

Dynamics of Women-Operated Sole Proprietorships, 1990-1998

Patterns in the number, gross receipts, and net income of women-operated sole proprietorships based on data provided by the Statistics of Income Division, Internal Revenue Service

March 2003

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Office of Advocacy
U.S. Small Business Administration
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Foreword

As Chief Counsel for Advocacy of the U.S. Small Business Administration, I am pleased to present this report on the fastest growing sector of our nation's small business community—women-owned businesses. *Dynamics of Women-Operated Sole Proprietorships, 1990-1998* documents the rapid growth and characteristics of this large sector of very small women-operated businesses.

The Office of Advocacy is responsible for conducting research and providing valuable information on this and other important aspects of small business to the Congress, the White House, and the small business community. And it has been an exciting time for small and women-owned businesses. In March 2002, President Bush announced his Small Business Agenda and he has been small business' strongest advocate on many occasions since. His support has helped immensely in tearing down regulatory barriers, providing additional tools to address small business problems, and strengthening the Office of Advocacy's ability to work on behalf of small firms.

The Office of Advocacy is pleased to partner with the SBA's Office of Women's Business Ownership, the National Women's Business Council, and other groups representing small and women-owned businesses. We look forward to working with them to sponsor research, symposia, and other initiatives that will give women the tools they need to compete.

I would also like to acknowledge the work of Dr. Ying Lowrey, senior economist, in conducting the research for this report; Kathryn Tobias, Advocacy's senior editor, for her work in presenting the information; and Kenneth Simonson, former Office of Advocacy senior economic advisor, who laid the groundwork with the initial research.

More information about women-owned businesses is available on the Office of Advocacy website at www.sba.gov/advo. For specific technical questions, contact Dr. Ying Lowrey at ying.lowrey@sba.gov, write the Office of Advocacy, U.S. Small Business Administration, 409 Third Street, S.W., Washington, D.C. 20416, or call (202) 205-6533.

We appreciate your interest in and support for small business.



Thomas M. Sullivan
Chief Counsel for Advocacy
U.S. Small Business Administration

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Executive Summary

Women are a significant and growing part of the American business community. Recent data on sole proprietorships provide a look at the recent trends in women's share of this large segment of America's business sector.

Most U.S. firms—72.6 percent—and an even larger share of those operated by women—84.8 percent—operate as sole proprietorships. These are the smallest of businesses that file tax returns—the average dollar value of their receipts was \$58,000 in 1997; for women, it was \$31,000.

The women-operated share is growing. Sole proprietorships operated by women in the United States increased dramatically from 1990 to 1998 in numbers, gross receipts, and net income. The number increased from 5.6 million in 1990 (33.5 percent of the total) to 7.1 million (36.8 percent) eight years later. Women's sole proprietorship receipts increased over the period from 15.2 percent of the total to 18.0 percent; their net income increased from 16.9 percent to 21.5 percent.

Most of women's sole proprietorships—87 percent—are quite small, with receipts less than \$50,000. But a significant share—13 percent—were in the larger-than-\$50,000 receipts size that accounted for two-thirds of women-operated sole proprietorships' receipts and about 55 percent of the net income. The largest women-operated sole proprietorships—the 2.7 percent with gross receipts of at least \$200,000—generated one-third of women-operated business receipts, and their number is growing.

On average, about two-thirds of women operators of sole proprietorships were married and filed their income tax returns jointly. This percentage declined over the period, from 66.6 percent in 1990 to 61.0 percent in 1998. On the other hand, the share of women sole proprietors filing as unmarried heads of households with dependents increased from 8.4 percent to 14.2 percent between 1990 and 1998. The other filing status categories remained about the same over the period: 23.1 percent on average were single and 1.6 percent were married filing separate returns.

About 53 percent of women-operated sole proprietorships were concentrated in 10 major business activities. The top two were sales door-to-door and child day care. Between 1990 and 1998, women sole proprietors earned nearly 70 percent of their total net income in the services industries, 18 percent in finance, insurance and real estate, and a small fraction in other industries.

In a comparison among the ten most populous states, the number of women-operated sole proprietorships grew most in North Carolina, Florida, and Ohio. Women-operated sole proprietorships in California earned the most per proprietorship, on average, in net income and gross receipts. In 1998, New York had the highest net income as a percentage of gross receipts.

Introduction

Women-owned businesses play an important role in the U.S. economy, as well as in the personal lives of the women owners and their families.¹ Several data sets provide information about women-owned businesses to researchers and policymakers, but they are limited in their timeliness and reliability. The only data source for annual information about a subset of women-owned businesses is the Internal Revenue Service (IRS) Statistics of Income (SOI) Division's tabulations of nonfarm women-operated sole proprietorships.²

What is a sole proprietorship? For legal and tax purposes, a business owner may choose one of several legal forms of organization, including C corporation, Subchapter S corporation, partnership, or sole proprietorship. Technically, a sole proprietorship is an unincorporated business with a single owner—the most commonly used legal form of ownership for new businesses. For tax purposes, the business's assets and liabilities belong directly to the business owner.³ The tax liability is determined by the business owner's individual tax rate—no separate tax schedule applies. Simplicity is the advantage of this legal form of organization.

Sole proprietorships are great in number, small in size. Most U.S. firms (72.6 percent in 1997)—and an even larger percentage of women-owned businesses (84.8 percent)—operate as sole proprietorships (Table 1).⁴ Most are small: the average dollar value of U.S. sole proprietorship gross receipts in 1997 (\$58,000) was lower than that of other legal forms of organization, and the figure for those owned by women was \$31,000 on average.

Table 1 Firms and Receipts by Legal Form of Organization and Gender of Operator, 1997

Legal Form of Organization	All U.S. Firms			Women-Operated Firms		
	Firms		Average Receipts (Thousands of Dollars)	Firms		Average Receipts (Thousands of Dollars)
	Number	Percent		Number	Percent	
U.S. Total	20,821,934	100.0	890	5,417,034	100.0	151
C Corporations	2,390,478	11.5	5,811	314,659	5.8	1,166
Subchapter S Corporations	1,979,425	9.5	1,504	335,619	6.2	814
Sole Proprietorship s	15,122,882	72.6	58	4,595,571	84.8	31
Partnership s	1,226,455	5.9	507	166,027	3.1	191
Other*	102,694	0.5	1,853	5,176	0.1	1,029

* "Other" includes cooperatives, receiverships, estates, and businesses classified as unknown legal forms of organization. Notes: Receipts are average business receipts per firm in 1997. Because of differences in data sources, figures in this table differ from those based on Internal Revenue Service data. For a detailed explanation of differences, see the appendix.
Sources: Survey of Women-Owned Business Enterprises, 1997.

¹ See U.S. Small Business Administration, Office of Advocacy, *Women in Business, 2001*, October 2001.

² Because of complications in sampling, sole proprietorships are described here as "women-operated" rather than "women-owned." For detailed information about sampling methods, see the appendix to this report.

³ The identification with a single owner is what allows researchers to assign a gender to the sole proprietorship's ownership or operation; for larger businesses, this is more difficult. See the appendix.

⁴ Note that for purposes of comparisons with other legal forms of organization, the data used are taken from the Census Bureau's Survey of Women-Owned Business Enterprises. The numbers and shares differ somewhat from Internal Revenue Service data used elsewhere in this report. See the appendix for a more detailed description.

Growth in Women-Operated Sole Proprietorships

Women are a significant and growing part of the population of American sole proprietors. In 1990, women operated just one-third—33.5 percent—of the total number of sole proprietorships, on average, with 15.2 percent of total receipts, and 16.9 percent of net income.

By 1998, sole proprietorships operated by women in the United States had increased dramatically in numbers, gross receipts, and net income. The number increased by an average of 3.2 percent annually from 5.6 million in 1990 to 7.1 million (36.8 percent of the total) eight years later (Tables 2 and 3).

Women's sole proprietorship receipts increased over the period from 15.2 percent of the total to 18.0 percent; their net income increased from 16.9 percent to 21.5 percent.

The male-female jointly operated shares of the number, receipts and net income of sole proprietorships were stable, averaging 1.9 percent, 2.7 percent and 0.8 percent, respectively, between 1990 and 1998.⁵ Over the 1990-1998 period, the share of the number, receipts, and income of male-operated sole proprietorships dropped 3.06, 2.87, and 5.41 percentage points, respectively.

Business Size

The size of women-operated sole proprietorships was measured in two ways:⁶

- Proprietors' gross receipts, with seven categories ranging from under \$5,000 to \$200,000 and over (Tables A.1 to A.7 and Chart 1).
- Proprietors' net income, with seven categories ranging from under \$0 to \$100,000 and over (Tables B.1 to B.5 and Chart 2).

The number, gross receipts, and net income of women-operated sole proprietorships were recorded for both business size measures. These data can be used to determine the income spread among women-operated sole proprietorships and can help provide a snapshot of the sole proprietorships more likely to be operating as full-time businesses.

Between 1990 and 1998, just under half of women-operated sole proprietorships—43.1 percent on average—had less than \$5,000 in gross receipts annually (Table A.2 and Chart 1). This group accounted for just over 3.6 percent of women-operated sole proprietorship receipts. In 1998, these businesses had \$1,820 in receipts on average and experienced a net income loss of \$150.

⁵ Jointly operated firms, rather than being a blend as one might expect, had quite different characteristics from either female- or male-operated firms. Their average receipts, \$73,000 per business, were 20 percent higher than the male-operated average but their net income per firm, \$7,000, was barely half of the men's average.

⁶ Gross receipts is a measure of gross sales or receipts to the business before expenses or deductions; net income reflects total business income less expenses.

Table 2 Number, Receipts, and Net Income of U.S. Sole Proprietorships by Gender of Operator, 1990-1998 (Income and Receipts in Thousands of Dollars)

Proprietorships	1990	1991	1992	1993	1994	1995	1996	1997	1998
All									
Number	16,596,384	16,957,636	17,292,286	17,714,120	18,108,776	18,391,237	19,031,717	19,218,649	19,376,799
Receipts	730,606,020	718,401,208	737,082,032	757,215,452	790,630,020	807,363,638	843,233,843	870,392,286	918,268,196
Net Income	141,430,193	141,864,014	153,960,246	156,458,803	166,798,668	169,262,336	176,755,693	186,643,910	202,274,720
Male-Operated									
Number	10,739,682	10,968,712	11,047,449	11,347,261	11,393,090	11,623,688	11,861,679	11,901,611	11,946,523
Receipts	602,574,868	591,221,509	607,006,127	620,643,031	646,656,149	652,689,327	672,014,384	690,312,254	731,077,613
Net Income	117,167,282	115,504,737	125,065,782	126,182,671	134,490,502	136,850,199	139,652,357	146,825,965	156,619,331
Female-Operated									
Number	5,552,239	5,729,370	5,915,700	6,039,877	6,325,942	6,380,074	6,738,158	6,977,611	7,126,365
Receipts	111,197,297	109,000,234	112,497,774	116,219,872	121,748,812	128,009,490	142,692,699	153,864,817	165,097,918
Net Income	23,834,966	25,672,685	27,555,222	29,288,650	30,902,968	30,976,935	35,445,472	37,954,716	43,576,529
Male/Female-Operated									
Number	304,463	259,554	329,136	326,982	389,744	387,474	431,880	339,427	303,911
Receipts	16,833,855	18,179,464	17,578,131	20,352,548	22,225,058	26,664,821	28,526,760	26,215,215	22,092,666
Net Income	427,945	686,592	1,339,242	987,482	1,405,198	1,435,202	1,657,864	1,863,229	2,078,860

Note: All figures are estimates based on samples.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of the Treasury, Internal Revenue Service.

Table 3 Shares of the Total Number, Receipts, and Net Income of U.S. Sole Proprietorships by Gender of Operator, 1990-1998 (Percent)

Proprietorships	1990	1991	1992	1993	1994	1995	1996	1997	1998	Average
Male-Operated										
Number	64.71	64.68	63.89	64.06	62.91	63.20	62.33	61.93	61.65	63.26
Receipts	82.48	82.30	82.35	81.96	81.79	80.84	79.69	79.31	79.61	81.15
Net Income	82.84	81.42	81.23	80.65	80.63	80.85	79.01	78.67	77.43	80.30
Female-Operated										
Number	33.45	33.79	34.21	34.10	34.93	34.69	35.40	36.31	36.78	34.85
Receipts	15.22	15.17	15.26	15.35	15.40	15.86	16.92	17.68	17.98	16.09
Net Income	16.85	18.10	17.90	18.72	18.53	18.30	20.05	20.34	21.54	18.93
Male/Female-Operated										
Number	1.83	1.53	1.90	1.85	2.15	2.11	2.27	1.77	1.57	1.89
Receipts	2.30	2.53	2.38	2.69	2.81	3.30	3.38	3.01	2.41	2.76
Net Income	0.30	0.48	0.87	0.63	0.84	0.85	0.94	1.00	1.03	0.77

Note: All figures are estimates based on samples.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of the Treasury, Internal Revenue Service.

Another 43.9 percent were in the next three receipts size categories under \$50,000. They accounted for 30.2 percent of the receipts and about 45.5 percent of the net income, on average, over the 1990-1998 period. In 1998, the average gross receipts for these three groups ranged from \$6,630 to \$28,000, and their net income ranged from \$2,840 to \$10,290 (Table A.6). These women are likely to be operating their businesses part-time and relying on other sources of income—such as a second business, job, family member, or savings—to cover living expenses.

About 13.0 percent of the women-operated sole proprietorships had receipts over \$50,000. A business with at least \$50,000 in receipts is more likely to be a full-time business or at least to require a significant part of the proprietor's time. The businesses in the three receipts size categories over \$50,000 accounted for two-thirds—66.2 percent—of women-operated sole proprietorships' receipts and 54.9 percent of the income (Tables A.4 and A.5). In 1998, the group with \$50,000 to \$100,000 in receipts had average receipts of \$53,420 and average net income of \$18,730 (Table A.6).

The largest women-operated sole proprietorships—the 2.7 percent with gross receipts of at least \$200,000—generated one-third (almost 34.0 percent) of women-operated business receipts (Table A.4). These women-operated sole proprietorships averaged \$296,580 in gross receipts and net income of \$47,300 in 1998 (Table A.6).

Among women-operated sole proprietorships in various receipts size categories, the fastest growing was the group with receipts in the \$25,000-\$50,000 range; their numbers increased by 5.5 percent on average (Table A.3). All other size groups had average growth rates under 4 percent.⁷

Marital Status of Women Sole Proprietors

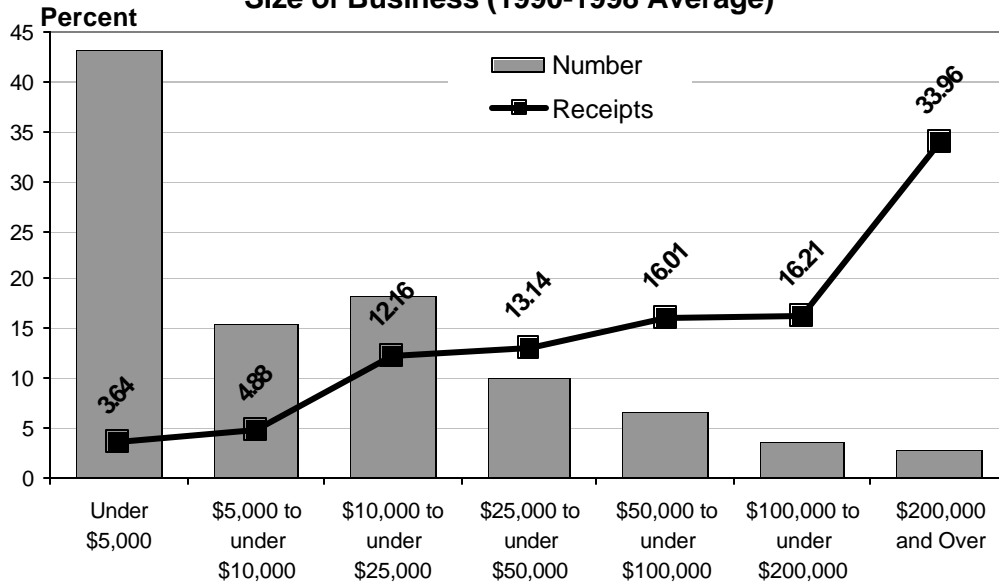
Taxpayers may claim one of four marital status categories on their tax returns (Tables C.1 to C.6 and Chart 3). Joint returns of married couples accounted for, on average, 64.2 percent of the tax returns of women sole proprietors over the 1990-1998 period (Table C.2).⁸ The remaining sole proprietorship returns were filed by single women (23.1 percent), heads of household, defined as unmarried individuals with dependents (11.0 percent), and married women who chose to file separately from their spouses (1.6 percent).

⁷ Note, however, that these data are not indexed for inflation, so growth in real dollars will be less over time than is shown in these figures. When the businesses are grouped by the size of their net income, each successively larger group (leaving aside those that reported a loss) exhibited a faster growth rate between 1990 and 1998; this pattern might change if the amounts were indexed for inflation.

⁸ This filing status also includes a small number of widows and widowers, who may use this status for two years after their spouse dies.

Chart 1.

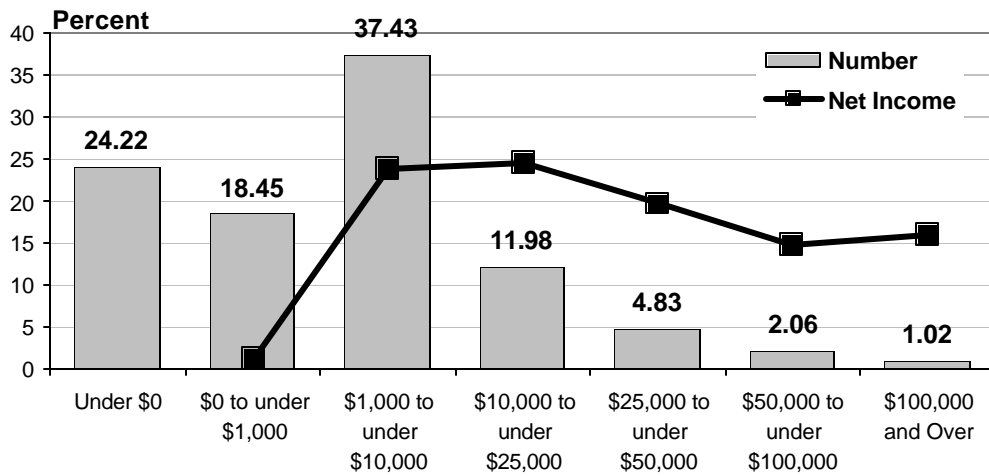
Composition of the Number and Total Receipts of Women-Operated Sole Proprietorships, by Receipts Size of Business (1990-1998 Average)



Data Source: Table A.2 and A.4.

Chart 2

Composition of the Number and Total Net Income of Women-Operated Sole Proprietorships, by Size of Net Income (1990-1998 Average)

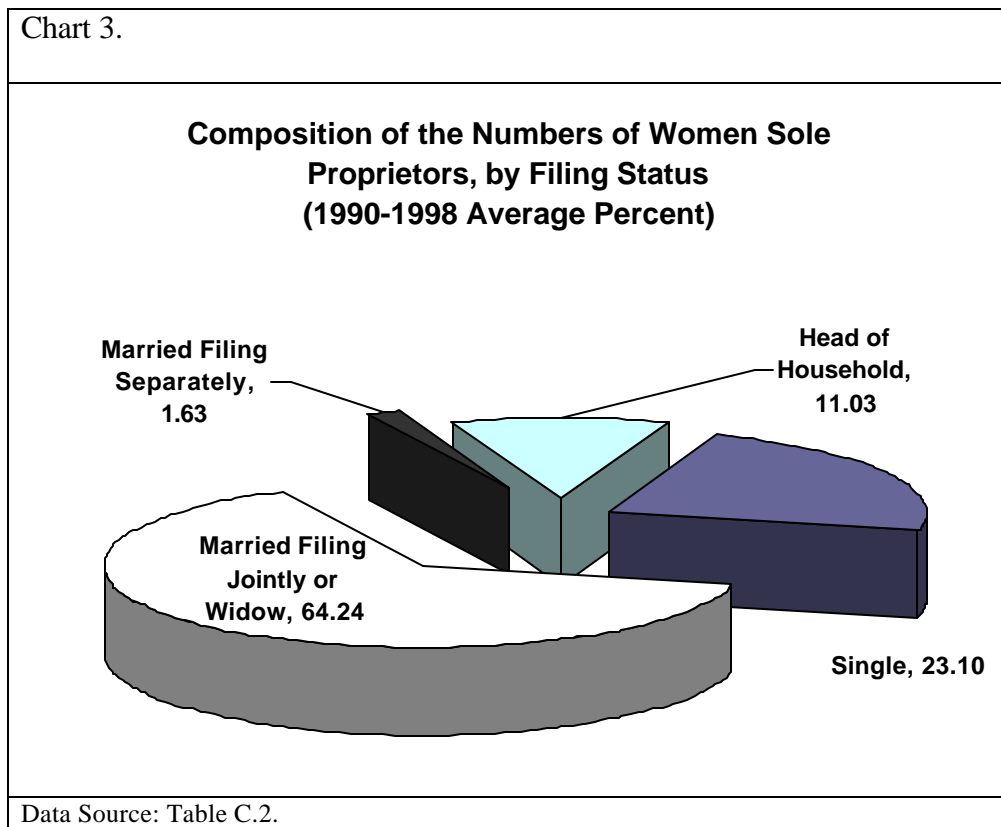


Data Source: Table B.2 and B.4.

The percentage of women operators of sole proprietorships who were married and filed their income tax returns jointly declined from 66.6 percent in 1990 to 61.0 percent in 1998.⁹ Their share of gross receipts also dropped over the period from 64.2 percent to 61.5 percent; their net income share declined from 62.5 percent to 57.7 percent (Tables C.3 and C.4).

On the other hand, the share of women sole proprietors filing as unmarried heads of household with dependents increased from 8.4 percent to 14.2 percent between 1990 and 1998, with concomitant growth in their receipts (from 9.3 percent to 12.4 percent) and income (from 8.0 percent to 15.4 percent). The other filing status categories remained about the same over the period: 23.1 percent on average were single and 1.6 percent were married filing separate returns.

Unmarried women sole proprietors, whether they filed as heads of households or single, had business receipts that were about half as much per firm as men with the same filing status; married women proprietors had receipts about one-third those of married men.¹⁰



⁹ Reasons for the changing patterns in the marital status of women sole proprietors would require further study. The changes may reflect changes in U.S. society overall, and/or changes in the economic situations of women who choose to become sole proprietors.

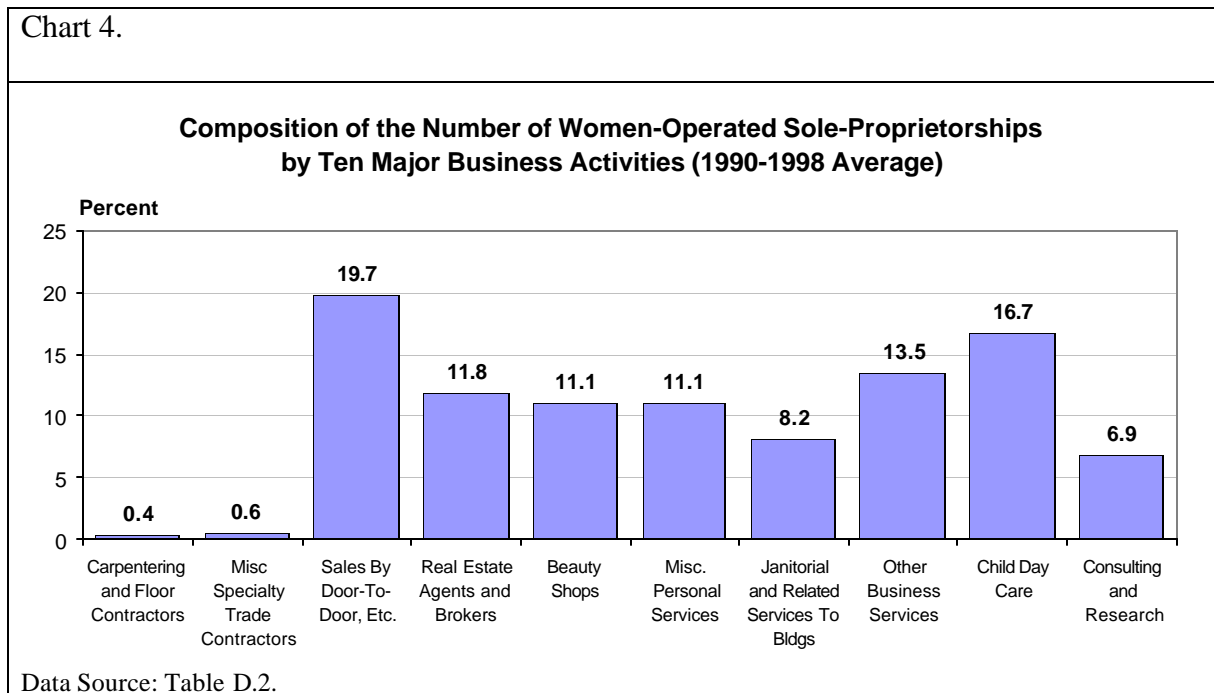
¹⁰ Based on 1998 data, women's receipts averaged about \$20,200 for heads of household, \$23,400 for married women filing jointly, and \$23,600 for women filing singly; men's receipts averaged \$42,400 for heads of household, \$67,900 for married men filing jointly, and \$45,200 for singles (Table C.6).

Types of Business Activities

About half (53.0 percent on average) of women-operated sole proprietorships were concentrated in 10 major business activities over the 1990-1998 period (Tables D.1 to D.6 and Chart 4). The most common activity (19.7 percent of the top 10 types of activities) was door-to-door sales, followed by child day care (16.7 percent), other business services (13.5 percent), real estate agents and brokers (11.8 percent), beauty shops (11.1 percent), miscellaneous personal services (11.1 percent), janitorial and related services (8.2 percent), consulting and research (6.9 percent), miscellaneous specialty trade contractors (0.6 percent), and carpentry and floor contractors (0.4 percent) (Table D.2 and Chart 4).

Of these activities, the most common listed for men (based on 1998 data only) was the catchall “other business services,” which amounted to about 20.2 percent of the top ten activities (Table D.6).¹¹ Child care accounted for only about 1.2 percent of these 10 activities for men.

Women real estate agents and brokers had the highest average net income, at \$19,010. Consultants and researchers had average net income of \$11,590; women in other business services, \$8,360; beauty shops, \$7,370; carpentering and floor contractors, \$6,600; miscellaneous specialty trade contractors, \$5,580; janitorial and related services, \$4,880; child day care, \$3,920; and door-to-door sales, \$290 (Table D.5).



¹¹ The 1998 data were analyzed by Kenneth Simonson.

Major Industries

Women sole proprietors operated their businesses in a range of industries over the 1990-1998 period, with concentrations in two (Tables E.1 to E.6 and Chart 5). The majority (60.7 percent on average) were in services; more than one-fifth (22.6 percent) were in wholesale and retail trade; and the rest were in finance, insurance and real estate (9.0 percent); mining, construction and manufacturing (4.3 percent), transportation, communications and public utilities (2.1 percent); and agriculture, forestry and fishing (1.5 percent) (Table E.2).

In comparison (based on 1998 data alone), sole proprietorships owned by men are less concentrated, with about 45 percent in services; 21 percent in mining, manufacturing, and construction; 15 percent in wholesale and retail trade; 8 percent in finance, insurance and real estate; 6 percent in transportation, communications, and utilities; and 4 percent in agricultural services, forestry, and fishing (Table E.6).¹²

The number of women-operated sole proprietorships increased in nearly every industry over the period, except in finance, insurance, and real estate, where the numbers remained about even from 1990 to 1998 (Table E.1). As a result, the finance industry's share of the total number of women-operated sole proprietorships declined from 10.5 percent in 1990 to 8.2 percent in 1998 (Table E.2). At the same time, this industry's share of receipts increased from 9.3 percent in 1990 to 14.1 percent in 1998, and its net income share increased from 16.4 percent in 1990 to 20.1 percent in 1998 (Tables E.3 and E.4).

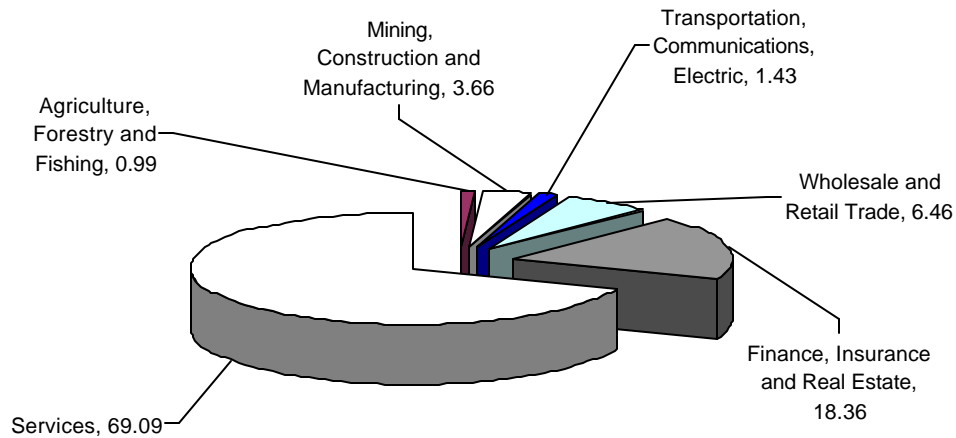
Industry shares of total receipts and income differed, reflecting a mix of factors such as industry differences in average business size, labor or capital intensity, and profitability. Over the 1990-1998 period, average receipt and net income shares, respectively, were 46.9 percent and 69.1 percent in services; 30.9 percent and 6.5 percent in wholesale and retail trade; 11.1 percent and 18.4 percent in finance, insurance, and real estate; 6.4 percent and 3.7 percent in mining, construction, and manufacturing; 3.1 percent and 1.4 percent in transportation, communications, and public utilities; and 1.7 percent and 1.0 percent in agriculture, forestry, and fishing (Tables E.3 and E.4 and Chart 5).

Average net income for these women-operated businesses was the highest in finance, insurance, and real estate, where it averaged \$15,260 in 1998. It was lowest in agriculture, forestry and fishing, (\$1,710) and wholesale and retail trade, (\$1,770) (Table E.5).

¹² Again, jointly operated firms showed quite different characteristics from either gender alone. Their most frequent industry group was trade ("mom-and-pop" stores), accounting for 37 percent of the jointly operated total. These businesses have high average receipts.

Chart 5.

Composition of Net Income of Women-Operated Sole Proprietorships, by Major Industry (1990-1998 Average Percent)



Data Source: Table E.4.

Women Sole Proprietors in the 10 Most Populous States

Growth in the number of women-operated sole proprietorships varied widely from state to state, and from year to year within states over the 1990-1998 period (Tables F.1-F.7).¹³ A look at the 10 most populous states over the period indicates that the number of women-operated sole proprietorships increased at the highest average rate, 6.6 percent annually, in North Carolina (Table F.2). In Florida, the average rate of increase was 5.9 percent; in Ohio, 4.5 percent. Of the 10 states, California had the slowest average rate of increase, at 2.2 percent annually. Again, the national average growth rate in the number of women-operated sole proprietorships was 3.2 percent per year from 1990 to 1998.

More than a quarter of the women-operated proprietorships in these 10 states, 27.5 percent, were in California (Table F.3). Another 12.8 percent were in Texas, 12.0 percent in New York, and 10.2 percent in Florida. Women-operated sole proprietorships in California earned the most in average gross receipts at \$36,090 and net income at \$8,350 in 1998 (Table F.6).

¹³ The analysis was limited to 10 states because of concerns about the accuracy of sample-based estimates for less populous states.

Nationally, there were 10.3 sole proprietorships per 100 adults in the population (Table F.7).¹⁴ Among the 10 major states, California's rate of 11.9 per 100, was 40 percent higher than New Jersey's rate of 8.4. For women, the national average was 7.2 sole proprietorships per 100 adult women, with a range among the 10 most populous states from 8.8 in California to 5.3 in Pennsylvania. For men, the national average was 13.2 sole proprietorships per 100 adult men, with an even wider range among the populous states, from 15.3 in Texas to 10.9 in Michigan. Nationally, the proportion of women who operated sole proprietorships was 55 percent of the proportion of men. Among the major states, the ratio ranged from 60 percent in California to 40 percent in Pennsylvania.

Conclusion

Women continue to make inroads in the business world. Sole proprietorships operated by women in the United States increased dramatically from 1990 to 1998 in numbers, gross receipts, and net income. The number increased from 5.6 million in 1990 (33.5 percent of the total) to 7.1 million (36.8 percent) eight years later. Women's sole proprietorship receipts increased over the period from 15.2 percent of the total to 18.0 percent; their net income increased from 16.9 percent to 21.5 percent.

Moreover, it appears that these businesses are becoming larger and more profitable. However, further analysis is needed to understand more about the characteristics and profitability of these businesses. The Office of Advocacy is working with the Statistics of Income Division of the Internal Revenue Service expanding the historical data set to include data for 1982 through 2001 and to add variables such as 1) information by gender about sole proprietors with additional wage and salary income by size of business, and industry and 2) sole proprietorship business expenses by major categories. The new data set will be subjected to GDP deflators so that the receipts and net income sizes will be historically comparable.

¹⁴ Population estimates are for July 1, 1998, for men and women at least 21 years of age (on the assumption that most sole proprietorships are operated by adults). The analysis was limited to 10 states because of concerns about the accuracy of sample-based estimates for less populous states. North Carolina was included based on adult population; Georgia had a higher total population on that date.

Tables A.1-A.7 Receipts Size

Table A.1 Number of Women-Operated Sole Proprietorships, by Business Receipts Size, 1990-1998

	Under \$5,000	\$5,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 to under \$200,000	\$200,000 and Over	Total
1990	2,422,631	845,866	995,740	518,160	393,308	221,598	154,936	5,552,239
1991	2,528,876	873,615	1,083,603	509,548	371,103	214,130	148,495	5,729,370
1992	2,653,630	889,047	1,086,515	555,190	361,359	212,535	157,424	5,915,700
1993	2,656,600	895,542	1,121,194	609,015	392,710	211,920	152,895	6,039,877
1994	2,724,161	1,033,328	1,153,774	624,405	402,173	217,468	170,632	6,325,942
1995	2,703,293	1,070,226	1,177,992	654,295	385,038	208,980	180,251	6,380,074
1996	1,751,225	1,150,674	2,438,666	830,488	334,498	156,420	76,188	6,738,158
1997	2,958,202	1,070,031	1,287,619	744,338	454,801	268,125	194,495	6,977,611
1998	2,975,385	1,132,472	1,251,461	791,194	493,240	277,623	204,989	7,126,365

Source: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division.

Table A.2 Share of the Number of Women-Operated Sole Proprietorships by Business Receipts Size, 1990-1998 (Percent)

	Under \$5,000	\$5,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 to under \$200,000	\$200,000 and Over	Total Number
1990	43.63	15.23	17.93	9.33	7.08	3.99	2.79	5,552,239
1991	44.14	15.25	18.91	8.89	6.48	3.74	2.59	5,729,370
1992	44.86	15.03	18.37	9.39	6.11	3.59	2.66	5,915,700
1993	43.98	14.83	18.56	10.08	6.50	3.51	2.53	6,039,877
1994	43.06	16.33	18.24	9.87	6.36	3.44	2.70	6,325,942
1995	42.37	16.77	18.46	10.26	6.04	3.28	2.83	6,380,074
1996	41.95	15.22	18.82	10.49	6.90	3.90	2.72	6,738,158
1997	42.40	15.34	18.45	10.67	6.52	3.84	2.79	6,977,611
1998	41.75	15.89	17.56	11.10	6.92	3.90	2.88	7,126,365
Average	43.13	15.54	18.37	10.01	6.54	3.69	2.72	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table A.3 Growth in the Number of Women-Operated Sole Proprietorships by Business Receipts Size, 1990-1998 (Percent)

	Under \$5,000	\$5,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 to under \$200,000	\$200,000 and over	Total
1990	--	--	--	--	--	--	--	--
1991	4.39	3.28	8.82	-1.66	-5.65	-3.37	-4.16	3.19
1992	4.93	1.77	0.27	8.96	-2.63	-0.74	6.01	3.25
1993	0.11	0.73	3.19	9.69	8.68	-0.29	-2.88	2.10
1994	2.54	15.39	2.91	2.53	2.41	2.62	11.60	4.74
1995	-0.77	3.57	2.10	4.79	-4.26	-3.90	5.64	0.86
1996	4.57	-4.15	7.64	7.99	20.73	25.63	1.78	5.61
1997	4.64	4.31	1.55	5.35	-2.16	2.13	6.02	3.55
1998	0.58	5.84	-2.81	6.29	8.45	3.54	5.40	2.13
Average	2.63	3.84	2.96	5.49	3.20	3.20	3.68	3.18

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table A.4 Share of Women-Operated Sole Proprietorship Receipts by Business Receipts Size, 1990-1998 (Percent)

	Under \$5,000	\$5,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 to under \$200,000	\$200,000 and Over	Total
1990	3.76	4.79	11.93	11.88	17.57	18.61	31.47	100.00
1991	3.90	5.14	13.15	12.92	16.12	16.03	32.74	100.00
1992	3.87	5.00	12.88	12.45	16.06	17.01	32.73	100.00
1993	3.79	4.93	13.12	13.65	15.58	16.49	32.44	100.00
1994	3.76	5.27	12.59	13.75	16.03	15.68	32.93	100.00
1995	3.65	5.22	12.30	13.42	15.18	14.40	35.83	100.00
1996	3.45	4.63	11.56	13.58	16.54	16.04	34.19	100.00
1997	3.32	4.39	11.37	13.17	15.06	16.18	36.51	100.00
1998	3.28	4.55	10.51	13.42	15.96	15.46	36.82	100.00
Average	3.64	4.88	12.16	13.14	16.01	16.21	33.96	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table A.5 Share of Women-Operated Sole Proprietorship Net Income by Business Receipts Size, 1990-1998 (Percent)

	\$5,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 to under \$200,000	\$200,000 and Over	Total
1990	7.33	21.34	18.41	19.10	15.10	18.72	100.00
1991	7.46	21.17	20.38	19.72	13.00	18.26	100.00
1992	7.15	20.07	18.72	19.72	16.36	17.99	100.00
1993	7.09	20.05	20.20	19.76	14.67	18.23	100.00
1994	6.53	19.45	20.98	20.05	15.32	17.67	100.00
1995	7.69	18.14	20.60	19.27	12.95	21.35	100.00
1996	6.89	16.54	18.91	22.19	15.40	20.07	100.00
1997	5.92	17.90	17.93	21.60	15.10	21.56	100.00
1998	7.31	15.13	18.49	20.99	16.04	22.03	100.00
Average	7.04	18.87	19.40	20.27	14.88	19.54	

Note: Sole proprietorships in the under-\$5,000 business receipts size had income losses on average and are not included in this table.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table A.6 Average Net Income and Average Gross Receipts per Woman-Operated Sole Proprietorship, by Business Receipts Size, 1998 (Thousands of Dollars except as Noted)

	Under \$5,000	\$5,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 to under \$200,000	\$200,000 and Over	Average of All
Net Income	-0.15	2.84	5.32	10.29	18.73	25.43	47.30	6.11
Gross Receipts	1.82	6.63	13.86	28.00	53.42	91.93	296.58	23.17
Net Income as a Share of Gross Receipts (Percent)	- 8	43	38	37	35	28	16	26

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table A.7 U.S. Sole Proprietorships by Gender and Receipts Size, 1998 (Percent)

U.S. Proprietorships	Under \$5,000	\$5,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 and Over	U.S. Total
All	34	14	18	13	22	100
Women-operated	42	16	18	11	14	100
Men-operated	30	12	18	14	16	100

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division

Tables B.1-B.5 Net Income Size

Table B.1 Number of Women-Operated Sole Proprietorships, by Size of Net Income/Loss, 1990-1998

	Under \$0	\$0 to under \$1,000	\$1,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 and Over	Total
1990	1,351,294	1,042,440	2,134,714	619,706	262,386	94,359	47,340	5,552,239
1991	1,332,900	1,151,399	2,213,701	602,463	264,900	116,003	48,002	5,729,370
1992	1,366,088	1,205,757	2,214,043	679,594	289,878	105,561	54,780	5,915,700
1993	1,395,672	1,194,449	2,253,573	737,669	278,736	123,909	55,869	6,039,877
1994	1,504,334	1,189,665	2,350,129	775,213	310,831	131,204	64,566	6,325,942
1995	1,569,661	1,170,419	2,374,373	791,703	282,484	124,023	67,411	6,380,074
1996	1,751,225	1,150,674	2,438,666	830,488	334,498	156,420	76,188	6,738,158
1997	1,797,672	1,156,651	2,550,177	893,880	337,301	161,362	80,568	6,977,611
1998	1,712,308	1,157,402	2,706,040	900,155	390,449	167,303	92,706	7,126,365

Source: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division.

Table B.2 Share of the Number of Women-Operated Sole Proprietorships by Business Net Income Size, 1990-1998 (Percent)

	Under \$0	\$0 to under \$1,000	\$1,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 and Over	Total
1990	24.34	18.78	38.45	11.16	4.73	1.70	0.85	5,552,239
1991	23.26	20.10	38.64	10.52	4.62	2.02	0.84	5,729,370
1992	23.09	20.38	37.43	11.49	4.90	1.78	0.93	5,915,700
1993	23.11	19.78	37.31	12.21	4.61	2.05	0.93	6,039,877
1994	23.78	18.81	37.15	12.25	4.91	2.07	1.02	6,325,942
1995	24.60	18.34	37.22	12.41	4.43	1.94	1.06	6,380,074
1996	25.99	17.08	36.19	12.33	4.96	2.32	1.13	6,738,158
1997	25.76	16.58	36.55	12.81	4.83	2.31	1.15	6,977,611
1998	24.03	16.24	37.97	12.63	5.48	2.35	1.30	7,126,365
Average	24.22	18.45	37.43	11.98	4.83	2.06	1.02	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table B.3 Growth in the Number of Women-Operated Sole Proprietorships by Business Net Income Size, 1990-1998 (Percent)

	Under \$0	\$0 to under \$1,000	\$1,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 and Over	Total
1990	--	--	--	--	--	--	--	--
1991	-1.36	10.45	3.70	-2.78	0.96	22.94	1.40	3.19
1992	2.49	4.72	0.02	12.80	9.43	-9.00	14.12	3.25
1993	2.17	-0.94	1.79	8.55	-3.84	17.38	1.99	2.10
1994	7.79	-0.40	4.28	5.09	11.51	5.89	15.57	4.74
1995	4.34	-1.62	1.03	2.13	-9.12	-5.47	4.41	0.86
1996	11.57	-1.69	2.71	4.90	18.41	26.12	13.02	5.61
1997	2.65	0.52	4.57	7.63	0.84	3.16	5.75	3.55
1998	-4.75	0.06	6.11	0.70	15.76	3.68	15.07	2.13
Average	3.11	1.39	3.03	4.88	5.49	8.09	8.91	3.18

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table B.4 Share of Net Income of Women-Operated Sole Proprietorships by Business Net Income Size, 1990-1998 (Percent)

	\$0 to under \$1,000	\$1,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 to under \$50,000	\$50,000 to under \$100,000	\$100,000 and Over	Total
1990	1.55	27.20	24.51	20.90	11.98	13.86	100.00
1991	1.56	26.67	23.98	20.15	14.05	13.60	100.00
1992	1.45	24.40	25.53	20.40	12.14	16.08	100.00
1993	1.45	24.04	24.71	19.84	15.34	14.62	100.00
1994	1.31	23.90	25.15	19.61	14.98	15.05	100.00
1995	1.26	24.44	25.74	17.68	14.44	16.44	100.00
1996	1.14	21.67	24.31	19.28	16.52	17.07	100.00
1997	1.07	21.93	24.70	17.70	16.25	18.35	100.00
1998	0.91	20.78	22.74	20.52	16.37	18.68	100.00
Average	1.30	23.89	24.60	19.56	14.67	15.97	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table B.5 U.S. Sole Proprietorships by Gender and Net Income Size, 1998 (Percent)

U.S. Proprietorships	Under \$0	\$0 to under \$1,000	\$1,000 to under \$10,000	\$10,000 to under \$25,000	\$25,000 and Over	U.S. Total
All	23	14	34	16	14	100
Women-operated	24	16	38	13	3	100
Men-operated	22	12	32	17	16	100

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division

Tables C.1-C.6 Marital Filing Status

	Single	Married Filing Jointly/Widow	Married Filing Separately	Head of Household	Total
1990	1,289,675	3,694,923	100,777	466,864	5,552,239
1991	1,285,959	3,812,659	73,069	557,683	5,729,370
1992	1,393,196	3,876,501	89,957	556,047	5,915,700
1993	1,400,323	3,912,093	113,152	614,309	6,039,877
1994	1,458,021	4,092,073	89,277	686,570	6,325,942
1995	1,467,623	4,109,931	108,440	694,080	6,380,074
1996	1,552,636	4,231,388	111,225	842,908	6,738,158
1997	1,633,624	4,313,361	111,947	918,679	6,977,611
1998	1,635,523	4,347,810	132,331	1,010,700	7,126,365

Source: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division.

	Single	Married Filing Jointly/Widow	Married Filing Separately	Head of Household	Total
1990	23.23	66.55	1.82	8.41	5,552,239
1991	22.45	66.55	1.28	9.73	5,729,370
1992	23.55	65.53	1.52	9.40	5,915,700
1993	23.18	64.77	1.87	10.17	6,039,877
1994	23.05	64.69	1.41	10.85	6,325,942
1995	23.00	64.42	1.70	10.88	6,380,074
1996	23.04	62.80	1.65	12.51	6,738,158
1997	23.41	61.82	1.60	13.17	6,977,611
1998	22.95	61.01	1.86	14.18	7,126,365
Average	23.10	64.24	1.63	11.03	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

	Single	Married Filing Jointly/Widow	Married Filing Separately	Head of Household	Total
1990	24.07	64.18	2.48	9.28	100.00
1991	24.20	64.88	1.92	9.00	100.00
1992	24.19	64.18	2.53	9.09	100.00
1993	23.18	66.17	1.85	8.81	100.00
1994	23.34	64.79	1.95	9.91	100.00
1995	23.24	64.70	2.68	9.37	100.00
1996	23.78	63.82	1.99	10.41	100.00
1997	23.22	62.93	2.75	11.11	100.00
1998	23.42	61.54	2.65	12.39	100.00
Average	23.63	64.13	2.31	9.93	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

	Single	Married Filing Jointly/Widow	Married Filing Separately	Head of Household	Total
1990	26.81	62.49	2.69	8.01	100.00
1991	26.52	62.09	1.38	10.01	100.00
1992	24.54	64.90	2.31	8.25	100.00
1993	23.26	65.55	2.01	9.17	100.00
1994	23.47	62.66	2.26	11.61	100.00
1995	22.61	62.33	2.93	12.13	100.00
1996	26.19	59.20	1.85	12.76	100.00
1997	24.55	60.41	1.68	13.36	100.00
1998	24.11	57.68	2.79	15.42	100.00
Average	24.67	61.92	2.21	11.19	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

	Single	Married Filing Jointly/Widow	Married Filing Separately	Head of Household	Total
Net Income	6.43	5.78	9.17	6.65	6.11
Gross Receipts	23.64	23.37	33.02	20.24	23.17
Net Income as Share of Gross Receipts (Percent)	27	25	28	33	26

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

	Number of Firms			Receipts per Firm			Net Income per Firm		
	Single	Married Filing Jointly	Head of Household	Single	Married Filing Jointly	Head of Household	Single	Married Filing Jointly	Head of Household
All	4.4	13.1	1.6	37.2	53.2	28.0	7.9	11.6	7.8
Women-Operated	1.6	4.3	1.0	23.6	23.4	20.2	6.4	5.8	6.6
Men-Operated	2.8	8.4	0.5	45.2	67.9	42.4	8.7	14.8	10.0
Share									
Women (Percent of All)	37	33	62						
Women (Percent of Men)				52	34	48	74	39	66

Not shown: Married filing separate returns, jointly operated firms.
Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of the Treasury, Internal Revenue Service.

Tables D.1-D.6 Major Business Activities

Table D.1 Number of Women-Operated Sole Proprietorships in 10 Major Business Activities, 1990-1998

	Carpentering and Floor Contractors	Misc. Specialty Trade Contractors	Sales By Door-To-Door, etc.	Real Estate Agents and Brokers	Beauty Shops	Misc. Personal Services	Janitorial and Related Services To Buildings	Other Business Services	Child Day Care	Consulting and Research	Total in the 10 Major Activities
1990	9,870	9,345	500,666	412,636	294,777	333,494	209,472	518,306	533,446	175,811	2,997,823
1991	11,428	12,150	581,607	402,996	314,487	301,041	245,293	479,471	521,029	194,899	3,064,401
1992	9,908	6,012	593,135	394,244	327,806	333,426	237,463	497,963	508,237	195,536	3,103,731
1993	6,826	10,386	612,508	400,820	382,095	361,159	276,721	392,994	529,446	239,641	3,212,596
1994	24,401	13,793	722,486	412,816	371,700	311,540	265,669	375,987	565,587	278,223	3,342,203
1995	15,117	16,476	685,001	376,083	383,809	357,602	295,399	421,658	580,686	231,142	3,362,972
1996	19,891	17,882	783,037	364,722	420,108	405,730	335,825	408,577	581,927	239,751	3,577,451
1997	8,560	52,909	828,800	377,037	436,749	497,178	316,160	484,721	550,842	302,940	3,855,895
1998	16,077	41,526	631,434	374,318	428,968	446,339	296,093	457,763	641,637	216,934	3,551,090

Source: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division.

Table D.2 Share of the Number of Women-Operated Sole Proprietorships in 10 Major Business Activities, 1990-1998 (Percent)

	Carpentering and Floor Contractors	Misc. Specialty Trade Contractors	Sales By Door-To-Door, etc.	Real Estate Agents and Brokers	Beauty Shops	Misc. Personal Services	Janitorial and Related Services To Buildings	Other Business Services	Child Day Care	Consulting and Research	10 Activities as Percent of All Women-Operated
1990	0.33	0.31	16.70	13.76	9.83	11.12	6.99	17.29	17.79	5.86	54
1991	0.37	0.40	18.98	13.15	10.26	9.82	8.00	15.65	17.00	6.36	53
1992	0.32	0.19	19.11	12.70	10.56	10.74	7.65	16.04	16.38	6.30	52
1993	0.21	0.32	19.07	12.48	11.89	11.24	8.61	12.23	16.48	7.46	53
1994	0.73	0.41	21.62	12.35	11.12	9.32	7.95	11.25	16.92	8.32	53
1995	0.45	0.49	20.37	11.18	11.41	10.63	8.78	12.54	17.27	6.87	53
1996	0.56	0.50	21.89	10.20	11.74	11.34	9.39	11.42	16.27	6.70	53
1997	0.22	1.37	21.49	9.78	11.33	12.89	8.20	12.57	14.29	7.86	55
1998	0.45	1.17	17.78	10.54	12.08	12.57	8.34	12.89	18.07	6.11	50
Avg.	0.40	0.57	19.67	11.79	11.14	11.08	8.21	13.54	16.72	6.87	52.98

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table D.3 Share of Total Receipts of Women-Operated Sole Proprietorships in 10 Major Business Activities, 1990-1998 (Percent)

	Carpentering and Floor Contractors	Misc. Specialty Trade Contractors	Sales By Door-To-Door, etc.	Real Estate Agents and Brokers	Beauty Shops	Misc. Personal Services	Janitorial and Related Services To Buildings	Other Business Services	Child Day Care	Consulting and Research	Total
1990	0.55	1.99	9.57	18.48	15.00	8.98	4.01	25.51	10.01	5.90	100.00
1991	0.91	1.10	10.61	20.11	16.44	8.80	4.53	19.55	9.97	7.98	100.00
1992	0.25	1.24	9.84	22.31	17.64	7.58	5.10	17.66	11.28	7.11	100.00
1993	0.22	1.18	10.60	22.68	16.65	11.09	4.72	14.25	10.56	8.05	100.00
1994	1.55	2.59	13.19	20.10	16.93	8.08	4.47	12.99	10.95	9.16	100.00
1995	1.44	1.49	11.08	21.53	17.85	8.81	5.12	12.21	12.05	8.42	100.00
1996	1.34	2.37	11.61	22.11	16.82	8.06	5.39	14.02	10.71	7.57	100.00
1997	1.26	2.14	11.03	21.68	15.94	9.24	4.99	14.40	10.06	9.26	100.00
1998	1.14	3.02	9.77	22.88	15.17	8.34	4.42	16.52	10.60	8.13	100.00
Avg.	0.96	1.90	10.81	21.32	16.49	8.78	4.75	16.34	10.69	7.95	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table D.4 Share of Net Income of Women-Operated Sole Proprietorships in 10 Major Business Activities, 1990-1998 (Percent)

	Carpentering and Floor Contractors	Misc. Specialty Trade Contractors	Sales By Door-To-Door, etc.	Real Estate Agents and Brokers	Beauty Shops	Misc. Personal Services	Janitorial and Related Services To Buildings	Other Business Services	Child Day Care	Consulting and Research	Total
1990	0.55	0.83	0.65	27.83	12.09	9.43	6.40	21.16	10.93	10.12	100.00
1991	0.48	0.42	-0.09	27.84	13.37	8.59	5.73	21.72	10.23	11.71	100.00
1992	0.39	0.32	0.75	29.19	15.54	8.70	6.37	17.76	10.72	10.26	100.00
1993	0.31	0.45	1.73	31.64	14.09	10.04	6.11	14.57	9.69	11.38	100.00
1994	1.34	1.28	3.10	27.64	15.89	7.29	6.49	13.57	11.28	12.13	100.00
1995	0.42	0.58	2.54	30.32	15.06	8.21	7.84	11.38	12.13	11.51	100.00
1996	0.91	0.62	2.24	31.28	14.53	6.80	8.22	14.57	10.48	10.35	100.00
1997	0.32	0.46	1.47	31.04	14.82	8.26	6.98	13.15	9.35	14.17	100.00
1998	0.47	1.01	0.81	31.17	13.84	7.57	6.32	16.77	11.02	11.02	100.00
Avg.	0.58	0.66	1.46	29.77	14.36	8.32	6.72	16.07	10.65	11.40	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table D.5 Average Net Income and Average Gross Receipts per Woman-Operated Sole Proprietorships in 10 Major Business Activities, 1998 (Thousands of Dollars, except as Noted)

	Carpentering and Floor Contractors	Misc. Specialty Trade Contractors	Sales By Door-To-Door, etc.	Real Estate Agents and Brokers	Beauty Shops	Misc. Personal Services	Janitorial and Related Services To Buildings	Other Business Services	Child Day Care	Consulting and Research	Total
Net Income	6.60	5.58	0.29	19.01	7.37	3.87	4.88	8.36	3.92	11.59	6.43
Gross Receipts	42.80	43.86	9.32	36.82	21.31	11.26	9.00	21.74	9.96	22.58	16.97
Net Income as Percent of Gross Receipts	15	13	3	52	35	40	54	38	39	51	38

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table D.6 Number of U.S. Sole Proprietorships in 10 Major Business Activities by Gender, 1998 (Thousands except as Noted)

	Carpentering and Floor Contractors	Misc. Specialty Trade Contractors	Sales By Door-To-Door, etc.	Real Estate Agents and Brokers	Beauty Shops	Misc. Personal Services	Janitorial and Related Services To Buildings	Other Business Services	Child Day Care	Consulting and Research
All	497	516	1,106	787	491	796	487	1,197	686	659
Women	16	42	631	374	429	446	296	458	642	217
Men	479	471	448	399	57	344	190	724	42	433
Women as Percent of Men	3	8	59	48	88	56	61	39	94	33

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Tables E.1-E.6 Major Industries

	Agriculture, Forestry and Fishing	Mining, Construction, Manufacturing	Transportation, Communications, Electric	Wholesale and Retail Trade	Finance, Insurance and Real Estate	Services	All Industries
1990	71,782	232,406	108,513	1,139,201	580,826	3,419,512	5,552,239
1991	92,605	240,685	133,043	1,220,437	550,563	3,492,038	5,729,370
1992	83,189	249,364	117,130	1,335,674	553,049	3,577,294	5,915,700
1993	68,272	260,401	114,096	1,335,763	566,352	3,694,992	6,039,877
1994	104,373	290,165	108,260	1,501,269	584,464	3,737,411	6,325,942
1995	104,073	283,481	123,523	1,484,807	540,001	3,844,189	6,380,074
1996	113,638	264,080	154,301	1,629,283	547,321	4,029,535	6,738,158
1997	117,263	301,709	139,196	1,628,963	552,181	4,238,298	6,977,611
1998	102,089	290,075	170,872	1,568,146	585,352	4,409,830	7,126,365

Source: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division.

	Agriculture, Forestry and Fishing	Mining, Construction, Manufacturing	Transportation, Communications, Electric	Wholesale and Retail Trade	Finance, Insurance and Real Estate	Services	All Industries (Number)
1990	1.29	4.19	1.95	20.52	10.46	61.59	5,552,239
1991	1.62	4.20	2.32	21.30	9.61	60.95	5,729,370
1992	1.41	4.22	1.98	22.58	9.35	60.47	5,915,700
1993	1.13	4.31	1.89	22.12	9.38	61.18	6,039,877
1994	1.65	4.59	1.71	23.73	9.24	59.08	6,325,942
1995	1.63	4.44	1.94	23.27	8.46	60.25	6,380,074
1996	1.69	3.92	2.29	24.18	8.12	59.80	6,738,158
1997	1.68	4.32	1.99	23.35	7.91	60.74	6,977,611
1998	1.43	4.07	2.40	22.00	8.21	61.88	7,126,365
Average	1.50	4.25	2.05	22.56	8.97	60.66	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

	Agriculture, Forestry and Fishing	Mining, Construction, Manufacturing	Transportation, Communications, Electric	Wholesale and Retail Trade	Finance, Insurance and Real Estate	Services	All Industries
1990	1.66	5.49	3.04	31.81	9.30	48.70	100.00
1991	1.81	5.58	3.98	31.79	9.94	46.89	100.00
1992	2.13	5.94	3.05	31.26	9.72	47.90	100.00
1993	1.80	6.07	2.78	30.08	12.04	47.23	100.00
1994	1.89	6.98	2.95	31.99	10.29	45.89	100.00
1995	1.51	7.19	3.00	31.57	10.96	45.77	100.00
1996	1.38	6.73	2.77	31.37	11.39	46.36	100.00
1997	1.90	6.31	2.83	30.82	12.16	45.98	100.00
1998	1.28	6.94	3.11	27.19	14.06	47.42	100.00
Average	1.71	6.36	3.06	30.88	11.10	46.91	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table E.4 Share of the Net Income of Women-Operated Sole Proprietorships by Major Industry, 1990-1998 (Percent)

	Agriculture, Forestry and Fishing	Mining, Construction, Manufacturing	Transportation, Communications, Electric	Wholesale and Retail Trade	Finance, Insurance and Real Estate	Services	All Industries
1990	1.08	4.12	1.19	6.31	16.43	70.87	100.00
1991	1.21	3.16	1.72	3.69	17.01	73.20	100.00
1992	1.70	3.65	1.75	4.70	16.06	72.14	100.00
1993	0.89	2.89	0.88	6.48	19.08	69.78	100.00
1994	1.17	3.02	1.18	8.79	17.77	68.07	100.00
1995	0.99	3.97	1.63	7.21	18.08	68.14	100.00
1996	0.53	4.39	0.92	7.05	19.16	67.94	100.00
1997	0.95	3.66	1.51	7.56	21.15	65.18	100.00
1998	0.40	4.08	2.12	6.37	20.50	66.52	100.00
Average	0.99	3.66	1.43	6.46	18.36	69.09	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table E.5 Average Net Income and Average Gross Receipts per Woman-Operated Sole Proprietorship by Major Industry, 1998 (Thousands of Dollars Except as Noted)

	Agriculture, Forestry and Fishing	Mining, Construction, Manufacturing	Transportation, Communications, Electric	Wholesale and Retail Trade	Finance, Insurance and Real Estate	Services	All Industries
Net Income	1.71	6.13	5.42	1.77	15.26	6.57	6.11
Gross Receipts	20.75	39.52	30.03	28.63	39.65	17.75	23.17
Net Income as Percent of Gross Receipts	8	16	18	6	38	37	26

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table E.6 Share of the Number, Receipts, and Net Income of U.S. Sole Proprietorships by Gender and Major Industry, 1998 (Percent)

	Agriculture, Forestry and Fishing	Mining, Construction, Manufacturing	Transportation, Communications, Electric	Wholesale and Retail Trade	Finance, Insurance and Real Estate	Services	All Industries
Share of Gender Total							
Women	1	4	2	22	8	62	100
Men	4	21	6	15	8	45	100
Women's Share of All							
Number	17	10	18	47	37	45	37
Receipts	8	7	11	19	23	24	18
Net Income	5	6	13	15	31	26	22

Source: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division.

Tables F.1-F.6 The 10 Most Populous States

	California	Florida	Illinois	Michigan	New Jersey	New York	North Carolina	Ohio	Pennsylvania	Texas	Ten-State Total
1990	840,931	273,150	246,030	182,925	149,227	355,821	127,574	199,725	206,394	381,863	2,963,640
1991	896,122	302,972	239,875	182,174	150,325	350,166	139,535	214,389	231,573	351,099	3,058,230
1992	911,244	314,985	237,908	183,509	129,369	347,854	157,808	221,598	225,372	407,421	3,137,068
1993	859,279	284,200	245,372	198,715	113,082	364,382	146,358	235,397	227,358	431,361	3,105,505
1994	856,132	320,367	252,736	204,366	154,727	400,859	168,610	236,212	235,654	438,536	3,268,200
1995	885,425	306,640	274,544	199,309	117,650	414,980	156,439	232,789	237,265	399,942	3,224,983
1996	931,350	400,221	281,400	216,020	129,232	413,527	184,054	213,451	256,135	434,109	3,459,499
1997	923,819	424,680	265,800	235,798	143,444	461,361	191,171	221,327	276,312	481,689	3,625,400
1998	994,909	410,274	304,774	230,356	166,581	432,359	206,937	275,902	243,306	469,314	3,734,712

Source: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division.

	California	Florida	Illinois	Michigan	New Jersey	New York	North Carolina	Ohio	Pennsylvania	Texas	National Total
1990	--	--	--	--	--	--	--	--	--	--	--
1991	6.56	10.92	-2.50	-0.41	0.74	-1.59	9.38	7.34	12.20	-8.06	3.19
1992	1.69	3.97	-0.82	0.73	-13.94	-0.66	13.10	3.36	-2.68	16.04	3.25
1993	-5.70	-9.77	3.14	8.29	-12.59	4.75	-7.26	6.23	0.88	5.88	2.10
1994	-0.37	12.73	3.00	2.84	36.83	10.01	15.20	0.35	3.65	1.66	4.74
1995	3.42	-4.28	8.63	-2.47	-23.96	3.52	-7.22	-1.45	0.68	-8.80	0.86
1996	5.19	30.52	2.50	8.38	9.84	-0.35	17.65	-8.31	7.95	8.54	5.61
1997	-0.81	6.11	-5.54	9.16	11.00	11.57	3.87	3.69	7.88	10.96	3.55
1998	7.70	-3.39	14.66	-2.31	16.13	-6.29	8.25	24.66	-11.95	-2.57	2.13
Average	2.21	5.85	2.88	3.03	3.01	2.62	6.62	4.48	2.33	2.96	3.18

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

	California	Florida	Illinois	Michigan	New Jersey	New York	North Carolina	Ohio	Pennsylvania	Texas	Ten-State Total
1990	28.37	9.22	8.30	6.17	5.04	12.01	4.30	6.74	6.96	12.88	100.00
1991	29.30	9.91	7.84	5.96	4.92	11.45	4.56	7.01	7.57	11.48	100.00
1992	29.05	10.04	7.58	5.85	4.12	11.09	5.03	7.06	7.18	12.99	100.00
1993	27.67	9.15	7.90	6.40	3.64	11.73	4.71	7.58	7.32	13.89	100.00
1994	26.20	9.80	7.73	6.25	4.73	12.27	5.16	7.23	7.21	13.42	100.00
1995	27.46	9.51	8.51	6.18	3.65	12.87	4.85	7.22	7.36	12.40	100.00
1996	26.92	11.57	8.13	6.24	3.74	11.95	5.32	6.17	7.40	12.55	100.00
1997	25.48	11.71	7.33	6.50	3.96	12.73	5.27	6.10	7.62	13.29	100.00
1998	26.64	10.99	8.16	6.17	4.46	11.58	5.54	7.39	6.51	12.57	100.00
Average	27.45	10.21	7.94	6.19	4.25	11.96	4.97	6.94	7.24	12.83	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table F.4 Share of the Receipts of Women-Operated Sole Proprietorships in the 10 Most Populous States, 1990-1998 (Percent)

	California	Florida	Illinois	Michigan	New Jersey	New York	North Carolina	Ohio	Pennsylvania	Texas	Ten-State Total
1990	39.91	6.81	6.79	3.30	4.92	10.55	4.57	4.87	7.12	11.16	100.00
1991	34.38	7.32	8.23	4.24	4.59	11.23	4.01	6.04	8.19	11.77	100.00
1992	35.93	7.07	5.93	4.24	4.56	11.31	3.76	6.95	8.74	11.52	100.00
1993	35.43	7.15	6.52	4.66	4.34	10.48	3.84	6.28	8.87	12.43	100.00
1994	34.82	8.11	6.53	5.30	4.40	10.72	4.08	5.64	9.27	11.14	100.00
1995	34.53	7.75	5.92	5.37	4.79	10.64	4.74	6.13	8.76	11.37	100.00
1996	36.31	7.38	6.77	5.84	3.57	8.93	5.03	5.54	7.61	13.03	100.00
1997	35.92	7.31	6.95	5.55	4.30	11.14	4.60	4.89	7.67	11.68	100.00
1998	37.71	8.19	6.85	4.87	3.53	10.53	4.41	5.08	6.22	12.61	100.00
Average	36.11	7.45	6.72	4.82	4.33	10.61	4.34	5.71	8.05	11.86	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table F.5 Share of the Net Income of Women-Operated Sole Proprietorships in the 10 Most Populous States, 1990-1998 (Percent)

	California	Florida	Illinois	Michigan	New Jersey	New York	North Carolina	Ohio	Pennsylvania	Texas	Ten-State Total
1990	32.30	10.20	5.87	3.23	4.96	15.72	3.68	6.53	7.90	9.59	100.00
1991	29.49	8.29	11.76	4.60	5.23	14.23	3.33	7.47	7.25	8.35	100.00
1992	30.56	7.80	7.64	5.35	4.96	15.81	2.80	7.16	6.70	11.23	100.00
1993	31.67	8.17	7.28	4.94	5.09	13.36	2.96	6.79	7.75	12.00	100.00
1994	31.71	8.66	7.53	5.91	6.39	14.22	2.42	5.81	6.63	10.71	100.00
1995	29.73	10.72	5.90	5.61	5.04	15.14	3.26	6.49	8.10	10.01	100.00
1996	31.75	7.90	7.98	7.51	4.18	11.82	2.86	6.17	6.42	13.42	100.00
1997	32.85	9.60	6.93	6.55	5.72	13.94	2.87	5.81	6.55	9.18	100.00
1998	34.04	8.60	7.78	5.30	4.46	13.88	3.52	5.12	6.19	11.09	100.00
Average	31.57	8.88	7.63	5.44	5.11	14.24	3.08	6.37	7.05	10.62	

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table F.6 Average Net Income and Average Gross Receipts per Women-Operated Sole Proprietorship in the 10 Most Populous States, 1998 (Thousands of Dollars except as Noted)

	California	Florida	Illinois	Michigan	New Jersey	New York	North Carolina	Ohio	Pennsylvania	Texas	Ten-State Average
Net Income	8.35	5.12	6.24	5.62	6.54	7.84	4.16	4.53	6.21	5.77	6.54
Gross Receipts	36.09	19.01	21.40	20.13	20.19	23.18	20.27	17.55	24.33	25.58	25.49
Net Income as Percent of Gross Receipts	23	27	29	28	32	34	21	26	26	23	26

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the Internal Revenue Service, Statistics of Income Division.

Table F.7 Nonfarm Sole Proprietorships per 100 Adults in the 10 Most Populous States, 1998

	California	Florida	Illinois	Michigan	New Jersey	New York	North Carolina	Ohio	Pennsylvania	Texas	U.S. Average
All	11.9	10.5	9.6	8.8	8.4	9.6	9.9	9.3	9.1	11.3	10.3
Women	8.8	7.2	6.9	6.4	5.5	6.3	7.4	6.6	5.3	6.9	7.2
Men	14.5	13.7	12.5	10.9	11.1	13.1	12.5	12.1	13.2	15.3	13.2
Women as Percent of Men	60	52	56	59	49	48	59	55	40	45	55

Source: U.S. Small Business Administration, Office of Advocacy, based on unpublished tables from the Internal Revenue Service, Statistics of Income Division, and population estimates from the U.S. Department of Commerce, Bureau of the Census as of July 1, 1998.

Appendix: Background Information, Data Sources and Limitations

The 1990-1998 sole proprietorship data were compiled from tables furnished annually to the Office of Advocacy of the U.S. Small Business Administration (SBA) by the Statistics of Income Division (SOI) of the Internal Revenue Service under an interagency agreement. Revised 1990-1998 tables were produced in July 2001. The data were estimated from samples of individual tax returns with Schedule Cs, the tax form used to report activity from a nonfarm sole proprietorship. The SOI tabulates information from a stratified random sample of returns with Schedule Cs each year and publishes an article about them in the summer issue of the *Statistics of Income Bulletin*.¹⁵ SOI tables provide detail by gender on the number of sole proprietorships, the size of the businesses, aggregate business receipts, and net income. These tables include:

- All sole proprietorships, sorted into six broad industry categories¹⁶
- All sole proprietorships, sorted into seven receipts classes
- All sole proprietorships, sorted into seven net income classes
- All sole proprietorships, sorted into four filing (marital) statuses
- Sole proprietorships in the 10 most populous states
- Sole proprietorships engaged in the 10 major industrial activities

Gender, seemingly a simple identification, in fact required a multi-step procedure. For single returns and joint returns with only one name and social security number (SSN) on the Schedule C, the proprietorship was assigned a gender based on the Social Security Administration's gender code for that SSN. However, several hundred thousand joint returns contain both spouses' names, even though the instructions for Schedule C indicate that only the proprietor's name should be listed. The SOI division then checked these returns for a Schedule SE, on which a self-employed individual reports earnings to calculate self-employment tax for social security and Medicare. If only one spouse listed self-employment income, the Schedule C was assigned to that spouse. If both spouses (or neither) filed Schedule SEs, the Schedule C was left in the "jointly operated" category.¹⁷ This procedure, for instance, left about 300,000 sole

¹⁵ See, for instance, Therese E. Cruciano and Michael J. Parisi, "Sole Proprietorship Returns, 1998," *Statistics of Income Bulletin*, Summer 2000, <http://www.irs.gov/taxstats/display/0..i1%3D40%26genericId%3D16924.00.html>. This article explains the sampling methodology and other information pertinent to the tables provided to the Office of Advocacy.

¹⁶ Data by gender for these industry groups has been published in past editions of *The State of Small Business: A Report of the President*. However, the classification by gender was not based on the Social Security Administration (SSA)'s records of gender. The published figures overstate the number of "male and female jointly operated businesses" and apparently understate the percentage of female-operated businesses.

¹⁷ The industry was identified by SIC code. Spouses who jointly own an unincorporated business should file a partnership information return with the IRS, then report the income or loss as partnership income on their personal tax return, even though all the income remains with the couple and is reported on the same personal return. Understandably, many couples instead report such income as sole proprietorship income (whether by design or mistake). A recommendation of the IRS National Taxpayer Advocate and bills introduced in the 107th Congress would legalize this "do it yourself" simplification.

proprietorships classified as jointly operated in 1998.¹⁸ In the future, the gender information should be more accurate, as the “corrected sex” code from the Social Security Administration DM1 file will be used.

It must be pointed out that the classification of “size” by gross receipts and net income may produce serious flaws in a historical data set. For instance, the real value of \$100,000 in 1990 is not equal to the value of this amount in 1998. Until new measures can be found, caution should be exercised in interpretations of “size” using the data provided in this report. More accurate data will be produced by applying a GDP deflator before classifying the size in microdata.

Unless otherwise noted, the data source for all tables in this report is the SOI, compiled by the Office of Advocacy, U.S. Small Business Administration. Because of differences in sampling methods, this set of data is not comparable with other data, such as that in the Census Survey of Women-Owned Business Enterprises.

Several measures were used in this report to analyze the dynamics of women-operated sole proprietorships. Net income and gross receipts per women-operated sole proprietorship business were calculated and these can be used to explore the pattern of business earnings.

The 1990-1998 industrial data were coded using the older Standard Industrial Classification (SIC) system. Beginning in 1999, SOI began using the newer North American Industrial Classification System (NAICS). It is hoped that future studies will convert historical data into NAICS codes to permit comparability in analysis of historical industrial trends.

Despite limitations, it is believed that these data on women-operated sole proprietorships allow researchers to draw important inferences about changes over time in the size, receipts and net income, major business activities, industrial and regional concentrations, and growth patterns in sole proprietorships operated by women.¹⁹

Comparison with 1997 SWOBE

The Census Bureau surveys women-owned businesses as part of the economic census conducted every five years. The 1997 Survey of Women-Owned Business Enterprises (SWOBE), released in March 2001, covered nonfarm sole proprietorships with at least \$1,000 in receipts in 1997, as well as other forms of ownership (see Table 1). The Census Bureau estimated there were 15.1 million such businesses, of which 4.6 million (30 percent) were women-owned. An IRS tabulation of 1997 Schedule Cs by gender for the Office of Advocacy showed a total of 19.2

¹⁸ To create the data file, researchers coded every return based on the name of the proprietor. An obvious male name was coded with a value of 1. An obvious female name was coded with a value of 2. If both male and female proprietors' names appear on a Schedule C filed as a joint return and it could not be determined that the Schedule C was for only one of the taxpayers, it was coded with a value of 3. Also, if the sex of the proprietor could not be determined, the return was coded with a value of 3.

¹⁹ Kenneth Simonson, chief economist, Associated General Contractors of America, analyzed the 1998 sole proprietorship data during his tenure as chief economic advisor in the Office of Advocacy.

million, of which 7.0 million (36 percent) were female-operated. The IRS did not tabulate receipts below \$1,000 but did tabulate receipts below \$5,000. Even after omitting those businesses, the IRS estimated that there were 12.6 million sole proprietorships, of which 4.0 million (32 percent) were female-operated.

These estimates differ by surprisingly large amounts with respect to total, women's total, and women's percentage. A Census Bureau employee stated that even including the sole proprietorships with less than \$1,000 in receipts produced a total of only 17.1 million businesses, not the 19.2 million estimated by the IRS.

The Census Bureau also reported receipts for sole proprietorships: \$872 billion in total, of which \$142 billion (16 percent) was for women-owned sole proprietorships. Inclusion of the firms with less than \$1,000 in receipts would have made little difference in these totals or percentages. The IRS reported a nearly identical total of \$870 billion, of which \$154 billion (18 percent) was for female-operated sole proprietorships. Here the gap between the numbers reported by the two sources was much less than for the number of proprietorships.