

SMALL BUSINESS RESEARCH BULLETIN

Women in Business, 2001

A Report by the Office of Advocacy

Released October 2001

Background

Within the U.S. Small Business Administration's Office of Advocacy, the Office of Economic Research produces reports on small firms' economic status and role in the U.S. economy. *Women in Business, 2001* examines the most recent available statistical information on women's business activities and suggests both that women's participation is vital to the growth of the U.S. economy and that significant economic differences by gender remain.

The report is designed to provide basic information and stimulate discussion by academics and policymakers on such issues as the reasons for the rapid growth of women-owned businesses and the barriers to their success.

Highlights

- In 2000, women were 38 percent of the self-employed. In 1999, more than 88 percent of self-employed women were white, 7 percent were African American, 4 percent were Asian or Pacific Islander, and less than 1 percent American Indian, Eskimo, or Aleut.
- In fiscal year 2000, women-owned businesses were granted \$4.6 billion in federal prime contracts, or 2.3 percent of total federal procurement.
- In 1999, women made up 46 percent of the nation's labor force—the world's highest participation rate.
- In 1999, women made up 46 percent of executive, administrative, and managerial occupations.
- In 1999, among executives, there were gender differentials along age lines. Most executives under the age of 35 were women, but male executives predominated overall.
- In 1999, a large gender disparity remained between female and male executive earnings. Only 5 percent of female executives earned more than \$80,000 compared with 23 percent of male executives. And, of the women, 26 percent earned less than \$20,000 compared with 13 percent of men.

- Self-employment activities are often a second income or small venture, and this seemed truer for women owners. In 1999, 46 percent of self-employed women had a personal income of less than \$15,000, compared with only 21 percent of self-employed men.

- In 1998, women-headed households with a business had an average income level 2.5 times that of those without a business; similarly, those with a business had an average net worth nearly 6 times those without.

- In 1997, women-owned businesses generated \$819 billion in revenues, employed more than 7 million workers, and had nearly \$150 billion in payroll.

Advocacy Comments

"Women's economic well-being is inextricably linked to their involvement in business activities. Business ownership has increased rapidly in recent years, and their participation has grown in other economic activities, including self-employment, business decision-making, and the management of business operations.

"Clearly, women play a major role in the U.S. economy. Imagine what our country would be like without the seven million jobs provided by women business owners, or the leadership of the almost half of all business decision-makers who are women."

Thomas M. Sullivan
Chief Counsel for Advocacy
March 2002

For More Small Business Information

For the complete report, *Women in Business, 2001*, or to find more small business reports, visit the Office of Advocacy website at www.sba.gov/advo.

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