



ADVISORS TO THE PRESIDENT,  
CONGRESS AND THE SBA

## Study of Women-Owned & Led Businesses November 2007 Frequently Asked Questions

### **What subject does this report address?**

This report assesses the economic impact of women-led firms by examining their receipts, compensation, geography, industry, and ethnography based on data obtained from the Census Bureau's 2002 Survey of Business Owners and Self-Employed Persons (SBO).

### **How recent is the data?**

This report is based on data collected as part of the 2002 SBO, some of which was released publicly in 2006, and is thus the most current information available on the distribution and contribution of women-led businesses. The custom tabulations of the 2002 data were provided to NWBC at the end of the 2006 calendar year.

Because data was only available for a single year (2002), this report does not evaluate how women-owned or women-led businesses changed over time. The report does not indicate current conditions or characteristics of women-owned or women-led businesses.

### **Why did the NWBC examine the economic impact of women-led businesses?**

The Council believes that women-led firms make a substantial contribution to the American economy, but due to current definitions of women-owned firms, the omission of these enterprises from the current dialogue understates the total economic impact of women business owners.

### **What are the definitions for woman-owned and woman-led businesses?**

According to the federal government, a **woman-owned business** is defined as a business that is at least 51 percent owned by one or more women and whose management and daily business operations are controlled by one or more women.

A **woman-led business** is defined as a business where a woman has ownership of the firm that is equal to or greater than any other individual owner and whose management and daily business operations are controlled by one or more women.

### **What is the "big picture" economic impact of women-led firms?**

There are over 1 million women-led businesses generating in excess of \$300 billion in revenues, or about 3% of the US GDP. They employ 2.5 million employees and pay nearly \$56 billion in payroll.

### **What are the policy implications of this research?**

Programs and policies developed by policymakers, researchers and support organizations should serve all women business owners, including those owners of businesses classified as women-led. The research and policy communities should incorporate the data on women-led businesses in the dialogue on women's business ownership in the U.S. to more accurately capture the true economic impact of women business owners.