

# The Rise of the Woman Entrepreneur

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November 4, 2004

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# What Do We Know about Entrepreneurship?: An Economic Revolution

- Economies of Scale replaced by the power of innovation
- Entrepreneurship becomes commonplace: 11% of US adult population is trying to start a business.
- Small firms become economic engines
  - *5-15% of U.S. firms (“gazelles”) create 2/3 of net new jobs.*
  - *Entrepreneurs account for more than half of all technological innovation.*

# What Do We Know about Women Entrepreneurs? The Revolution's Next Stage

- Worldwide, 7% of women are engaged in entrepreneurial activity (12% for men)
- In US, there are 1.6 male-owned businesses for every 1 woman-owned business
- Women own 30% of US businesses
  - *48% if joint ownership included*

# But, the Gap is Closing

- Percentage Increase in Firm Ownership from 1987-1997

– White Males	5-6%
– Women	46%
– African-Americans	27%
– Hispanic-Americans	144%
– Asian-Americans	157%

(Source: US Census)

# The Closing Gap—Continued

- 424 Women-owned firms are started in the US each day
  - *55% of all start-ups*
- Between 1997 and 2004, women-owned firms. . .
  - *Grew Revenue by 39% (vs. 34% for all firms)*
  - *Increased Jobs by 24% (vs. 12% for all firms)*

# Other Areas of Progress

- Firms with over \$1 million revenue up 32%
- Firms with more than 100 employees up 44%
- Minority women ownership up 32% (4X national rates)
- Booming growth in non-traditional sectors
  - *Construction up 57%*
  - *Agricultural Services up 44%*

# Now, for the Bad News. . .

- Access to Capital remains limited
  - Women have less access to bank credit
  - Women more frequently “bootstrap” their business
  - Women have limited access to Venture Capital
    - *Less than 5% of VC funds go to women*
    - *Only 10% of VC industry decision-makers are women*

# More Bad News. . .

- Access to Markets is limited. . .
  - Few women-owned businesses engage in international trade
  - Women-owned businesses receive only 3% of government contracts
  - Women face hurdles selling to large corporations



# The Last of the Bad News. . .

- Women hold only 15% of FORTUNE 500 Corporate Officer positions
- Women lead only 8% of INC 500 firms

# Why Should We Care?

- Gender Diversity Improves Corporate Performance
  - *34-35% better returns on equity and to shareholders*
- Women operate more diverse firms
- Women network better and manage in a less hierarchical manner
- Women do more with less
  - *More productive than male-owned firms*

# And then, What? Challenges Ahead

- Health Care
  - Costs up 59% since 1999
  - Employees with employer-provided coverage down 2.5% since 2000
  - 7.3 million uninsured are employed by women-owned businesses
- Access to Capital
  - Finding Venture Capital and Angel Investors

# What Do Women Want?

- **FIX HEALTH CARE NOW!!!**
- Improve Access to Investment Capital
- Expand base of qualified workers:  
“Ready to Work”
- Ease access to government contracts  
and support programs

# Potential Solutions

- MSAs, AHPs: All are band-aids!
- Networking Women into New Networks
  - Springboard Enterprises
- Sustain and Expand Existing Supports
  - Womens' Business Center Program
- Help One Another!

# For More Information:

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