or armed forces.

² The data universe for this group is: A_DTOCC=1 through 11: management occupations, business and financial operations occupations, computer and mathematical science occupations, architecture and engineering occupations, life, physical, and social science occupations, community and social services occupations, legal occupations, education, training, and library occupations, arts, design, entertainment, sports, and media occupations, healthcare practitioner and technical occupations, and healthcare support occupations.

³ The data universe for this group is WSAL_YN=1 (Yes—wage and salary earnings received in 2004) and SEMP_YN=1 (Yes—self-employment for any job in 2004).

Data Source: U.S. Bureau of the Census, 2005 Current Population Survey March Supplement.

Table 7 Employment Sector and Work Schedule by Gender, 2004 (percent)

Items	Civilian labor force ¹		Professionals ²		Moonlighters ³	
	Male	Female	Male	Female	Male	Female
Employment sector						
Private sector	72.6	71.4	64.5	64.1	55.3	54.9
Self-employed	12.4	7.1	17.6	7.5	30.2	28.7
Government	11.3	17.0	16.2	25.9	14.4	16.4
Worked but unpaid	0.1	0.1	0.0	0.0	0.1	0.0
Never worked	3.8	4.5	1.7	2.6	0.0	0.0
Work schedule						
Full time	82.2	70.0	82.2	88.5	84.9	69.0
Part time for economic reasons, usually full time	1.3	0.7	0.6	0.7	1.4	1.2
Part time for noneconomic reasons, usually part time	9.0	21.8	12.8	6.9	8.8	25.0
Part time for economic reasons, usually part time	1.7	2.4	1.1	0.8	2.7	2.0
Unemployed full time	5.0	3.9	2.1	2.3	2.0	2.1
Unemployed part time	1.0	1.2	0.4	0.3	0.3	0.6
Not in labor force	0.0	0.0	0.8	0.6	0.0	0.0

¹ The data universe for this group is A_CIVLF=2, i.e., civilian labor force. The “civilian labor force” did not include children or armed forces.

² The data universe for this group is: A_DTOCC=1 through 11: management occupations, business and financial operations occupations, computer and mathematical science occupations, architecture and engineering occupations, life, physical, and social science occupations, community and social services occupations, legal occupations, education, training, and library occupations, arts, design, entertainment, sports, and media occupations, healthcare practitioner and technical occupations, and healthcare support occupations.

³ The data universe for this group is WSAL_YN=1 (Yes—wage and salary earnings received in 2004) and SEMP_YN=1 (Yes—self-employment for any job in 2004).

Data Source: U.S. Bureau of the Census, 2005 Current Population Survey March Supplement.

Women-owned Businesses

In 2002, women owned 6.5 million nonfarm U.S. firms, of which more than 14 percent were employer firms with 7.1 million workers and \$173.7 billion in annual payroll.³ These women-owned firms accounted for 28.2 percent of all nonfarm firms in the United States, 6.5 percent of their employment, and 4.2 percent (\$940.8 billion) of their total receipts of \$22.6 trillion. Men owned more than 13 million firms, accounted for 57.4 percent of all U.S. firms, 31.3 percent of total U.S. business receipts, 38.4 percent of total business employment, and 34.7 percent of total business payroll (Table 8). The remaining employment, receipts, and payroll are accounted for by firms jointly owned by women and men, publicly owned, or otherwise not identified by gender of ownership. The number of firms owned equally by men and women totaled 2.7 million in 2002, down from 5.1 percent of the total in 1997 to 3.2 percent in 2002. The number of publicly held and other firms not classifiable by gender increased by 112,000, and their receipts soared by more than \$3.67 trillion.

Race/Ethnicity of Women Business Owners

The rate of women's business ownership appears to be higher among minorities than among Whites: 28 percent of businesses owned by Whites were owned by women; the comparable figure was 46 percent for African Americans and 39 percent for American Natives (Table 9). American Indians and Alaska Natives had the lowest rate of male/female joint business ownership at 3 percent. Most business owners are White, but more than 14 percent of women business owners are minorities, compared with less than 10 percent of men business owners.

Size of Firm

Women-owned firms with paid employees accounted for 14 percent of the total number of women-owned firms and about 86 percent of gross receipts (Table 10). Most women-owned businesses (86 percent) had no employment. More than 79 percent of women-owned firms made less than \$50,000; their receipts totaled about 6 percent of all women-owned business receipts in both 1997 and 2002. There were 117,069 women-owned firms with receipts of \$1 million or more, accounting for 1.8 percent of the total number of women-owned businesses and 66.6 percent of their total receipts. The receipts size of women-owned businesses may not be an accurate measure over time as inflationary adjustments were not made in the data between 1997 and 2002.

³ The 2002 Survey of Business Owners (SBO) defines women-owned businesses as firms in which women own 51 percent or more of the interest or stock of the business. The 2002 SBO data were collected as part of the 2002 Economic Census from a large sample of all nonfarm firms filing 2002 tax forms as individual proprietorships, partnerships, or any type of corporation, and with receipts of \$1,000 or more.

Table 8 U.S. Nonfarm Firms by Gender of Ownership, 1997 and 2002

As published	All firms*		Firms with paid employees			
	Firms (number)	Receipts (millions of dollars)	Firms (number)	Receipts (millions of dollars)	Employees (number)	Annual payroll (millions of dollars)
Women-owned firms:						
2002 ¹	6,489,483	940,775	916,768	804,097	7,146,229	173,709
1997 ²	5,417,034	818,669	846,780	717,764	7,076,081	149,116
Growth (percent)	19.8	14.9	8.3	12.0	1.0	16.5
Men-owned firms:						
2002 ¹	13,184,529	7,073,165	3,525,299	6,576,056	42,502,789	1,322,192
1997 ²	11,374,194	6,635,375	3,485,921	6,270,253	43,532,114	1,187,721
Growth (percent)	15.9	6.6	1.1	4.9	-2.4	11.3
Equally men-/women-owned						
2002 ¹	2,693,171	731,447	717,880	627,004	5,663,453	129,676
1997 ²	3,641,263	943,881	1,029,469	828,390	8,284,537	160,989
Growth (percent)	-26.0	-22.5	-30.3	-24.3	-31.6	-19.5
Publicly held and other firms not classifiable by gender						
2002 ¹	494,253	13,833,816	352,697	13,810,783	55,358,624	2,184,984
1997 ²	381,519	10,161,242	NA	10,104,058	44,458,403	1,437,195
Growth (percent)	29.5	31.6	--	36.7	24.5	52.0
All U.S. firms:						
2002 ³	22,974,685	22,627,167	5,524,813	21,859,758	110,786,416	3,813,488
1997 ⁴	20,821,934	18,553,243	5,295,151	17,907,940	103,359,815	2,936,493
Growth (percent)	10.3	22.0	4.3	22.1	7.2	29.9
2002 percent of total U.S. firms**						
Women-owned	28.2	4.2	16.6	3.7	6.5	4.6
Men-owned	57.4	31.3	63.8	30.1	38.4	34.7
Equally men/women-owned	11.7	3.2	13.0	2.9	5.1	3.4
Publicly held and other firms not classifiable by gender	2.2	61.1	6.4	63.2	50.0	57.3
* Includes firms with and without paid employees.						
** Percentages may not add to 100 because of rounding.						
Data Sources:						
¹ 2002 Survey of Business Owners, Women-owned Firms.						
² 1997 Survey of Women-owned Business Enterprises.						
³ 2002 Economic Census.						
⁴ 1997 Economic Census.						

Table 9 Gender of Ownership of U.S. Nonfarm Firms by Race or Ethnicity, 1997 and 2002

Race or ethnicity of firm ownership	2002 Number of businesses				1997 Number of businesses			
	Women-owned	Men-owned	Equally men-/women-owned	Total ³	Women-owned	Men-owned	Equally men-/women-owned	Total ³
Total ³	6,492,795	13,185,703	2,691,722	22,370,220	5,417,034	11,374,194	3,641,263	20,821,934
Hispanic	540,909	921,963	111,287	1,574,159	337,708	666,486	195,702	1,199,896
White	5,580,524	11,916,049	2,398,250	19,894,823	4,487,589	9,689,012	3,140,194	17,316,796
African American	547,341	571,670	78,978	1,197,989	312,884	443,643	66,972	823,499
Natives ¹	79,637	119,567	6,922	206,126	53,593	106,872	36,836	197,300
Asian American	340,556	641,032	123,740	1,105,328	242,202	487,329	164,059	893,590
Pacific Islander ²	11,673	18,189	2,437	32,299	5,764	10,129	3,476	19,370
Gender share of total (percent) ³								
Total ³	29	59	12		26	55	17	
Hispanic	34	59	7		28	56	16	
White	28	60	12		26	56	18	
African American	46	48	7		38	54	8	
Natives ¹	39	58	3		27	54	19	
Asian American	31	58	11		27	55	18	
Pacific Islander ²	36	56	8		30	52	18	
Racial/ethnic share of total (percent) ³								
Hispanic	8.33	6.99	4.13	7.04	6.23	5.86	5.37	5.76
White	85.95	90.37	89.10	88.93	82.84	85.18	86.24	83.17
African American	8.43	4.34	2.93	5.36	5.78	3.90	1.84	3.95
Natives ¹	1.23	0.91	0.26	0.92	1.46	0.94	1.01	0.95
Asian American	5.25	4.86	4.60	4.94	4.47	4.28	4.51	4.29
Pacific Islander ²	0.18	0.14	0.09	0.14	0.11	0.09	0.10	0.09
¹ Natives=American Indian and Alaska Native ² Pacific Islanders= Native Hawaiian and Other Pacific Islander ³ The sum of all racial and ethnic groups does not equal the U.S. total, as multiple counts occur across racial and ethnic groups. Note: Particular caution should be exercised in comparing the 1997 and 2002 figures for racial and ethnic variables, and for equally male- and female-owned businesses, as the methodology changed. See the Appendix B section titled Comparability of the 2002 and 1997 SBO Data by Gender, Race, and Ethnicity. Data Sources: U.S. Bureau of Census' 2002 Survey of Business Owners, Final and Preliminary Estimates of Business Ownership by Kind of Business, Gender, Hispanic or Latino Origin, and Race; 1997 Survey of Women-owned Business Enterprises.								

Table 10 Receipts Sizes of All Women-owned Businesses, 1997 and 2002*

	2002 ¹		1997 ²	
	Firms (number)	Receipts (thousands of dollars)	Firms (number)	Receipts (thousands of dollars)
All women-owned firms	6,489,483	940,774,986	5,417,034	818,669,084
Less than \$5,000	1,831,238	4,371,785	1,630,833	3,849,564
\$5,000-\$9,999	1,167,913	7,876,084	976,085	6,553,733
\$10,000-\$24,999	1,405,378	21,641,615	1,115,180	17,219,946
\$25,000-\$49,999	731,950	25,408,375	571,368	19,827,640
\$50,000-\$99,999	495,519	34,580,259	399,326	27,941,867
\$100,000-\$249,999	422,596	66,300,101	355,804	55,586,538
\$250,000-\$499,999	197,309	69,001,805	169,337	59,126,765
\$500,000-\$999,999	121,510	84,699,002	100,230	69,398,077
\$1,000,000 or more	117,069	626,895,960	98,870	559,164,953
Percent of all women-owned firms				
Less than \$5,000	28.2	0.5	30.1	0.5
\$5,000-\$9,999	18.0	0.8	18.0	0.8
\$10,000-\$24,999	21.7	2.3	20.6	2.1
\$25,000-\$49,999	11.3	2.7	10.5	2.4
\$50,000-\$99,999	7.6	3.7	7.4	3.4
\$100,000-\$249,999	6.5	7.0	6.6	6.8
\$250,000-\$499,999	3.0	7.3	3.1	7.2
\$500,000-\$999,999	1.9	9.0	1.9	8.5
\$1,000,000 or more	1.8	66.6	1.8	68.3
* The flaw in this receipt-size classification is that the dollar value of each class was recorded in current rather than constant values.				
Data Sources: ¹ 2002 Survey of Business Owners, Women-owned Firms; ² 1997 Survey of Women-owned Business Enterprises.				

Of all women-owned employer firms, 82.5 percent made at least \$50,000 in total receipts in 2002, slightly less than in 1997 (Table 11). Receipts in firms earning \$50,000 or more amounted to more than 99.5 percent of total women-owned employer business receipts. These firms employed 97.7 percent of the workers in women-owned employer businesses.

Examining firms by employment size provides another perspective (Table 12). In 2002, 84 percent of women-owned employer firms had fewer than 10 employees. They accounted for 29 percent of women employer business receipts, employed nearly 27 percent of these firms' workers, and paid more than 26 percent of their payroll. The 7,240 firms with 100 employees or more accounted for \$275.0 billion or 34.2 percent of total gross receipts of women-owned employer firms in 2002. The number of middle-sized firms with 10 to 499 employees increased, while the number, employment, and payroll of large women-owned firms with 500 or more employees decreased compared with 1997.

Table 11 Receipts Sizes of All Women-owned Employer Businesses, 1997 and 2002

	2002 ¹			1997 ²		
	Employer firms (number)	Receipts (thousands of dollars)	Employees (number)	Employer firms (number)	Receipts (thousands of dollars)	Employees (number)
All women-owned employer firms	916,768	804,097,284	7,146,229	846,780	717,763,965	7,076,081
Less than \$5,000	12,521	32,385	30,666	5,023	14,650	3,342
\$5,000-\$9,999	16,051	112,358	6,387	12,029	85,546	7,218
\$10,000-\$24,999	51,272	875,739	33,520	45,746	794,243	42,884
\$25,000-\$49,999	80,462	2,953,485	85,623	80,084	2,973,390	105,475
\$50,000-\$99,999	141,482	10,329,863	237,803	141,045	10,296,605	272,881
\$100,000-\$249,999	240,476	39,210,007	709,719	234,764	38,065,828	782,966
\$250,000-\$499,999	154,468	54,466,842	838,322	142,057	49,937,956	845,692
\$500,000-\$999,999	105,623	73,703,228	986,290	89,836	62,089,343	893,969
\$1,000,000 or more	114,414	622,413,377	4,217,898	96,195	553,056,404	4,112,652
Percent of all women-owned employer firms						
Less than \$5,000	1.4	0.0	0.4	0.6	0.0	0.1
\$5,000-\$9,999	1.8	0.0	0.1	1.4	0.0	0.1
\$10,000-\$24,999	5.6	0.1	0.5	5.4	0.1	0.6
\$25,000-\$49,999	8.8	0.4	1.2	9.5	0.4	1.5
\$50,000-\$99,999	15.4	1.3	3.3	16.7	1.4	3.9
\$100,000-\$249,999	26.2	4.9	9.9	27.7	5.3	11.1
\$250,000-\$499,999	16.9	6.8	11.7	16.8	7.0	12.0
\$500,000-\$999,999	11.5	9.2	13.8	10.6	8.7	12.6
\$1,000,000 or more	12.5	77.4	59.0	11.4	77.1	58.1
All dollar amounts are in current rather than constant values that can be used for comparison.						
Data Sources: ¹ 2002 Survey of Business Owners, Women-owned Firms; ² 1997 Survey of Women-owned Business Enterprises.						

Industries

Most women-owned businesses (55 percent) were in the service sector as classified in the 1997 Survey of Women-owned Business Enterprises (Table 13). These service businesses accounted for 23 percent of all women-owned business receipts. In the 2002 Survey of Business Owners, (Women-owned Firms), the service sector was further classified into several divisions. Sixteen percent of women-owned firms were in health care and social assistance, the largest division among women-owned businesses, which, however, produced only 7 percent of total women-owned business receipts in 2002. Another large division was professional, scientific, and technical services, 14 percent of total women-owned firms, with 8 percent of total women-owned business receipts. Women-owned businesses in wholesale and retail trade constituted about 17 percent of the number of businesses, but accounted for 38 percent of women-owned business revenue, slightly down from 1997.

Table 12 Employment Size of Women-owned Firms, 1997 and 2002

Firm employment size	2002 ¹				1997 ²			
	Employer firms (number)	Receipts (thousands of dollars)	Employees (number)	Annual payroll (thousands of dollars)	Employer firms (number)	Receipts (thousands of dollars)	Employees (number)	Annual payroll (thousands of dollars)
All firms	916,768	804,097,284	7,146,229	173,709,355	846,780	717,763,965	7,076,081	149,115,699
0*	161,310	23,566,372	–	3,955,935	115,281	14,538,408	–	2,649,394
1 to 4	461,896	113,455,460	939,479	20,485,194	444,121	103,567,582	923,514	17,055,243
5 to 9	149,063	96,553,311	970,986	21,366,953	150,300	84,335,319	974,625	17,712,160
10 to 19	82,942	103,155,850	1,105,339	25,943,298	79,327	91,167,777	1,046,787	20,594,115
20 to 49	43,244	118,005,642	1,269,752	31,603,163	39,987	104,393,025	1,167,829	25,029,270
50 to 99	11,072	74,405,956	750,562	19,337,750	10,325	71,473,096	693,586	16,109,917
100 to 499	6,578	114,737,129	1,195,043	30,060,267	6,566	113,055,559	1,213,289	25,908,642
500 +	662	160,217,565	915,068	20,956,794	873	135,233,199	1,056,451	24,056,959
	Percent of total women-owned employer firms							
0*	17.6	2.9	–	2.3	13.6	2.0	–	1.8
1 to 4	50.4	14.1	13.1	11.8	52.4	14.4	13.1	11.4
5 to 9	16.3	12.0	13.6	12.3	17.7	11.7	13.8	11.9
10 to 19	9.0	12.8	15.5	14.9	9.4	12.7	14.8	13.8
20 to 49	4.7	14.7	17.8	18.2	4.7	14.5	16.5	16.8
50 to 99	1.2	9.3	10.5	11.1	1.2	10.0	9.8	10.8
100 to 499	0.7	14.3	16.7	17.3	0.8	15.8	17.1	17.4
500 +	0.1	19.9	12.8	12.1	0.1	18.8	14.9	16.1
* * Firms reported annual payroll, but did not report any employees on their payroll during specified period of the year. Data Sources: ¹ 2002 Survey of Business Owners, Women-owned Firms; ² 1997 Survey of Women-owned Business Enterprises.								

Geographic Characteristics

By state, California had the largest number of women-owned firms in 2002 at 870,612 (13.4 percent), with receipts of \$138.0 billion (14.7 percent) (Table 14). New York was second with 505,134 (7.8 percent) and receipts of more than \$71.4 billion (7.6 percent). Texas was third in number of firms with 468,705 (7.2 percent) and receipts of \$65.8 billion (7.0 percent).

Other geographic characteristics of women-owned businesses can be seen in Tables 15 through 17, namely the 10 combined statistical areas, 12 counties, and 12 cities with the largest number of women-owned firms, compared with corresponding statistics in their states.⁴

⁴ Metropolitan Statistical Areas (metro areas), by Census definition, are metro areas with at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties. Micropolitan Statistical Areas (micro areas) have at least one urban cluster of at least 10,000, but less than 50,000 population, plus adjacent territory with a high degree of social and economic integration with the core as measured by commuting ties. Metropolitan Divisions (metro divisions): if specified criteria are met, a metro area containing a single core with a population of 2.5 million or more may be subdivided to form smaller groupings of counties referred to as Metropolitan Divisions. Combined Statistical Areas (combined areas): if specified criteria are met, adjacent metro and micro areas, in various combinations, may become the components of a new set of areas called Combined Statistical Areas. The areas that combine retain their own designations as metro or micro areas within the larger combined area.

Table 13 Industries Accounting for the Most Receipts of Women-owned Firms, 1997 and 2002

Kind of business	2002 ³				1997 ⁴			
	Firms		Receipts ¹		Firms		Receipts ¹	
	Number	Percent	Millions of dollars	Percent	Firm number	Percent	Millions of dollars	Percent
All Industries	6,492,795	100	940,775	100	5,417,034	100	818,669	100
Wholesale trade	121,421	2	210,802	22	125,645	2	188,489	23
Retail trade	944,682	15	149,231	16	919,990	17	152,041	19
Manufacturing	110,348	2	93,312	10	121,108	2	113,722	14
Professional, scientific, and technical services	934,851	14	79,247	8	NA	NA	NA	NA
Health care and social assistance	1,035,834	16	68,458	7	NA	NA	NA	NA
Services ²	NA	NA	NA	NA	2,981,266	55	186,161	23

NA = Not available.
¹Receipts in current values are for firms with and without paid employees.
²As classified in the 1997 Survey of Women-owned Business Enterprises, “services” includes travel and business, entertainment and recreation, technical services, product rental and leasing, and other services—i.e., Other Services (NAICS 81); Rental and Leasing Services (NAICS 532); Administrative and Support and Waste Management and Remediation Services (NAICS 56); Arts, Entertainment, and Recreation Services (NAICS 71); Professional, Scientific, and Technical Services (NAICS 54).
Data Sources: ³ 2002 Survey of Business Owners, Women-owned Firms; ⁴1997 Survey of Women-owned Business Enterprises.

To exhibit women-owned business growth in those geographic regions, these tables include both 2002 and 1997 information. All geographic definitions are subject to changes made by the U.S. Bureau of the Census for 2002 compared with 1997. Therefore, the data may not be comparable.

The New York, Los Angeles-Long Beach, Chicago, and Washington metropolitan areas had the largest numbers of women-owned businesses in both 1997 and 2002 (Table 15). Counties with the largest numbers of women-owned businesses in both years were Los Angeles County, California; Cook County, Illinois; Miami-Dade County, Florida; and New York County, New York (Table 16).

Table 17 illustrates the importance of large cities for women-owned businesses in their states. For instance, New York City had 251,057 women-owned businesses in 2002—50 percent of the total New York state firm number and 49 percent of total state women-owned business receipts. The 28,460 women-owned firms in San Francisco, with more than \$5 million in receipts, represented just 3 percent of the total number of women-owned businesses in the state and 3 percent of total state women-owned business receipts.

Table 14 Number and Receipts of Women-owned Firms by State, 1997 and 2002

Geographic area	2002 ¹		1997 ²		Rate of growth in number (percent)	Ranking by growth in number	Real receipts growth rate (percent)	Ranking by receipts growth rate
	Firm number	Sales and receipts (millions of dollars)	Firm number	Sales and receipts (millions of dollars)				
United States	6,489,483	940,775	5,417,034	818,669	19.8	11	5.2	27
Alabama	81,820	11,426	69,515	10,230	17.7	20	2.3	33
Alaska	16,309	2,422	16,633	1,942	-1.9	52	14.2	14
Arizona	109,749	15,762	88,780	11,305	23.6	7	27.7	4
Arkansas	49,614	6,338	42,581	6,490	16.5	24	-10.6	50
California	870,612	138,003	700,513	121,191	24.3	6	4.3	29
Colorado	135,220	16,363	114,807	13,763	17.8	19	8.9	21
Connecticut	82,119	12,219	72,393	9,276	13.4	33	20.6	9
Delaware	15,344	2,021	13,662	1,831	12.3	34	1.1	37
District of Columbia	15,675	2,403	13,979	1,813	12.1	36	21.3	8
Florida	437,415	61,327	337,811	48,261	29.5	3	16.3	12
Georgia	196,195	30,029	145,576	25,267	34.8	2	8.8	22
Hawaii	29,897	4,562	25,807	3,253	15.8	27	28.4	3
Idaho	28,824	3,216	25,763	2,405	11.9	38	22.4	7
Illinois	284,950	46,860	239,725	44,273	18.9	14	-3.1	39
Indiana	118,857	16,481	107,082	13,578	11.0	42	11.1	16
Iowa	63,821	7,399	57,527	8,093	10.9	43	-16.3	52
Kansas	59,635	6,949	54,638	6,928	9.1	48	-8.2	48
Kentucky	77,159	9,451	65,965	9,877	17.0	21	-12.4	51
Louisiana	86,876	12,253	70,550	11,463	23.1	8	-2.1	38
Maine	32,512	3,282	30,598	3,212	6.3	50	-6.5	46
Maryland	137,410	17,333	115,801	14,657	18.7	16	8.3	24
Massachusetts	161,919	23,138	142,661	16,753	13.5	32	26.4	5
Michigan	217,674	29,287	184,590	26,499	17.9	18	1.2	36
Minnesota	123,905	16,252	108,417	13,458	14.3	30	10.6	18
Mississippi	47,102	6,728	38,321	5,995	22.9	9	2.7	32
Missouri	120,438	18,596	103,626	15,003	16.2	25	13.5	15
Montana	24,519	2,139	22,404	2,048	9.4	46	-4.4	42
Nebraska	38,681	5,793	33,469	4,537	15.6	28	16.9	11
Nevada	47,674	8,639	33,311	5,972	43.1	1	32.4	2
New Hampshire	31,024	4,665	27,265	3,113	13.8	31	37.2	1
New Jersey	185,197	35,583	155,345	30,001	19.2	13	8.6	23
New Mexico	42,252	4,710	38,706	4,450	9.2	47	-3.1	40
New York	505,134	71,414	394,014	59,497	28.2	4	9.9	19
North Carolina	173,874	26,743	139,900	24,166	24.3	5	1.3	35
North Dakota	13,203	1,318	12,417	1,167	6.3	49	3.4	30
Ohio	229,973	32,324	205,044	30,597	12.2	35	-3.3	41
Oklahoma	75,029	9,255	67,481	8,912	11.2	41	-4.9	43
Oregon	88,318	10,618	80,543	10,335	9.7	45	-5.9	44
Pennsylvania	227,119	39,085	202,990	34,043	11.9	37	5.1	28
Rhode Island	23,195	3,641	19,886	2,684	16.6	23	24.2	6
South Carolina	76,831	10,891	64,232	10,634	19.6	12	-6.2	45
South Dakota	15,573	1,547	14,121	1,202	10.3	44	17.8	10
Tennessee	117,934	17,640	99,772	14,538	18.2	17	11.1	17
Texas	468,705	65,819	381,453	65,065	22.9	10	-7.4	47
Utah	48,474	5,920	41,991	5,096	15.4	29	6.4	25
Vermont	18,989	1,454	17,030	1,313	11.5	40	1.4	34

Virginia	157,076	22,139	132,219	17,486	18.8	15	15.9	13
Washington	137,396	17,375	123,042	15,099	11.7	39	5.4	26
West Virginia	31,301	3,252	30,231	3,299	3.5	51	-9.7	49
Wisconsin	104,170	17,582	89,284	15,654	16.7	22	2.8	31
Wyoming	12,945	1,130	11,148	945	16.1	26	9.5	20

Notes: Detail may not add to total because firms with more than one domestic establishment are counted in each state in which they operate, but only once at the U.S. total. Real growth rates of receipts were calculated with price level adjustment so that the monetary value of 1997 and 2002 receipts can be compared.

Data Sources: ¹2002 Survey of Business Owners, Women-owned Firms; ²1997 Survey of Women-owned Business Enterprises.

Table 15 Ten Combined Statistical Areas with the Largest Number of Women-owned Firms, 1997 and 2002

2002 Combined Statistical Area	2002 All women-owned firms		1997 Primary Metropolitan Statistical Area	1997 All women-owned firms	
	Firms (number)	Receipts (millions of dollars)		Firms (number)	Receipts (millions of dollars)
New York-Newark-Bridgeport, NY-NJ-CT-PA	586,362	92,808	New York, NY PMSA	201,016	34,213
Los Angeles-Long Beach-Riverside, CA	435,135	72,504	Los Angeles-Long Beach, CA PMSA	200,793	32,300
Chicago-Naperville-Michigan City, IL-IN-WI	218,670	37,884	Chicago, IL PMSA	161,252	33,426
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	205,090	28,228	Washington, DC-MD-VA-WV PMSA	117,713	15,685
San Jose-San Francisco-Oakland, CA	199,565	33,376	Atlanta, GA PMSA	87,098	16,897
Boston-Worcester-Manchester, MA-NH	145,907	21,881	Philadelphia, PA-NJ PMSA	84,100	14,865
Dallas-Fort Worth, TX	131,230	20,311	Boston, MA-NH PMSA	83,366	10,570
Atlanta-Sandy Springs-Gainesville, GA-AL	129,240	22,177	Houston, TX PMSA	79,026	17,011
Houston-Baytown-Huntsville, TX	118,929	18,431	Detroit, MI PMSA	77,494	14,465
Detroit-Warren-Flint, MI	117,933	18,326	Dallas, TX PMSA	76,399	12,267
<p>Note: 2002 Combined Statistical Areas and 1997 Primary Metropolitan Statistical Areas are not comparable. For maps of the areas covered see http://www.census.gov/population/www/estimates/metroarea.html Women-owned firms include firms with paid employees and firms with no paid employees. Firms with more than one domestic establishment are counted in each geographic area in which they operate, but only once in the U.S. total.</p> <p>Data Sources: U.S. Bureau of Census, 2002 Survey of Business Owners, Women-owned Firms, and 1997 Survey of Women-owned Business Enterprises.</p>					

Table 16 Twelve Counties with the Largest Number of Women-owned Firms, 1997 and 2002

County	2002 All women-owned firms ¹		1997 All women-owned firms ¹		Growth rates (percent)	
	Firms (number)	Receipts (millions of dollars)	Firms (number)	Receipts (millions of dollars)	Firms	Receipts ²
Los Angeles, CA	265,919	41,816	200,793	32,300	32.4	29.5
Cook, IL	130,418	22,452	99,604	20,485	30.9	9.6
Miami-Dade, FL	88,173	8,660	56,234	8,135	56.8	6.5
New York, NY	86,364	21,840	70,042	18,495	23.3	18.1
Harris, TX	86,042	14,904	65,372	13,687	31.6	8.9
Orange, CA	79,634	17,960	65,136	12,646	22.3	42.0
San Diego, CA	73,475	10,561	60,867	8,024	20.7	31.6
Maricopa, AZ	67,892	11,255	54,182	8,087	25.3	39.2
Kings, NY	62,500	5,113	38,286	5,405	63.2	-5.4
Broward, FL	54,889	7,397	37,416	4,026	46.7	83.7
Queens, NY	53,550	4,877	38,090	3,258	40.6	49.7
Dallas, TX	52,539	10,731	49,526	9,968	6.1	7.7

Note: 2002 Combined Statistical Area and 1997 Metropolitan Areas may not be comparable.
¹ Includes firms with paid employees and firms with no paid employees. Firms with more than one domestic establishment are counted in each county in which they operate, but only once in the state total.
² The growth rates of receipts were calculated with price level adjustment so that the monetary value of 1997 and 2002 receipts can be compared.
 Data Sources: U.S. Bureau of Census, 2002 Survey of Business Owners, Women-owned Firms, and 1997 Survey of Women-owned Business Enterprises.

Table 17 Twelve Cities with the Largest Number of Women-owned Firms Compared with Women-owned Firms in the State, 2002

City	All women-owned firms ¹		State	All women-owned firms ¹		Percent city to state	
	Firms (number)	Receipts (millions of dollars)		Firms (number)	Receipts (millions of dollars)	Firms	Receipts
New York, NY	251,057	34,722	New York	505,134	71,414	50	49
Los Angeles, CA	117,713	15,701	California	870,612	138,003	14	11
Chicago, IL	68,581	9,266	Illinois	284,950	46,860	24	20
Houston, TX	51,564	10,632	Texas	468,705	65,819	11	16
San Diego, CA	32,513	5,057	California	870,612	138,003	4	4
San Francisco, CA	28,460	4,688	California	870,612	138,003	3	3
Dallas, TX	26,959	5,940	Texas	468,705	65,819	6	9
Phoenix, AZ	25,212	4,866	Arizona	109,749	15,762	23	31
San Antonio, TX	22,073	4,508	Texas	468,705	65,819	5	7
Seattle, WA	19,945	3,106	Washington	137,396	17,375	15	18
Miami, FL	19,127	1,894	Florida	437,415	61,327	4	3
Philadelphia, PA	18,977	2,381	Pennsylvania	227,119	39,085	8	6

¹ Includes firms with paid employees and firms with no paid employees. Firms with more than one domestic establishment are counted in each city in which they operate, but only once in the state total.
 Data Sources: U.S. Bureau of Census, 2002 Survey of Business Owners, Women-owned Firms.

The Dynamics of Women-owned Businesses

Growth

The number of women-owned businesses grew at a faster rate than the number of U.S. businesses overall in the 1997 to 2002 period (Table 8). Women-owned firms increased by 19.8 percent, women-owned employer firms by 8.3 percent—both higher than the overall growth rates for U.S. firms. Firms owned by women increased employment by 70,000; those owned by men lost 1 million employees; those owned jointly by men and women lost 2.6 million; and publicly held and other firms not classifiable by gender increased employment by 10.9 million between 1997 and 2002. Total receipts and annual payroll grew significantly for all U.S. firms; much of the growth was in publicly held and other firms not classifiable by gender.

By state, the largest increases in the number of women-owned firms were in Nevada (43 percent), Georgia (35 percent), Florida (29 percent), New York (28 percent), and, in two sets of ties, North Carolina (24 percent), California (24 percent), Arizona (24 percent), and Louisiana (23 percent), Mississippi (23 percent), and Texas (23 percent) (Table 14). States with the least growth in these businesses were Alaska (-2 percent), West Virginia (4 percent), Maine (6 percent), North Dakota (6 percent), Kansas (9 percent), New Mexico (9 percent), Montana (9 percent), Oregon (10 percent), South Dakota (10 percent), and Iowa (11 percent). The top five states in real growth of women-owned business receipts were New Hampshire (37.2 percent), Nevada (32.4 percent), Hawaii (28.4 percent), Arizona (27.7 percent) and Massachusetts (26.4 percent) (Table 14). States that lost the most ground in receipts were Iowa (-16.3 percent), Kentucky (-12.4 percent), Arkansas (-10.6 percent), West Virginia (-9.7 percent), and Kansas (-8.2 percent).

The 1997-2002 growth in women-owned businesses occurred across all receipts sizes of firms at an average rate of 19.8 percent (Table 18). The strongest increases occurred in the number of the smallest employer firms with less than \$5,000 in receipts; their number increased by 149.3 percent. The number of employer firms with between \$5,000 and \$10,000 in receipts grew by 33.4 percent. Total receipts and employment also increased most in small employer firms with less than \$5,000; their total employment increased by 817.6 percent, while most other sizes of employer firms lost employment, except firms with receipts of \$500,000 or more.

While the number of “no employee” employer firms grew almost 40 percent between 1997 and 2002, the number of the largest firms with 500 or more employees declined by 24.2 percent (Table 19). The smallest employer firms with no year-round employees had increases of 48.4 percent in business receipts and 36.7 percent in payroll. While all small employer firms increased their payroll between 1997 and 2002, large firms with 500 or more employees actually reduced payroll by 20.2 percent and employment by 13.4 percent, while also increasing receipts.

Table 18 Rates of Growth in Women-owned Firms by Receipts Size of Firm, 1997 to 2002 (percent)

	All women-owned firms		Women-owned employer firms		
	Number of firms	Receipts *	Number of firms	Receipts *	Employment
All women-owned firms	19.8	5.2	8.3	2.6	1.0
Less than \$5,000	12.3	4.0	149.3	102.4	817.6
\$5,000-\$9,999	19.7	10.0	33.4	20.2	-11.5
\$10,000-\$24,999	26.0	15.1	12.1	0.9	-21.8
\$25,000-\$49,999	28.1	17.3	0.5	-9.1	-18.8
\$50,000-\$99,999	24.1	13.3	0.3	-8.1	-12.9
\$100,000-\$249,999	18.8	9.2	2.4	-5.7	-9.4
\$250,000-\$499,999	16.5	6.8	8.7	-0.1	-0.9
\$500,000-\$999,999	21.2	11.7	17.6	8.7	10.3
\$1,000,000 or more	18.4	2.6	18.9	3.0	2.6

* The growth rates of receipts were calculated with price level adjustments so that the monetary values of 1997 and 2002 receipts could be compared.
Data Sources: U.S. Bureau of Census, 2002 Survey of Business Owners, Women-owned Firms, and 1997 Survey of Women-owned Business Enterprises.

Table 19 Rates of Growth in Women-owned Employer Firms by Employment Size of Firm, 1997 to 2002 (percent)

Employment size of firm	Number of firms	Receipts ¹	Employment	Annual payroll ¹
All women-owned firms	8.3	2.6	1.0	6.7
No employees ²	39.9	48.4	--	36.7
1 to 4 employees	4.0	0.3	1.7	10.0
5 to 9 employees	-0.8	4.8	-0.4	10.4
10 to 19 employees	4.6	3.6	5.6	15.3
20 to 49 employees	8.1	3.5	8.7	15.6
50 to 99 employees	7.2	-4.7	8.2	9.9
100 to 499 employees	0.2	-7.1	-1.5	6.2
500 employees or more	-24.2	8.5	-13.4	-20.2

¹ The growth rates of receipts were calculated with price level adjustments so that the monetary values of 1997 and 2002 receipts and payroll could be compared.
² Firms reported annual payroll, but did not report any employees on their payroll during the specified period of the year.
Data Sources: U.S. Bureau of Census, 2002 Survey of Business Owners, Women-owned Firms, and 1997 Survey of Women-owned Business Enterprises.

Survival, Expansion, and Contraction of Women-owned Establishments

What were the dynamics—business survival rates, expansions, and contractions—over the 1997-2000 period of the minority women-owned employer establishments that were in operation in 1997? Data limitations because of small sample sizes mean that only the four largest racial/ethnic women-owned business groups can be discussed here: African Americans, Asians and Pacific Islanders, American Indians and Alaska Natives, and Hispanic women. Non-Hispanic Whites constitute nearly 86 percent of the category, “all women” in Tables 21 and 22.

Asian women employer establishments had the highest survival rate: 77 percent of their businesses in operation in 1997 remained in business in 2000. Significant numbers of women-owned firms expanded—more than 31 percent—and more than 20 percent contracted over the 1997-2000 period (Table 20).

By 2000, 31 percent of the employment of establishments existing in 1997 that were owned by African American women had been shed because of business closings, as well as 19 percent of that in Hispanic women-owned businesses, 16 percent in businesses owned by Asian and Pacific Islander women, and 11 percent in American Indian and Alaska Native women-owned businesses (Table 21). Employment in women-owned establishments increased significantly because of business expansions. By 2000, all but one group of women-owned businesses had net losses in employment because of business closings, expansions, and contraction. Only American Indian or Alaska Native women-owned businesses had a net gain of 23,460 in employment (Appendix Table A3).

Table 20 Survival, Expansion, and Contraction Rates of Women-owned Employer Businesses by Race or Ethnicity of Owner, 1997-1998, 1997-1999, and 1997-2000 (percent change in firm number)

Change period*	All women			African American			Asian and Pacific Islander			American Indian and Alaska Native			Hispanic		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Survival rate	91	83	75	88	77	68	92	85	77	92	85	75	91	82	73
Expansion rate	33	33	31	34	30	29	36	35	34	40	36	29	33	32	31
Contraction rate	23	24	22	23	24	21	22	26	22	25	23	21	21	22	20

* Change period: A=1997-1998, B=1997-1999, and C=1997-2000.
Data Source: Special tabulation prepared by the U.S. Census Bureau for the National Women's Business Council.

Table 21 Change in Women-owned Business Employment Because of Business Death, Expansion, or Contraction, by Race or Ethnicity of Firm Owner, 1997-1998, 1997-1999, and 1997-2000 (percent)

Reason for employment change	All women			African American			Asian and Pacific Islander			American Indian and Alaska Native			Hispanic		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Business death	-5	-10	-16	-4	-23	-31	-4	-10	-16	-4	-7	-11	-4	-10	-19
Business expansion	19	22	25	21	24	25	23	25	29	36	37	58	54	41	27
Business contraction	-11	-13	-14	-16	-18	-16	-13	-16	-15	-9	-10	-11	-12	-14	-13

* Change period: A=1997-1998, B=1997-1999 and C=1997-2000.
Data Source: Special tabulation prepared by the U.S. Census Bureau for the National Women's Business Council.

Conclusion: Women's Business Ownership and Economic Well-being

This paper shows the dramatic growth in women-owned businesses over the 1997 to 2002 time period across all business size categories and demographic groups. Data here further explore correlations between women's business ownership and their economic well-being.

Four variables in Table 22 are used to illustrate the intensity of business ownership: women-owned firm density is the number of 2002 women-owned firms per 10,000 women in the population; women-owned employer density is the number of 2002 women-owned employer firms per 10,000 women; all firm density is the total number of firms per 10,000 population; and all employer firm density is the total number of employer firms per 10,000 population.

A simple correlation analysis illustrates relationships between business ownership and economic well-being as reflected in average income per capita, average household income, and poverty.

Table 22 Women-owned Business Density and Economic Well-being by State

	Women-owned firm density ¹	Women-owned employer density ²	All firm density ³	All employer density ⁴	Average income per capita	Average household income	Poverty rate A ⁵	Poverty rate B ⁶
United States	445	63	804	193	22,759	51,742	9.9	9.2
Alabama	357	52	697	169	18,938	35,412	15.5	12.5
Alaska	522	94	979	245	24,830	56,536	6.8	6.7
Arizona	404	58	700	174	20,663	41,172	8.4	9.9
Arkansas	362	54	776	186	18,048	34,402	13.8	12.0
California	492	65	827	192	24,026	49,738	8.1	10.6
Colorado	605	96	1,039	262	24,819	48,282	7.4	6.2
Connecticut	465	63	892	223	30,187	56,543	7.0	5.6
Delaware	374	71	797	245	24,930	50,025	7.9	6.5
Dist. of Columbia	517	80	825	236	34,212	43,681	16.4	16.7
Florida	518	77	937	219	22,175	39,265	9.1	9.0
Georgia	454	63	801	188	21,964	42,069	13.5	9.9
Hawaii	485	74	811	192	22,579	50,565	7.4	7.6
Idaho	434	68	935	255	18,388	37,261	8.3	8.3
Illinois	444	63	766	195	24,356	46,528	8.3	7.8
Indiana	382	52	711	180	20,758	41,906	7.7	6.7
Iowa	432	59	815	215	20,032	39,288	7.7	6.0
Kansas	438	68	817	219	21,045	40,051	8.1	6.7
Kentucky	374	50	743	170	19,395	34,973	14.2	12.7
Louisiana	379	53	739	176	18,114	33,311	16.7	15.8
Maine	497	77	1,067	265	21,150	39,990	10.2	7.8
Maryland	490	64	813	191	27,863	55,650	8.5	6.1
Massachusetts	489	68	871	220	28,956	55,266	8.9	6.7
Michigan	427	57	742	187	22,228	43,795	8.2	7.4
Minnesota	492	67	878	225	24,848	49,352	8.2	5.1
Mississippi	321	49	673	164	16,398	31,690	18.8	16
Missouri	419	67	787	206	21,132	40,198	9.9	8.6
Montana	544	103	1,108	312	18,932	35,257	9.1	10.5
Nebraska	445	69	854	236	20,484	39,904	8.0	6.7
Nevada	452	62	799	199	22,419	43,928	7.1	7.5
New Hampshire	484	78	991	251	27,129	54,225	7.2	4.3
New Jersey	420	70	824	232	29,198	58,759	7.8	6.3
New Mexico	449	68	743	188	19,230	36,019	12.8	14.5
New York	509	66	885	215	25,037	44,923	11.3	11.5
North Carolina	415	61	787	194	20,626	38,204	13.2	9.0
North Dakota	421	63	897	263	19,849	36,237	11.1	8.3
Ohio	395	52	725	179	21,658	40,697	8.1	7.8
Oklahoma	425	61	954	237	18,636	35,568	11.1	11.2
Oregon	500	77	871	270	21,412	40,378	7.6	7.9
Pennsylvania	362	55	917	257	22,197	41,171	9.1	7.8
Rhode Island	424	65	1,014	305	24,484	45,634	10.6	8.9
South Carolina	368	56	925	260	20,870	37,936	13.9	10.7
South Dakota	411	72	1,039	322	19,454	37,252	11.1	9.3
Tennessee	401	48	1,000	230	20,337	37,281	13.5	10.3
Texas	429	58	961	217	20,808	41,376	12.8	12.0
Utah	416	54	962	276	18,735	46,443	5.8	6.5
Vermont	611	80	1,282	335	22,371	43,914	8.5	6.3
Virginia	427	64	876	250	25,689	48,986	9.5	7.0

Washington	453	72	803	261	23,830	46,041	7.5	7.3
West Virginia	344	50	760	233	17,423	30,982	11.9	13.9
Wisconsin	382	62	809	253	22,061	43,617	7.4	5.6
Wyoming	528	103	1,131	363	22,096	41,099	8.9	8.0

Notes:

¹Women-owned firm density=number of 2002 women-owned firm per 10,000 women in the population.

²Women-owned employer density=number of 2002 women-owned employer firm per 10,000 women in the population.

³All firm density=total number of firms per 10,000 in the population.

⁴All employer firm density=total number of employer firms per 10,000 in the population.

⁵Poverty rate A=income in 1999 below poverty level; percent of population for whom poverty status is determined; 65 years and over.

⁶Poverty rate B=income in 1999 below poverty level; percent of families.

Data Sources:

- Appendix Tables A1 and A2.
- 2002 Survey of Business Owners. Data include firms with paid employees and firms with no paid employees.
- Population data are from the data set: Census 2000 Summary File 3 (SF 3) - Sample Data.
- Detail may not add to total because firms with more than one domestic establishment are counted in each state in which they operate, but only once at the U.S. total.
- Poverty data: 2000 U.S. Census.

This analysis suggests: 1) business ownership is related positively to income and negatively to poverty;⁵ 2) these correlations are stronger for women-owned firms than for all firms.⁶

Further data, especially microdata, are needed to further explore the trends in women’s business ownership discussed here. The Office of Advocacy will continue to provide updated data and analysis of the role and status of women-owned businesses in the U.S. economy.

⁵ Because of the complexity of the economy, it is impossible to find an economic variable that perfectly explains another economic variable. For instance, well-educated women may be less likely to have a large number of children; therefore, they may be less likely to be in poverty.

⁶Using data for the 50 United States and the District of Columbia, simple correlation analysis results are provided in the table below. Each number is a correlation coefficient of two corresponding variables. For instance, the correlation coefficient of women-owned firm density and average income per capita is 0.4341 and that of women-owned employer density and poverty rate A is -0.3704. The larger the number is, the closer the relationship of the two variables would be. A number “1” of the coefficient implies a perfect relationship between two variables. A negative sign implies two variables negatively correlated.

	Women-owned firm density	Women-owned employer density	All firm density	All employer density
Average income per capita	0.4341	0.3211	0.1364	0.0786
Average household income	0.4581	0.3371	0.0994	0.0860
Poverty rate A	-0.4102	-0.3704	-0.2490	-0.3017
Poverty rate B	-0.3275	-0.2827	-0.2966	-0.3122

Appendix A: Tables

Table A1 Women's Population and Women-owned Firms, 2002

	Women's Population	Women's share of total population (percent)	Number of firms	Total receipts (millions of dollars)	Total number of employer firms	Total employer receipts (thousands of dollars)	Total employment	Annual payroll (thousands of dollars)	A	B	C
United States	146,057,108	51.1	6,489,483	940,775	917,946	813,188,494	7,224,246	175,863,498	14.1	445	63
Alabama	2,296,823	51.7	81,820	11,426	11,848	10,140,274	98,175	2,080,302	14.5	357	52
Alaska	312,349	49.2	16,309	2,422	2,940	2,118,282	18,395	475,931	18.0	522	94
Arizona	2,716,606	49.9	109,749	15,762	15,729	13,725,486	130,403	2,993,858	14.3	404	58
Arkansas	1,372,257	51.0	49,614	6,338	7,459	5,635,014	55,635	1,124,142	15.0	362	54
California	17,710,084	50.4	870,612	138,003	115,944	116,967,186	959,490	25,789,755	13.3	492	65
Colorado	2,236,127	50.0	135,220	16,363	21,498	13,700,750	128,810	3,118,693	15.9	605	96
Connecticut	1,764,766	52.2	82,119	12,219	11,053	10,145,323	88,626	2,412,811	13.5	465	63
Delaware	411,074	51.5	15,344	2,021	2,917	1,663,911	19,637	461,701	19.0	374	71
District of Columbia	303,300	53.0	15,675	2,403	2,430	2,036,699	18,881	639,765	15.5	517	80
Florida	8,440,209	51.4	437,415	61,327	65,155	51,416,434	435,674	9,882,669	14.9	518	77
Georgia	4,323,412	51.3	196,195	30,029	27,044	25,974,739	197,699	5,054,579	13.8	454	63
Hawaii	616,540	50.4	29,897	4,562	4,550	3,956,230	38,963	825,921	15.2	485	74
Idaho	664,640	51.1	28,824	3,216	4,542	2,746,527	26,637	535,685	15.7	434	68
Illinois	6,422,287	51.4	284,950	46,860	40,426	41,724,201	354,826	9,618,587	14.2	444	63
Indiana	3,110,855	51.0	118,857	16,481	16,300	14,594,978	139,239	3,050,964	13.7	382	52
Iowa	1,477,191	50.9	63,821	7,399	8,755	6,530,101	63,338	1,230,837	13.7	432	59
Kansas	1,361,843	50.7	59,635	6,949	9,285	6,030,182	61,877	1,343,386	15.6	438	68
Kentucky	2,065,781	51.1	77,159	9,451	10,338	8,144,367	84,976	1,764,354	13.4	374	50
Louisiana	2,291,100	51.5	86,876	12,253	12,210	10,676,352	116,495	2,307,589	14.1	379	53
Maine	653,939	51.5	32,512	3,282	5,025	2,719,729	26,592	571,282	15.4	497	77
Maryland	2,803,157	51.4	137,410	17,333	17,971	14,881,734	144,702	4,055,663	13.1	490	64
Massachusetts	3,313,063	51.2	161,919	23,138	22,660	19,466,271	176,495	4,742,289	14.0	489	68
Michigan	5,105,008	51.5	217,674	29,287	29,029	25,779,818	232,539	5,588,851	13.3	427	57
Minnesota	2,517,652	49.8	123,905	16,252	16,754	14,145,002	123,315	2,878,581	13.5	492	67
Mississippi	1,468,031	52.7	47,102	6,728	7,170	5,755,441	54,230	1,009,017	15.2	321	49
Missouri	2,873,839	51.5	120,438	18,596	19,225	17,074,112	152,121	3,743,391	16.0	419	67
Montana	451,156	49.8	24,519	2,139	4,635	1,754,392	21,238	363,137	18.9	544	103
Nebraska	868,936	51.0	38,681	5,793	6,027	5,310,819	47,056	1,069,142	15.6	445	69
Nevada	1,055,407	49.8	47,674	8,639	6,493	7,517,590	57,306	1,434,262	13.6	452	62
New Hampshire	640,536	50.6	31,024	4,665	5,020	4,133,964	38,293	879,134	16.2	484	78
New Jersey	4,416,810	51.3	185,197	35,583	30,914	31,490,748	245,599	7,150,816	16.7	420	70
New Mexico	941,824	51.2	42,252	4,710	6,397	3,998,143	42,053	853,978	15.1	449	68
New York	9,933,979	51.5	505,134	71,414	65,322	60,002,742	473,186	12,912,886	12.9	509	66
North Carolina	4,194,994	51.4	173,874	26,743	25,539	23,553,478	225,439	4,935,537	14.7	415	61
North Dakota	313,818	49.6	13,203	1,318	1,976	1,121,870	11,651	203,276	15.0	421	63

Ohio	5,825,793	51.6	229,973	32,324	30,486	28,434,347	265,752	6,370,146	13.2	395	52
Oklahoma	1,764,528	50.7	75,029	9,255	10,775	8,041,622	92,945	1,837,615	14.4	425	61
Oregon	1,765,190	50.3	88,318	10,618	13,572	8,969,573	86,195	1,934,836	15.4	500	77
Pennsylvania	6,282,915	51.5	227,119	39,085	34,753	35,204,818	283,056	6,512,881	15.3	362	55
Rhode Island	547,235	51.8	23,195	3,641	3,581	3,279,013	26,871	694,821	15.4	424	65
South Carolina	2,088,575	52.3	76,831	10,891	11,764	9,456,770	93,101	1,927,919	15.3	368	56
South Dakota	378,881	50.9	15,573	1,547	2,746	1,348,026	14,772	249,061	17.6	411	72
Tennessee	2,939,254	51.8	117,934	17,640	14,232	15,402,420	117,742	2,672,453	12.1	401	48
Texas	10,932,093	50.8	468,705	65,819	63,388	56,398,782	559,479	13,057,355	13.5	429	58
Utah	1,165,712	50.5	48,474	5,920	6,243	5,122,040	53,739	1,130,842	12.9	416	54
Vermont	311,100	50.3	18,989	1,454	2,481	1,143,401	14,996	284,612	13.1	611	80
Virginia	3,682,480	51.7	157,076	22,139	23,630	19,090,373	183,813	4,733,322	15.0	427	64
Washington	3,037,495	50.6	137,396	17,375	22,007	14,907,196	127,053	3,210,600	16.0	453	72
West Virginia	911,021	52.0	31,301	3,252	4,544	2,793,024	31,806	629,978	14.5	344	50
Wisconsin	2,730,446	49.9	104,170	17,582	16,910	16,020,074	150,666	3,283,831	16.2	382	62
Wyoming	244,998	50.2	12,945	1,130	2,524	944,127	12,670	230,452	19.5	528	103

* Population data are from the Census 2000 Summary File 3 (SF 3) - Sample Data.

A=Employer firm ratio: Number of employer firms as a percentage of number of all firms.

B=Firm density: All firm number per 10,000 persons in the population.

C=Employer density: Employer firm number per 10,000 persons in the population.

Table A2 Men's Population and Men-owned Firms, 2002

	Men's Population	Men's share of total population (percent)	Number of firms	Total receipts (millions of dollars)	Total number of employer firms	Total employer receipts (thousands of dollars)	Total employment	Annual payroll (thousands of dollars)	A	B	C
United States	139,876,302	48.9	13,185,703	7,096,465,049	3,525,524	6,598,978,228	42,677,931	1,327,515,579	26.7	943	252
Alabama	2,142,971	48.3	188,416	100,780,380	49,707	93,879,453	657,503	18,024,905	26.4	879	232
Alaska	322,692	50.8	32,106	13,070,959	8,598	12,016,366	77,540	2,649,000	26.8	995	266
Arizona	2,725,827	50.1	199,554	105,121,690	52,116	97,408,498	679,581	19,505,893	26.1	732	191
Arkansas	1,319,908	49.0	118,803	52,696,242	29,596	48,717,164	338,558	8,197,764	24.9	900	224
California	17,448,821	49.6	1,625,687	882,472,936	421,047	810,914,060	5,174,007	174,203,975	25.9	932	241
Colorado	2,240,489	50.0	253,302	116,196,268	69,709	106,626,276	697,055	22,565,935	27.5	1131	311
Connecticut	1,617,466	47.8	181,366	100,994,183	49,871	92,579,829	527,582	20,156,924	27.5	1121	308
Delaware	387,109	48.5	34,533	20,549,442	10,940	19,103,965	132,468	3,988,531	31.7	892	283
District of Columbia	268,964	47.0	24,615	14,167,822	7,301	13,197,688	100,019	4,302,090	29.7	915	271
Florida	7,988,698	48.6	885,343	374,091,890	221,734	338,676,307	2,251,725	66,453,351	25.0	1108	278
Georgia	4,102,162	48.7	395,180	211,629,666	102,669	196,075,907	1,216,828	36,847,383	26.0	963	250
Hawaii	607,735	49.6	51,077	22,143,949	12,994	20,183,769	150,887	4,432,423	25.4	840	214
Idaho	635,126	48.9	62,416	27,722,906	18,875	25,822,525	189,615	4,998,529	30.2	983	297
Illinois	6,082,171	48.6	540,417	344,746,946	155,873	326,012,188	1,974,016	66,005,392	28.8	889	256
Indiana	2,989,608	49.0	244,182	152,135,541	69,314	144,436,626	962,088	27,720,033	28.4	817	232
Iowa	1,425,659	49.1	127,749	65,758,653	38,015	62,135,212	424,526	11,289,462	29.8	896	267
Kansas	1,322,904	49.3	116,131	77,776,570	34,839	74,357,742	403,835	11,548,169	30.0	878	263
Kentucky	1,980,208	48.9	174,984	84,647,270	43,167	78,861,846	527,937	14,131,726	24.7	884	218
Louisiana	2,155,858	48.5	186,916	94,953,286	48,496	88,655,371	643,876	17,581,852	25.9	867	225
Maine	615,179	48.5	79,648	29,274,020	20,405	26,561,959	204,412	5,396,550	25.6	1295	332
Maryland	2,654,476	48.6	248,111	123,776,719	66,225	114,909,590	783,564	26,164,501	26.7	935	249
Massachusetts	3,157,424	48.8	338,764	203,393,508	93,789	189,007,629	1,085,538	40,590,222	27.7	1073	297
Michigan	4,805,325	48.5	415,659	260,300,613	122,677	245,484,207	1,573,645	50,696,958	29.5	865	255
Minnesota	2,536,078	50.2	249,887	151,888,199	71,156	143,475,803	865,573	27,517,148	28.5	985	281
Mississippi	1,319,047	47.3	109,857	53,357,154	28,592	49,576,395	360,168	8,602,614	26.0	833	217
Missouri	2,711,658	48.5	236,856	144,155,847	67,732	136,834,192	864,824	25,002,040	28.6	873	250
Montana	454,990	50.2	53,220	18,003,439	15,631	16,580,395	127,057	2,978,749	29.4	1170	344
Nebraska	834,591	49.0	75,340	45,383,557	22,882	43,247,924	287,677	8,080,634	30.4	903	274
Nevada	1,065,834	50.2	90,756	53,521,023	25,193	49,415,233	367,785	11,387,020	27.8	852	236
New Hampshire	625,098	49.4	75,719	35,390,604	19,940	31,947,068	210,123	6,932,312	26.3	1211	319
New Jersey	4,187,588	48.7	435,653	271,730,202	135,696	253,723,585	1,431,550	52,061,380	31.1	1040	324
New Mexico	897,921	48.8	67,806	28,621,714	18,558	26,662,217	216,169	5,427,694	27.4	755	207
New York	9,348,555	48.5	1,024,227	535,198,207	282,248	496,927,363	2,758,075	101,168,732	27.6	1096	302
North Carolina	3,966,941	48.6	377,313	189,425,908	100,064	177,233,943	1,222,486	33,913,099	26.5	951	252
North Dakota	319,093	50.4	31,068	16,532,780	10,231	15,734,526	110,624	2,746,281	32.9	974	321
Ohio	5,456,573	48.4	482,637	287,906,828	133,880	271,584,567	1,852,211	54,319,327	27.7	885	245
Oklahoma	1,712,406	49.3	163,313	71,559,114	40,628	65,831,383	453,637	11,826,671	24.9	954	237
Oregon	1,744,840	49.7	152,029	82,348,607	47,111	76,929,691	495,893	15,070,446	31.0	871	270
Pennsylvania	5,906,611	48.5	541,574	310,182,963	151,962	290,144,436	1,900,465	58,240,113	28.1	917	257

Rhode Island	509,106	48.2	51,647	27,430,138	15,543	25,690,433	159,223	4,991,885	30.1	1014	305
South Carolina	1,908,327	47.7	176,501	83,665,241	49,564	77,217,857	592,458	15,058,126	28.1	925	260
South Dakota	365,981	49.1	38,042	19,346,104	11,772	18,257,270	120,077	2,945,449	30.9	1039	322
Tennessee	2,732,498	48.2	273,183	131,285,210	62,805	121,174,791	809,607	23,467,382	23.0	1000	230
Texas	10,596,434	49.2	1,018,495	508,639,150	229,782	466,016,330	3,115,345	91,135,442	22.6	961	217
Utah	1,144,210	49.5	110,079	50,419,338	31,621	46,456,607	360,573	9,605,246	28.7	962	276
Vermont	307,892	49.7	39,466	15,986,508	10,325	14,754,046	101,299	2,736,392	26.2	1282	335
Virginia	3,435,508	48.3	300,891	156,725,670	85,716	146,457,585	1,097,200	33,829,138	28.5	876	250
Washington	2,963,152	49.4	238,041	135,673,789	77,392	127,268,529	794,455	25,654,953	32.5	803	261
West Virginia	840,249	48.0	63,895	28,306,012	19,538	26,695,210	204,504	4,986,088	30.6	760	233
Wisconsin	2,744,977	50.1	222,124	152,491,694	69,558	145,422,663	947,572	28,413,184	31.3	809	253
Wyoming	243,364	49.8	27,513	12,814,779	8,836	12,020,204	73,794	1,954,741	32.1	1131	363

* Population data are from the Census 2000 Summary File 3 (SF 3) - Sample Data.

A=Employer firm ratio: Number of employer firms as a percentage of number of all firms.

B=Firm density: All firm number per 10,000 persons in the population.

C=Employer density: Employer firm number per 10,000 persons in the population.

Table A3 Change in the Number of Establishments and Employment of Minority Women-owned Firms in Operation in 1997 Resulting from Closure, Expansion, and Contraction, 1997-2000

Women-owned establishments	1997 Total	Establishment / employment change		
		1997-1998	1997-1999	1997-2000
All women-owned establishments	890,266			
Deaths		81,683	153,130	221,915
Expansions		294,856	290,860	279,980
Contractions		203,823	211,603	196,981
Employment	6,674,589			
Net change resulting from deaths		-316,071	-667,293	-1,046,902
Net change resulting from expansions		1,272,380	1,475,196	1,679,607
Net change resulting from contractions		-736,814	-883,760	-911,236
Total net change in employment		219,495	-75,857	-278,531
African American women-owned establishments	21,286			
Deaths		2,650	4,922	6,790
Expansions		7,188	6,354	6,137
Contractions		4,841	5,022	4,444
Employment	166,091			
Net change resulting from deaths		-7,008	-37,603	-51,663
Net change resulting from expansions		35,049	39,279	41,540
Net change resulting from contractions		-26,441	-30,602	-26,145
Total net change in employment		1,600	-28,926	-36,268
Asian / Pacific Islander women-owned establishments	54,364			
Deaths		4,238	8,357	12,489
Expansions		19,715	18,916	18,660
Contractions		12,210	14,048	12,222
Employment	284,501			
Net change resulting from deaths		-10,790	-29,597	-44,761
Net change resulting from expansions		64,107	70,010	81,671
Net change resulting from contractions		-35,790	-44,900	-41,683
Total net change in employment		17,527	-4,487	-4,773
American Indian / Alaska Native women-owned establishments	8,190			
Deaths		665	1,231	2,043
Expansions		3,270	2,940	2,355
Contractions		2,016	1,873	1,759
Employment	65,105			
Net change resulting from deaths		-2,588	-4,551	-7,018
Net change resulting from expansions		23,698	24,035	37,407
Net change resulting from contractions		-6,074	-6,741	-6,929
Total net change in employment		15,036	12,743	23,460
Hispanic women-owned establishments	34,377			
Deaths		3,192	6,197	9,241
Expansions		11,410	11,130	10,655
Contractions		7,192	7,539	6,748
Employment	225,240			
Net change resulting from deaths		-9,863	-23,349	-41,586
Net change resulting from expansions		122,349	91,448	60,053
Net change resulting from contractions		-26,778	-30,717	-28,754
Total net change in employment		85,708	37,382	-10,287

Data Source: Special tabulations from the U.S. Census Bureau for the National Women's Business Council.

Appendix B: Data Comparability to Prior Surveys

The data for 2002 are not directly comparable to data from previous survey years for variables constituting the U.S. total because of several significant changes to the survey methodology.⁷ The most significant change occurred in data presentation by kind of business with the transition from the 1987 Standard Industrial Classification (SIC) system to the 2002 North American Industry Classification System (NAICS).

Comparability of the 1997 SWOBE and 2002 SBO Data

The data presented in the 2002 SBO are based on the 2002 NAICS. Previous data were presented according to the SIC system developed in the 1930s. Because of this change, comparability between census years is limited (see Relationship to Historical Industry Classifications section).

The 2002 SBO covers more of the economy than any previous survey. New for 2002 are data on information, finance and insurance, real estate, and health-care industries. The scope of the census includes virtually all sectors of the economy.

Additional information about NAICS is available from the Census Bureau Internet site at www.census.gov/naics.

The Status of the Economic Census

The economic census is the major source of facts about the structure and functioning of the nation's economy. It provides essential information for government, business, industry, and the general public. Title 13 of the United States Code (Sections 131, 191, and 224) directs the Census Bureau to take the economic census every 5 years, covering years ending in 2 and 7.

The economic census furnishes an important part of the framework for such composite measures as the gross domestic product estimates, input/output measures, production and price indexes, and other statistical series that measure short-term changes in economic conditions. Specific uses of economic census data are the following:

- Policymaking agencies of the federal government use the data to monitor economic activity and to assess the effectiveness of policies.
- State and local governments use the data to assess business activities and tax bases within their jurisdictions and to develop programs to attract business.
- Trade associations study trends in their own and competing industries, which allows them to keep their members informed of market changes.
- Individual businesses use the data to locate potential markets and to analyze their own production and sales performance relative to industry or area averages.

⁷ Based on information provided at <http://www.census.gov/econ/census02/text/sbo/sbomethodology.htm>.

Basis of Reporting

The economic census is conducted on an establishment basis. A company operating at more than one location is required to file a separate report for each store, factory, shop, or other location. Each establishment is assigned a separate industry classification based on its primary activity and not that of its parent company. (For selected industries, only payroll, employment, and classification are collected for individual establishments, while other data are collected on a consolidated basis.)

The Survey of Business Owners (SBO) is conducted on a company or firm basis rather than an establishment basis. A company or firm is a business consisting of one or more domestic establishments that the reporting firm specified under its ownership or control at the end of 2002.

Industry Classifications

Data from the 2002 SBO are summarized by kind of business based on the 2002 North American Industry Classification System (NAICS). The 2002 SBO includes all firms operating during 2002 with receipts of \$1,000 or more which are classified in one or more of the following NAICS sectors:

11	Forestry, fishing and hunting, and agricultural support services (NAICS 113-115)
21	Mining
22	Utilities
23	Construction
31-33	Manufacturing
42	Wholesale trade
44-45	Retail trade
48-49	Transportation and warehousing
51	Information
52	Finance and insurance
53	Real estate and rental and leasing
54	Professional, scientific, and technical services
55	Management of companies and enterprises
56	Administrative and support and waste management and remediation services
61	Educational services
62	Health care and social assistance
71	Arts, entertainment, and recreation
72	Accommodation and food services
81	Other services (except public administration)
99	Industries not classified

The 20 NAICS sectors are subdivided into 96 subsectors (three-digit codes) and 317 industry groups (four-digit codes).

The following NAICS industries are not covered in the 2002 SBO:

- Crop and animal production (NAICS 111, 112)
- Scheduled air transportation (NAICS 4811, part)
- Rail transportation (NAICS 482)
- Postal service (NAICS 491)
- Funds, trusts, and other financial vehicles (NAICS 525), except real estate investment trusts (NAICS 525930)
- Religious, grantmaking, civic, professional, and similar organizations (NAICS 813)
- Private households (NAICS 814), and
- Public administration (NAICS 92).

Relationship to Historical Industry Classifications

Prior to the 2002 SBO, data were published according to the Standard Industrial Classification (SIC) system. NAICS identifies new industries, redefines concepts, and develops classifications to reflect changes in the economy. While many of the individual NAICS industries correspond directly to industries as defined under the SIC system, most of the higher level groupings do not. Particular care should be taken in comparing data for construction, manufacturing, retail trade, and wholesale trade, which are sector titles used in both the NAICS and SIC systems, but cover somewhat different groups of industries.⁸

Geographic Area Coding

Accurate and complete information on the physical location of each establishment is required to tabulate the economic census data for states, metropolitan and micropolitan statistical areas, counties, and corporate municipalities (places) including cities, towns, townships, villages, and boroughs. Respondents were required to report their physical location (street address, municipality, county, and state) if it differed from their mailing address. For establishments not surveyed by mail (and those single-establishment companies that did not provide acceptable information on physical location), location information from administrative sources is used as a basis for coding.

The 2002 SBO data are presented for the United States, each state and the District of Columbia; metropolitan and micropolitan statistical areas; counties; and corporate municipalities (places) including cities, towns, townships, villages, and boroughs with 100 or more minority- or women-owned firms. Although collected on a company basis, data are published such that firms with more than one domestic establishment are counted in each geographic area in which they operate. The employment, payroll, and receipts reflect the sum of their locations within the specified geographic area and are, therefore, additive to higher levels. The sum of firms, however, reflects all firms in a given tabulation level and are not additive. For example, a firm with operating locations in two counties will be counted in both counties, but only once in the state total.

⁸ A description and comparison of the NAICS and SIC systems can be found in the 2002 NAICS and 1987 Correspondence Tables on the Internet at www.census.gov/epcd/naics02/N02TOS87.HTM.

Historical Information of the Economic Census

The economic census has been taken as an integrated program at 5-year intervals since 1967 and before that for 1954, 1958, and 1963. Prior to that time, individual components of the economic census were taken separately at varying intervals.

The economic census traces its beginnings to the 1810 Decennial Census, when questions on manufacturing were included with those for population. Coverage of economic activities was expanded for the 1840 Decennial Census and subsequent censuses to include mining and some commercial activities. The 1905 Manufactures Census was the first time a census was taken apart from the regular decennial population census. Censuses covering retail and wholesale trade and construction industries were added in 1930, as were some service trades in 1933. Censuses of construction, manufacturing, and the other business censuses were suspended during World War II.

The 1954 Economic Census was the first census to be fully integrated, providing comparable census data across economic sectors and using consistent time periods, concepts, definitions, classifications, and reporting units. It was the first census to be taken by mail, using lists of firms provided by the administrative records of other federal agencies. Since 1963, administrative records also have been used to provide basic statistics for very small firms, reducing or eliminating the need to send them census report forms.

The range of industries covered in the economic census expanded between 1967 and 2002. The census of construction industries began on a regular basis in 1967, and the scope of service industries, introduced in 1933, was broadened in 1967, 1977, and 1987. While a few transportation industries were covered as early as 1963, it was not until 1992 that the census broadened to include all of transportation, communications, and utilities. Also new for 1992 was coverage of financial, insurance, and real estate industries. With these additions, the economic census and the separate census of governments and census of agriculture collectively covered roughly 98 percent of all economic activity. New for 2002 is coverage of four industries classified in the agriculture, forestry, and fishing sector under the SIC system: landscape architectural services, landscaping services, veterinary services, and pet care services.

The Survey of Business Owners, formerly known as the Survey of Minority-owned Business Enterprises, was first conducted as a special project in 1969 and was incorporated into the economic census in 1972 along with the Survey of Women-owned Businesses.

An economic census has also been taken in Puerto Rico since 1909, in the Virgin Islands of the United States and Guam since 1958, in the Commonwealth of the Northern Mariana Islands since 1982, and in American Samoa for the first time as part of the 2002 Economic Census.

Printed statistical reports from the 1992 and earlier censuses provide historical figures for the study of long-term time series and are available in some large libraries. Reports for 1997 were published primarily on the Internet and copies of 1992 reports are also available there. CD-ROMs issued from the 1987, 1992, and 1997 Economic Censuses contain databases that include nearly all data published in print, plus additional statistics, such as ZIP Code statistics, published only on CD-ROM.

Comparability of the 2002 and 1997 SBO Data by Gender, Race, and Ethnicity

The following changes were made in survey methodology in 2002 which affect comparability with past reports:⁹

The 1997 Surveys of Minority- and Women-Owned Business Enterprises (SMOBE/SWOBE) form that was mailed to sole proprietors or self-employed individuals who were single filers or who filed joint tax returns instructed the respondent to mark one box that best described the gender, Spanish/Hispanic/Latino origin, and race of the primary owner(s). The gender question included an equal male/female ownership option.

The 2002 SBO form that was mailed to sole proprietors or self-employed individuals who were single filers or who filed a joint tax return instructed the respondent to provide the percentage of ownership for each owner and the gender of the owner(s). The equal male/female ownership option was eliminated.

The form that corporations/partnerships received in 1997 requested the percentage of ownership by gender of the owners. In 2002, a business was asked to report the percentage of ownership and gender for each of the three largest percentage owners.

Male/female ownership of a business in both 1997 and 2002 was based on the gender of the person(s) owning the majority interest in the business. However, in 2002, equally male/female ownership was based on equal shares of interest reported for businesses with male and female owners. Businesses equally male-/female-owned were tabulated and published as a separate entity in both 1997 and 2002.

The 1997 SWOBE/SMOBE forms may be viewed at www.census.gov/epcd/www/pdf/97cs/mb1.pdf (corporations/partnerships) or at www.census.gov/epcd/www/pdf/97cs/mb2.pdf (sole proprietors or self-employed individuals).

The 2002 SBO forms may be viewed at www.census.gov/csd/sbo/sbo1.pdf (corporations/partnerships) or at www.census.gov/csd/sbo/sbo2.pdf (sole proprietors or self-employed individuals).

The Hispanic or Latino origin and racial response categories were updated in 2002 to meet the latest Office of Management and Budget (OMB) guidelines. There were nineteen check-box response categories and four write-in areas on the 2002 SBO questionnaire, compared to the twenty check-box response categories and five write-in areas on the 1997 SMOBE/SWOBE.

The Hispanic or Latino origin of business ownership was defined as two groups:

- Hispanic or Latino
- Not Hispanic or Latino

Four Hispanic subgroups were used on the survey questionnaires: Mexican, Mexican American, Chicano; Puerto Rican; Cuban; and Other Spanish/Hispanic/Latino.

⁹ See <http://www.census.gov/econ/census02/text/sbo/sbomethodology.htm#comparability> for more information.

The 2002 SBO question on race included fourteen separate response categories and two areas where respondents could write in a more specific race. The response categories and write-in answers were combined to create the following five standard OMB race categories:

- American Indian and Alaska Native
- Asian
- Black or African American
- Native Hawaiian and Other Pacific Islander
- White

Response check boxes were added for “Samoan” and “Guamanian or Chamorro.”

The check box for “Some Other Race” and the corresponding write-in area provided in 1997 were deleted.

If the “American Indian and Alaska Native” race category was selected, the respondent was instructed to print the name of the enrolled or principal tribe.

In 1997, sole proprietors or self-employed individuals who were single filers or who filed a joint tax return were asked to mark a box to indicate the Spanish/Hispanic/Latino origin of the primary owner(s) and to mark the one box that best described the race of the primary owner(s). In 2002, they were asked to provide the percentage of ownership for the primary owner(s), his/her Spanish/Hispanic/Latino origin, and to select one or more race categories to indicate what the owner considers himself/herself to be.

The form that corporations/partnerships received in 1997 requested the percentage of ownership by Spanish/Hispanic/Latino origin and race of the owners. In 2002, a business was asked to report the percentage of ownership, Spanish/Hispanic/Latino origin, and race for each of the three largest owners, allowing them to mark one or more races to indicate what the owner considers himself/herself to be. The 2002 SBO was the first economic census in which each owner could self-identify with more than one racial group, so it was possible for a business to be classified and tabulated in more than one racial group.

Business ownership in both 1997 and 2002 was based on the Hispanic or Latino origin and race of the person(s) owning majority interest in the business; however, in 2002, multiple-race reporting by the owner(s) could affect where a business was classified. Note: In the 2000 population census, 2.4 percent of the population reported more than one race.

The Native Hawaiian- and Other Pacific Islander-Owned Firms report is new for 2002. Previously, estimates for this group of business owners were included in the Asian- and Pacific Islander-Owned Firms report for some tables (at the U.S., state, and metropolitan area by kind of business level). However, estimates at the county, place, and size of firm (employment, receipts) levels provided only the total number of businesses classified as Asian- and Pacific Islander-owned, with no detailed estimates by subgroup. Therefore, particular care should be taken in comparing the estimates for Asian-owned firms and/or Native Hawaiian- and Pacific Islander-owned firms from 1997 to 2002.

Sources for More Information

More information about the scope, coverage, classification system, data items, and publications for the 2002 Economic Census and related surveys is published in the *Guide to the 2002 Economic Census* at www.census.gov/econ/census02/guide. More information on the methodology, procedures, and history of the census will be published in the *History of the 2002 Economic Census* at www.census.gov/econ/www/history.html.