

# The Impact of Women-Owned Businesses



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# The Impact of Women-Owned Businesses

## Executive Summary

### The economic power and untapped potential of women entrepreneurs

Women-owned businesses play an increasingly vital role in shaping the American business landscape and driving the economy.

The 2025 Impact of Women-Owned Businesses data underscore the continued expansion of women's entrepreneurship across the United States. Women own **15.7 million businesses**—40.6% of all U.S. businesses. These businesses employ **12.6 million people** and generate **\$2.8 trillion in revenue**.

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This report projects employer and nonemployer business figures from 2023 to 2025. The projected figures for this three-year period apply to all bolded numbers highlighted in purple. See the Methodology section on page 37 for specifics on how projections were calculated.

The impact of women-owned businesses in 2025

U.S.

**15.7 million**

women-owned businesses  
comprise 40.6% of all businesses

Employ

**12.6 million**

people—9.1% of total employees in the U.S.

Generate

**\$2.8 trillion**

4.6% of total firm revenue nationally



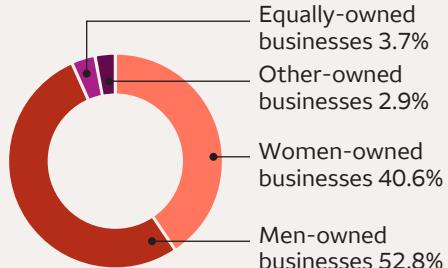


Despite ongoing progress, the growth of women-owned businesses remains uneven. Their share of firm count far exceeds their share of employment and revenue. While limited capital access, slower entry into high-growth sectors, and other challenges have impeded their ability to scale and contribute fully to the economy, momentum is building for women entrepreneurs.

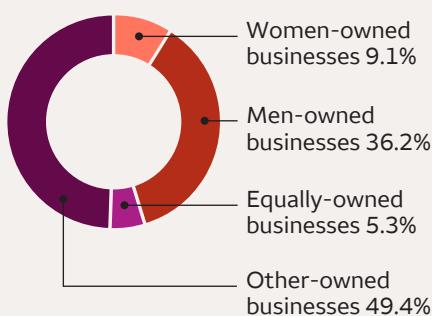
Women are launching businesses at record rates, breaking into new sectors, and expanding their roles in the broader economy. Women entrepreneurs bring fundamentally different approaches to innovation that can reshape industries and address long-overlooked market needs.

### Opportunity knocks: Turning ownership into business scale

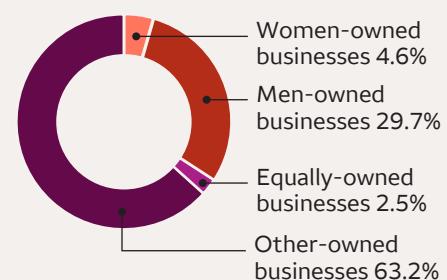
#### Firms



#### Employment



#### Revenue



## The employer threshold: A launchpad for greater impact

By expanding access to right-sized capital, networks, and growth resources, stakeholders can help unlock the full potential of women entrepreneurs—turning today’s employer gap into tomorrow’s engine for job creation and revenue growth.

Women are more likely than men to operate nonemployer businesses, with average revenues that significantly lag behind those of businesses owned by men. This gap is especially consequential: Businesses that cross the employer threshold are more likely to generate higher revenues, create jobs, and contribute to community wealth.

With tailored support, many women entrepreneurs—especially women of color—can become less concentrated in low-revenue sectors or self-funded business models that limit growth potential.

Businesses owned by women of color, while driving a disproportionate share of new business formation, remain smaller and face greater challenges in accessing capital, networks, and scalable infrastructure. Only 9% of women-owned businesses currently employ others, compared to nearly 20% of men-owned businesses.

### Women-owned businesses by race and ethnicity

|   | All           | Asian American  | Black/<br>African American | Hispanic/<br>Latino |
|---|---------------|-----------------|----------------------------|---------------------|
| <b>% of the women's population</b>              | 100.0%        | 6.6%            | 14.0%                      | 19.1%               |
| <b>Businesses</b>                               |               |                 |                            |                     |
| 2025 Number of businesses                       | <b>15.7M</b>  | <b>1.7M</b>     | <b>2.9M</b>                | <b>2.9M</b>         |
| 2025 Share of women-owned businesses            | 100.0%        | 10.6%           | 18.3%                      | 18.7%               |
| Growth rate 2022-2025                           | 12.1%         | 21.0%           | 17.2%                      | 22.4%               |
| Avg growth rate 2022-2025                       | 3.8%          | 6.6%            | 5.6%                       | 7.0%                |
| Growth rate 2024-2025                           | 4.4%          | 6.5%            | 12.9%                      | 7.0%                |
| <b>Employment</b>                               |               |                 |                            |                     |
| 2025 Total number of employees                  | <b>12.6M</b>  | <b>1.5M</b>     | <b>642K</b>                | <b>1.1M</b>         |
| 2025 Share of women-owned employers' employment | 100.0%        | 11.8%           | 5.1%                       | 8.5%                |
| Employment growth rate 2022-2025                | 11.1%         | 17.7%           | 23.1%                      | 19.6%               |
| Avg employment growth rate 2022-2025            | 3.6%          | 5.7%            | 7.2%                       | 6.2%                |
| Employment growth rate 2024-2025                | 0.1%          | 0.7%            | 2.9%                       | 2.4%                |
| 2025 Average number of employees                | <b>8.9</b>    | <b>7.8</b>      | <b>7.1</b>                 | <b>6.4</b>          |
| <b>Revenue</b>                                  |               |                 |                            |                     |
| 2025 Total revenue                              | <b>\$2.8T</b> | <b>\$355.8B</b> | <b>\$119.0B</b>            | <b>\$222.6B</b>     |
| 2025 Share of women-owned business revenue      | 100%          | 12.7%           | 4.3%                       | 7.9%                |
| Revenue growth rate 2022-2025                   | 9.9%          | 19.3%           | 20.1%                      | 20.4%               |
| Avg revenue growth rate 2022-2025               | 3.2%          | 6.1%            | 6.3%                       | 6.4%                |
| Revenue growth rate 2024-2025                   | 2.8%          | 4.6%            | 5.9%                       | 5.3%                |
| 2025 Average revenue                            | <b>\$179K</b> | <b>213K</b>     | <b>41K</b>                 | <b>76K</b>          |

## Macroeconomic pressures and external shocks

In 2025, macroeconomic conditions continued to test the resilience of women-owned businesses. Elevated interest rates and inflation increased the cost of borrowing and reduced purchasing power. Global supply chain disruptions, coupled with geopolitical tensions, introduced uncertainty for small businesses reliant on trade or international supplies.

Meanwhile, tariff uncertainty—especially those affecting imports from China, Canada, and Mexico—posed additional risks for product-based and retail businesses. While these pressures exacerbate disparities, often making it harder for small and undercapitalized businesses to compete, taking advantage of new market opportunities, technologies, consumer trends, and other resources can help level the playing field.

## Evidence of momentum and opportunity

Even in the face of persistent headwinds, the 2025 data reveal powerful signs of progress. Employer businesses owned by Black/African American and Hispanic/Latino women are growing faster than the national average in both employment and revenue—clear evidence that when structural barriers are removed, women of color not only survive, but also scale. While macroeconomic pressures have affected all businesses, they have disproportionately burdened those that face structural disadvantages. The fact that women entrepreneurs of color accelerate when given access underscores a deeper truth: The limits on their growth are not rooted in ambition or ability, but in the uneven playing field they're forced to navigate.

Digital tools, educational programs, and public/private business development opportunities through certification—a formal verification that a business meets criteria such as being woman- or minority-owned—are key growth drivers for women entrepreneurs today. Certification opens doors to government and corporate contracting opportunities that might otherwise be out of reach. Meanwhile, evolving technologies such as artificial intelligence (AI) can help streamline operations, enhance customer outreach, and improve decision-making, but only for businesses with the means and guidance to adopt them effectively.

Unlocking essential tools for more women-owned businesses could accelerate innovation and drive more economic growth.

## Expanding economic power across regions

Growth conditions for women-owned businesses vary sharply across the country. States and metropolitan areas that offer robust business ecosystems—including growth-aligned capital, high-speed internet, workforce training, and state or local policy support—tend to outperform others in terms of the growth and scale of women-owned businesses.

Conversely, regions with limited infrastructure or weak policy frameworks consistently rank lower, reinforcing disparities that track with both geography and demographics. Targeted public and private investment in these areas can catalyze entrepreneurship and expand the footprint of women-owned businesses.





## Strategic priorities for the road ahead

To unlock the full economic potential of women-owned businesses, action is required by stakeholders across the public and private sectors. The following strategic recommendations focus on five high-impact areas:

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***Expand access to right-sized capital and de-risk early-stage growth*** through insured small business loans—such as SBA 7(a) and 504 loans—and other financial products with more flexible underwriting. These include non-insured options like loans from community development financial institutions (CDFIs), credit unions, and responsible online lenders,<sup>2</sup> while ensuring transparency in the costs and fees.

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***Support scale-up strategies*** through targeted technical assistance, mentorship, and investment in businesses crossing key growth thresholds.

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***Enhance access to procurement opportunities*** by streamlining certification processes.

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***Ensure entrepreneurship programs are responsive*** to the wide-range of experiences and business types of small business owners.

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***Address regional gaps*** by investing in entrepreneurship infrastructure in underserved areas.

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Together, these strategies can move more women-owned businesses from survival to scale and help collectively build a more resilient, broad-based, and dynamic economy.

# Introduction

Consumer prices climbed in 2025.<sup>3</sup> At the same time, business expenses are under growing pressure as rising input costs—from raw materials to energy—prompt manufacturing and service firms to reassess their pricing, investment, and cost structures.<sup>4</sup> Tariff increases are compounding the issue, as higher import costs are being passed on to consumers—leading to broader sticker shock across essential goods and services. When this report was written in June, economists and Federal Reserve officials warned that new tariffs and rising import costs could drive inflation higher in the second half of the year, adding pressure on small businesses.<sup>5</sup> Additionally, global geopolitical tensions were expected to raise costs, disrupt supply chains, and tighten credit for business owners. These factors disproportionately impact women-owned small businesses, which tend to have thinner margins, greater barriers to funding, and concentration in consumer-facing sectors.

Many entrepreneurs in 2025 faced slower customer demand, rising expenses for supplies and services, and difficulty securing affordable financing.<sup>6</sup> Interest rates remained elevated, making loans more expensive and credit harder to access,<sup>7</sup> especially for smaller businesses that lack long credit histories or substantial cash reserves.

At the same time, new growth opportunities emerged. Many women-owned businesses benefited from investments in digital tools, expanded access to online markets, and the growing adoption of AI. These technologies have helped streamline operations, improve customer targeting, and create new ways to deliver products and services, particularly in sectors such as retail, healthcare, and professional services.





Government and corporate programs aimed at expanding business opportunities—including access-oriented procurement efforts and small business support services—have evolved over the past year. Efforts to open business development opportunities for a wide range of entrepreneurs changed, though participation and impact varied by region, industry, and firm size. Still, many local and state governments,<sup>8 9 10</sup> and corporations remain committed to supplier inclusion.

While women-owned businesses continued to grow in numbers at a faster pace than men-owned businesses, they remained smaller on average. Revenue growth in 2025 trailed behind that of men-owned businesses, suggesting that barriers to scale—including capital access,<sup>12</sup> time constraints due to caregiving responsibilities,<sup>13</sup> and network reach—persist.<sup>14</sup>

## About the report

This report draws on data from employer and nonemployer businesses across the United States, as collected through the U.S. Census Bureau's Annual Business Survey (ABS) and Nonemployer Statistics by Demographics (NES-D). These sources combine survey responses with administrative records to provide a comprehensive view of business ownership by gender, race, ethnicity, and other demographic characteristics. The ABS replaced the now-retired Annual Survey of Entrepreneurs (ASE), building on its methodology to offer more detailed and consistent demographic data on employer businesses.

The report offers projections for the number of businesses, employment, and revenue for both employer and nonemployer businesses from 2023 through 2025. Two modeling approaches are used: Ordinary Least Squares (OLS) and Vector Autoregressive (VAR) models. To account for broader economic trends, the models include key covariates, such as changes in national nominal Gross Domestic Product (GDP), consumer spending, the GDP deflator, business formation, and labor force indicators. These economic variables are sourced from the U.S. Bureau of Economic Analysis (BEA), the Bureau of Labor Statistics (BLS), and the Current Population Survey (CPS).

Nonetheless, limited sample sizes for some populations, including Native American entrepreneurs, continue to constrain the precision of statistical estimates for these groups.

## Purpose

This research examines differences in wealth, business experience, professional networks, and access to capital that affect the ability of different entrepreneur groups to start and expand their businesses. By analyzing race, ethnicity, business size, and geographic region among women-owned businesses in the post-pandemic periods of 2022–2025 and 2024–2025, the study offers insights to inform practical policies, programs, and funding decisions. The report focuses on the post-pandemic recovery and the outlook for 2025 as a whole.

Efforts to close the gap in women's entrepreneurship continue, as they are critically important to economic growth and job creation. The report serves as a practical tool for entrepreneurial support organizations and advisors, policymakers, funders, educators, researchers, media professionals—and, of course, the women entrepreneurs themselves. Through this data-driven analysis, stakeholders can better understand where challenges persist and identify solutions tailored to their specific business needs. These actions can help build an environment that enables more U.S. women to grow successful businesses and contribute to broader economic progress.



## Sources, terms used, and definitions

The projections in this report for employer and nonemployer businesses are based on data from the U.S. Census Bureau:

- **Employer firm estimates** are derived from the Annual Business Survey (ABS).
- **Nonemployer firm estimates** are based on data from the Nonemployer Statistics by Demographics (NES-D) series, which is compiled from administrative records.

Both data sources apply a minimum revenue threshold of \$1,000.

The report uses the terms "women-owned businesses" and "men-owned businesses" to describe those that are at least 51% owned, operated, and controlled by one or more women or men, respectively, as defined by the Census Bureau. These terms are used to reflect gender identity, including transgender individuals. However, it is important to note that the Census Bureau collects demographic data using binary sex categories ("male" and "female") rather than self-identified gender.

While the data presented here provides essential insights into ownership by sex, they do not fully capture the experiences of all business owners. Groups such as LGBTQIA+ individuals, people with disabilities, veterans, and entrepreneurs in rural and tribal communities remain underrepresented in current datasets. Due to rounding and methodological differences, the combined percentages of women- and men-owned businesses may not total exactly 100%.

Expanding data collection efforts to capture a broader range of business owner experiences will be essential for designing effective policies, programs, and funding strategies that address the specific needs of these populations.

In addition to women- and men-owned categories, the Census includes an "other" ownership category. This category encompasses businesses that cannot be classified by sex, ethnicity, race, or veteran status. It includes businesses with no individual owning 10% or more of the equity.

# Entrepreneurship surged in the wake of the pandemic—and it hasn't slowed

The pandemic didn't just disrupt the economy—it helped reshape it. Faced with layoffs, unpredictable work schedules, and new caregiving demands, many Americans turned to entrepreneurship.<sup>15</sup> The surge in remote work<sup>16</sup> and generative AI<sup>17</sup> has provided both employer and nonemployer businesses with more accessible avenues to profitability. By the end of 2021, business applications had reached record highs, and the momentum didn't stop there.

Overall, while women own **15.7 million businesses**—40.6% of all U.S. businesses—their economic footprint remains disproportionately small. These businesses employ **12.6 million people**, representing just 9.1% of the U.S. workforce, and generate **\$2.8 trillion** in revenue, which accounts for only 4.6% of total national business revenue.

Highlighting the gap between ownership and economic impact—and addressing the barriers many face in scaling their businesses—can further empower women entrepreneurs to generate more jobs, drive innovation, build community wealth, and strengthen the national economy. Challenges such as barriers to capital, customers' access, and new markets are an opportunity for stakeholders to collectively invest in solutions that help unlock the full potential of women-owned businesses.

Women-owned businesses accounted for more than **1.7 million** of that growth, bringing the total number of women-owned businesses to about **15.7 million** by 2025. That's a 12.1% jump in just three years.

Between 2022 and 2025, the number of businesses in the U.S. increased from 35.7 million to **38.7 million**, a rise of **3 million**.





Partial data from 2025 suggests the trend is continuing. Business formation remains strong, with the Census Bureau reporting sustained levels of applications through May 2025.<sup>18</sup> Notably, a large share of the filings is “high-propensity” applications—those most likely to turn into businesses with employees.

This recent growth builds on research showing how economic shocks can spark entrepreneurship, especially when paired with increased access to digital tools, including AI, and changing attitudes toward work.<sup>19</sup> It also reflects a growing interest in entrepreneurship as a means to build wealth and autonomy, particularly among women.

Black/African American, Asian American, and younger women are driving the future of entrepreneurship. In 2024, Asian American- and Black/African American-owned businesses were more likely to be started by women than men and Millennial and Gen Z startup entrepreneurs were more likely to be younger entrepreneurs, according to Gusto survey research.<sup>20</sup>

In 2019, women started nearly 30% of new businesses. By 2024, that share had increased to almost half (49%) of all new businesses. More than half of new women entrepreneurs say they aim to build a financial asset, and roughly one-third expect to increase their income. Flexibility, autonomy, and financial security continue to fuel women’s growing presence in entrepreneurship.<sup>21</sup>

About three-fourths of women who launched businesses in 2024 indicated they wanted to be the boss, and 62% wanted to work according to their schedules.<sup>22</sup>

New women entrepreneurs are also more likely to rely on friends and family, and debt financing rather than private capital investment to start their businesses. Many turn to private business loans backed by personal collateral such as a home or car. Women made up the majority of business owners who secured private business loans and credit cards in 2024. By contrast, fewer women used financial tools that offer stronger safeguards. In 2024, only 42% of businesses receiving Small Business Administration (SBA) loans were women-owned, despite SBA loans offering federal guarantees of up to 85%. Private equity was even less common, with only 30% of businesses backed by private capital being owned by women.<sup>23</sup>

This financing gap matters. Entrepreneurship is inherently risky, and funding options that protect personal assets—such as SBA loans or private capital investment—can mitigate downside exposure. Women’s lower use of these tools means they often assume more personal financial risk than men. This underscores the importance of ensuring more broadly-based access to the right amount of capital and risk-mitigating resources.

While it’s too early to know how many of these businesses will survive in the long term, the surge suggests that the entrepreneurial spirit kindled during the pandemic is becoming a more permanent feature of the U.S. economy.

## Gains in women's business ownership with ample room for growth

Since the peak of COVID-19, the United States has seen a strong rebound and expansion in business ownership, with women playing a significant role in this growth. This growth reflects broader national trends. Applications for new businesses surged in the years following the pandemic,<sup>24</sup> driven by shifts in labor markets, the adoption of technology, and changing work preferences.<sup>25</sup> Women, in particular, were drawn to entrepreneurship as a means to gain flexibility and regain economic stability after experiencing disproportionate job losses during the pandemic.<sup>26</sup>

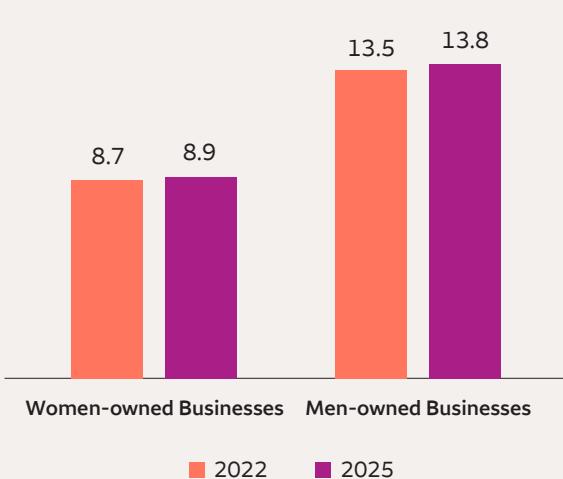
Between 2022 and 2025, the number of women-owned businesses grew rapidly, but they remained concentrated in smaller, consumer-facing firms with limited capital access. Furthermore, caregiving responsibilities further constrained many women's ability to work full-time or scale their companies. As a result, their revenues lagged or even shrank relative to men-owned businesses, which are larger on average, better financed, and more diversified across high-growth sectors.

Still, the continued rise in the number of women-owned businesses signals growing interest and confidence in entrepreneurship, which bodes well for a future rise in their share of employment and revenue. While it remains to be seen how many of these businesses will scale successfully, the data points to strong motivation and resilience among women business owners navigating a complex economic landscape.

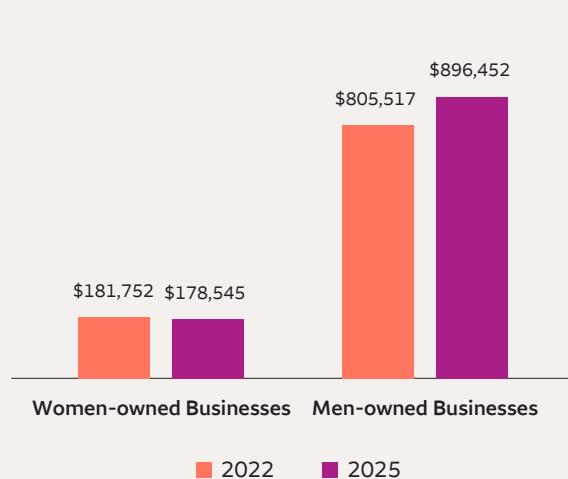


Measuring average size of small businesses by gender

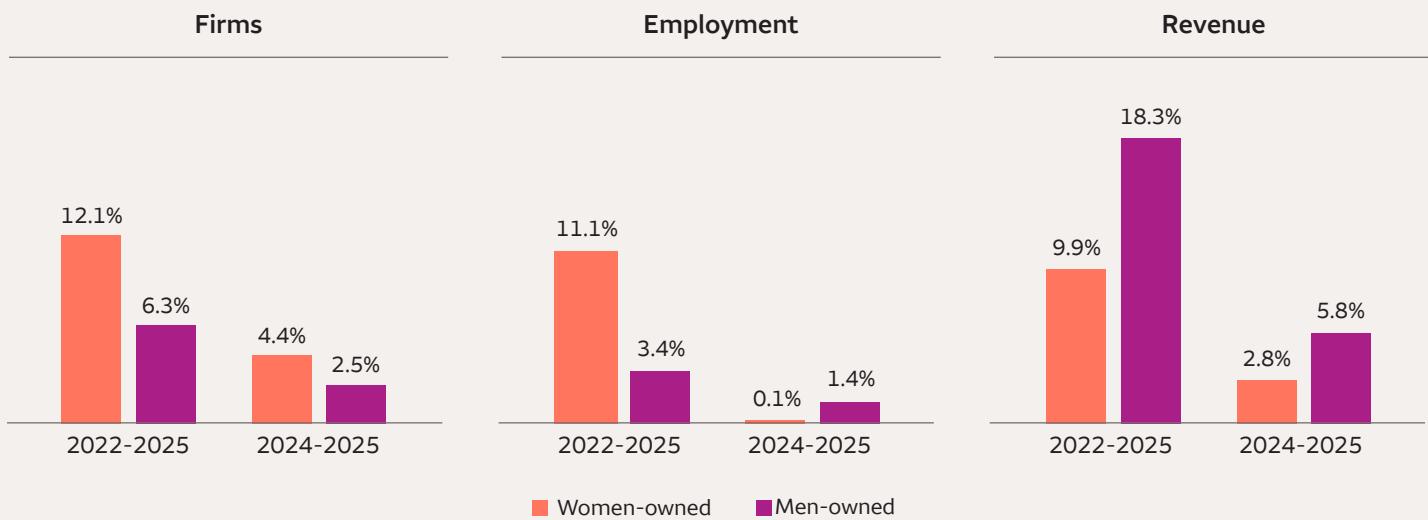
Average number of employees



Average Revenue (000) All Firms



## All WOB: Growth in the share of businesses, employment,\* and revenue by gender



\*Percentages for employment are calculated based on employers.

**Number of businesses:** Between 2022 and 2025, the number of women-owned businesses increased from 14 million to **15.7 million**, representing a 12.1% rise. Women own 40.6% of all U.S. businesses. By comparison, men-owned businesses grew from 19.2 million to **20.4 million**—an increase of 6.3%. Men own 52.8% of businesses.

Despite these gains, women-owned businesses still exert less economic impact when measured by employment and revenue.

**Employment:** In 2025, women-owned businesses employed **12.6 million people**, or 9.1% of the nation's workforce. This represents an impressive 11.1% increase in employment over the past three years. Meanwhile, men-owned businesses employed **50.5 million people**, or 36.2% of total jobs, a slight increase from 35.8% in 2022. This marks a growth rate of 3.4%.

**Revenues:** Generating income remains a key challenge for women-owned businesses. While total business receipts have increased for both women- and men-owned businesses in the post-pandemic period, the gap between them remains wide. However, average revenues for women-owned businesses have decreased. In 2025, women-owned businesses accounted for just 4.6% of total revenue—**\$2.8 trillion** out of **\$61.6 trillion**—an increase of 9.9%, nearly half the increase of men-owned businesses.

Ongoing challenges—including difficulties accessing financing, competing business and personal responsibilities, and heightened vulnerability due to their small average firm size—continue to hinder women's business growth. However, the steady increase in the number of women-owned businesses indicates that more women are choosing entrepreneurship. Whether these businesses will thrive is uncertain, but the upward trend demonstrates determination and adaptability in a changing economic landscape.

# Employer businesses drive jobs, spending, and economic growth

Employers are essential catalysts of economic prosperity. Job creation fuels direct and indirect consumer spending.<sup>28</sup> Employers foster innovation and competitiveness by introducing new products, services, and technologies—driving both firm-level and economy-wide productivity gains.<sup>29</sup>

Through payroll and corporate taxes, employers contribute to funding essential public services and infrastructure, strengthening economic stability and community well-being. By offering wages, benefits, and career growth opportunities, employer businesses promote upward mobility and financial security for workers. Ultimately, the prosperity and expansion of these businesses reverberate throughout communities, as increased spending supports local areas, enhances public services, and fosters more resilient regional economies.

In 2025, women-owned employer businesses totaled **1.4 million**, employing **12.6 million people** and generating **\$2.3 trillion** in revenue. Although they made up just 9% of all women-owned businesses, these employers accounted for 82.2% of the total revenue generated by women-owned businesses.

The growing number of women entrepreneurs is driven by shifting societal norms, improved access to funding and contracting opportunities, and advances in technology that make starting and growing a business more achievable. Digital tools have helped democratize entrepreneurship, while education and mentorship programs offer essential support and guidance.

In 2025, women-owned employer businesses totaled **1.4 million**, employing **12.6 million people** and generating **\$2.3 trillion** in revenue.



## Women-owned employers gain ground but remain outnumbered

In 2025, women-owned employer businesses made up 23.7% of all employer businesses—an increase from previous years, but still significantly lower than the 61.5% share held by men-owned businesses. While employment has increased for both women- and men-owned employers, women-owned employers account for a smaller share of employment relative to their share of businesses. Men-owned employers accounted for 36.2% of total employment, compared to just 9.1% for women-owned employers. Revenue shares were the lowest among the three metrics for both groups: Men-owned employers generated 28.6% of total revenue, while women-owned employers contributed only 3.9%.

These figures are influenced by the growing presence of large corporations and public companies classified as “publicly held or unclassifiable by gender.” These companies, which generate a disproportionate share of total revenue and employment, dilute the relative shares of gender-classified businesses. As economic impact becomes concentrated among fewer large businesses, the share attributed to small- and medium-sized women- and men-owned employer businesses appears diminished by comparison.

## Capital participation has converged; capital sufficiency has not

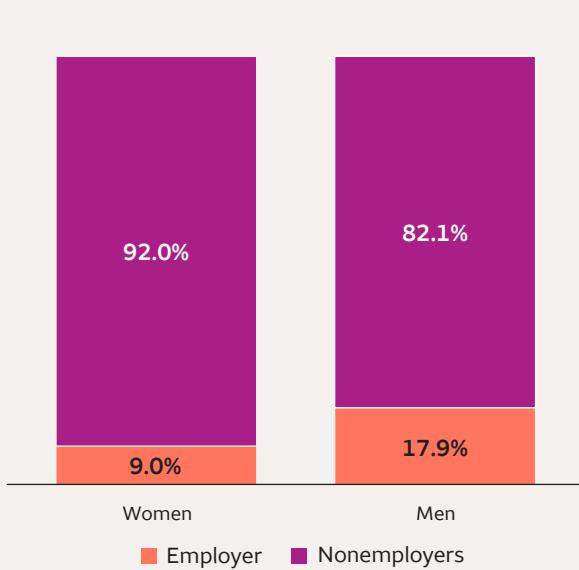
The 2024 Small Business Credit Survey shows that women-owned employer businesses now participate in the financing system at rates comparable to men-owned firms, with similar approval outcomes. These similarities in application and approval do not translate into equivalent capital positions.<sup>30</sup>

Women-owned employer businesses continue to operate with smaller average financing amounts and thinner liquidity buffers. They are more likely to rely on personal funds and credit cards to manage cash-flow needs and tend to request smaller loan amounts aligned with their current scale. As a result, even when financing is approved, the capital received is often insufficient to support hiring, investment, or expansion at the same pace as men-owned firms.

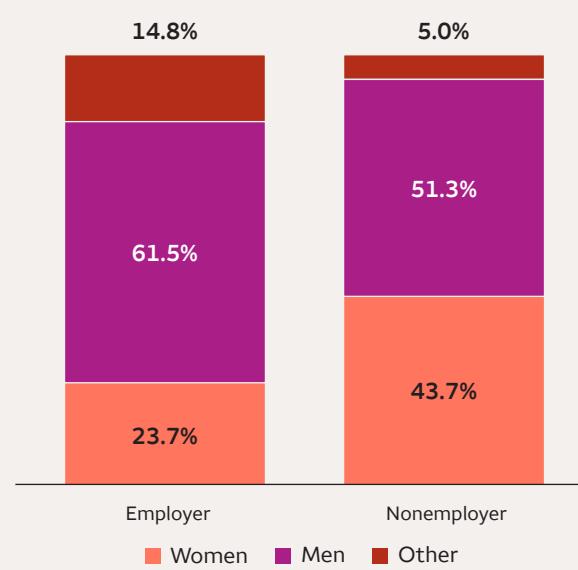
This dynamic helps explain why women-owned employer businesses appear similar to men-owned firms in application and approval data, yet remain undercapitalized relative to their growth potential.

### Gender composition of employers and nonemployers

2025 Employer status by gender



2025 Employment status by ownership



\*Women-owned employers are women-owned businesses with employees. Women-owned businesses include businesses without employees and with employees.

## Women-owned employers lead in firm growth, lag in size

The economic impact of women-owned and men-owned employer businesses in the United States reveals significant differences in scale, revenue, employment contributions, and revenue per employee. Despite making up nearly a quarter of all employer businesses, women-owned businesses contribute a disproportionately smaller share of employment and revenue. Their lower average firm size and productivity reflect ongoing impediments to growth. Closing this gap represents a major opportunity to unlock economic potential and drive more prosperity that benefits all entrepreneurs.

Men own 2.6 times more employer businesses than women, employ four times as many workers, and generate 7.4 times more revenue.

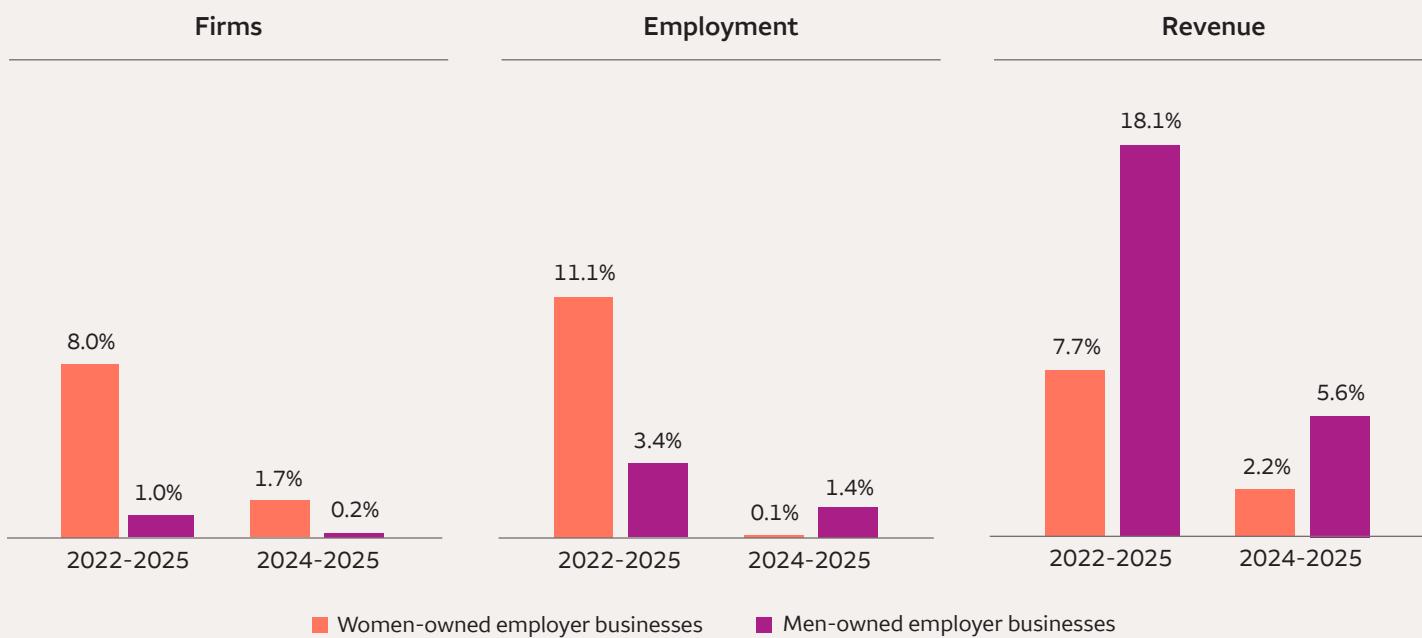
Despite modest progress, significant disparities remain between women- and men-owned employers. Men-owned employer businesses typically employ over 50% more individuals than women-owned businesses. Revenue disparities are even more pronounced. Women-owned employer businesses saw virtually no change, with average revenue remaining around **\$1.6 million**, while men-owned businesses increased from \$4.0 million to **\$4.6 million**. In 2025, men-owned businesses generated nearly three times more revenue per firm than women-owned businesses, highlighting persistent challenges in scaling.

## Comparing the impact of women-owned employers and men-owned employers

|                                   | Women-owned employers      | Men-owned employers        |
|-----------------------------------|----------------------------|----------------------------|
| Firm count                        | <b>1.4 million</b>         | <b>3.7 million</b>         |
| Share of U.S. employer businesses | 23.7%                      | 61.5%                      |
| Employment                        | <b>12.6 million people</b> | <b>50.5 million people</b> |
| Share of U.S. employment          | 9.1%                       | 36.2%                      |
| Total revenue                     | <b>\$2.3 trillion</b>      | <b>\$17 trillion</b>       |
| Share of U.S. employer revenue    | 3.9%                       | 28.6%                      |
| Average revenue per employee      | <b>\$182,182</b>           | <b>\$336,625</b>           |
| Average revenue per business      | <b>\$1,628,488</b>         | <b>\$4,638,430</b>         |

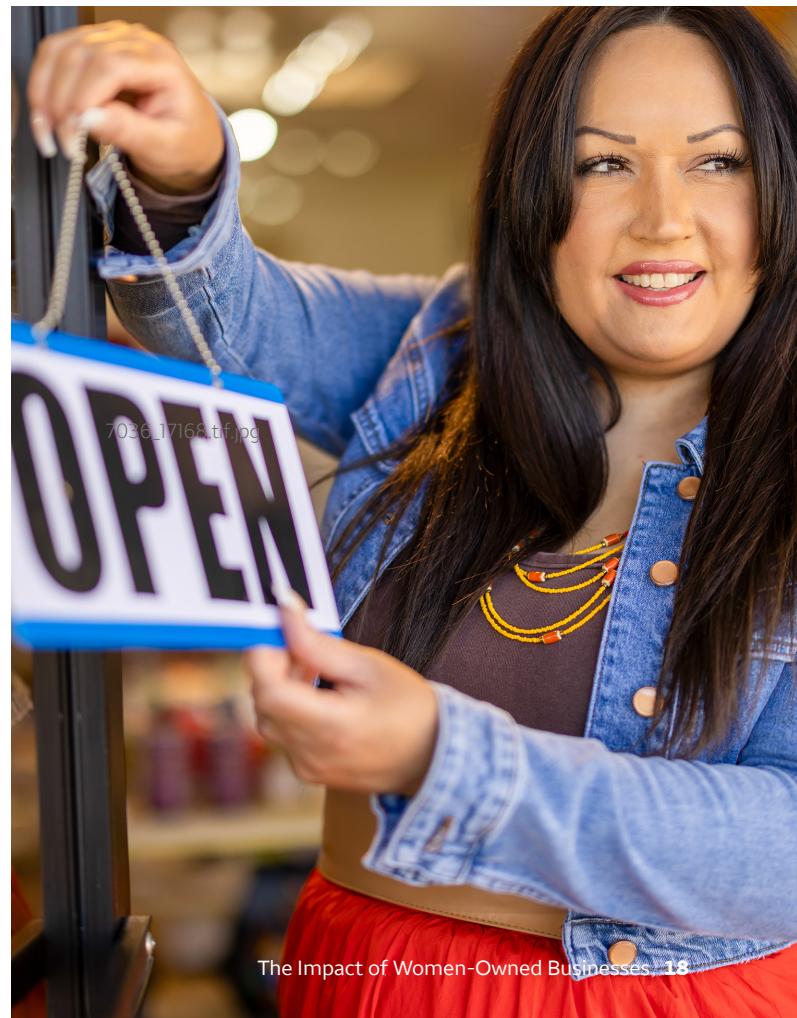


## Women-owned employers: Growth rate for businesses, employment, and revenue by gender



Yet, women-owned employer businesses are outpacing their men-owned counterparts in nearly every growth category—from the number of businesses to job creation and revenue gains. Between 2022 and 2025, women-owned employer businesses experienced more rapid growth than those owned by men. From 2024 to 2025, they also saw stronger revenue growth. However, men-owned employers posted higher employment gains during that period. Although women-owned businesses still represent a smaller share of all employer businesses, these trends indicate that when women scale their companies and hire, they can grow just as robustly as businesses owned by men.

The growth rates of women-owned and men-owned employer businesses in the U.S. during the two periods (2022–2025 and 2024–2025) are mixed. Women entrepreneurs outperform men in firm count growth for both time periods and for employment for 2022–2025. Men outperform women for employment for 2024–2025 and both revenue growth for both time periods. This was the case in both timeframes.



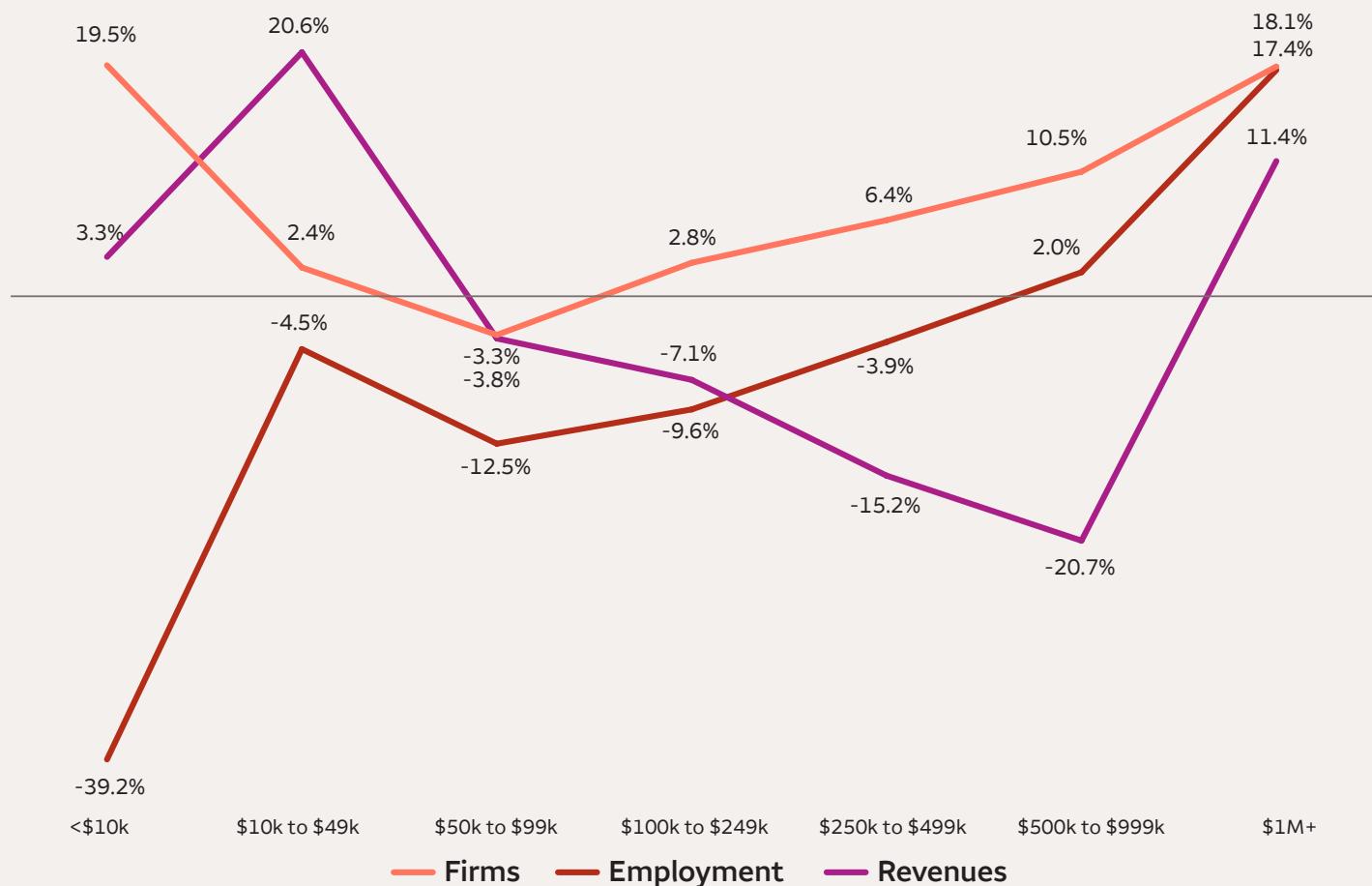
## Economic volatility hits smaller women-owned employers hard

Between 2022 and 2025, only women-owned employer businesses with more than \$1 million in revenue experienced consistent growth across firm count, employment, and revenue. These larger businesses were better positioned to weather economic volatility, invest in operations, and sustain or expand their teams.

In contrast, women-owned employers with annual revenues below \$1 million showed mixed or negative trends. While the smallest businesses earning under \$10,000 increased in number (19.5%), they also experienced significant employment declines (−39.2%), suggesting downsizing. Similarly, second-stage firms that have grown past the startup phase—especially those earning between \$250,000 and \$999,999—experienced revenue contractions of up to 20.7% and reduced headcount, indicating retrenchment during uncertain times.

This divergence highlights the resilience of larger women-owned businesses and the vulnerability of smaller ones. Women entrepreneurs could substantially benefit from improved access to right-sized capita and talent, as well as business development opportunities for contracts with corporations and local, state, and federal governments. Supporting different growth strategies could help more women-owned businesses move into the revenue tiers where consistent, sustainable growth becomes more likely.

2022-2025 growth rates for women-owned employers by businesses, employment, and revenue



# Flexible work fuels growth in women-owned nonemployers

Although women own **14.3 million nonemployer businesses**—43.7% of the total—they generate a significantly smaller share of revenue. These businesses generate **\$499.8 billion**, 23.8% of all nonemployer business revenue. In comparison, men-owned businesses generate **\$1.3 trillion**, or 62.4%.

On average, a woman-owned nonemployer business earns **\$35,000** per year, less than half of the **\$78,000** earned by the average man-owned nonemployer business. This wide gap suggests that many women business owners face barriers to further success, including limited capital access, working in lower-paying industries, and balancing business demands with caregiving responsibilities.

## Women-owned businesses skew nonemployer— affecting their economic impact

One reason women-owned businesses generate less revenue than those owned by men is related to their size, particularly in terms of employee numbers. Most companies in the U.S. don't have any workers on payroll. These nonemployer businesses—often solopreneurs or side hustles—make up about 91% of all businesses but generate just under 18% of total business receipts.

Women are more likely than men to own and operate nonemployer businesses. Only 9% of women-owned businesses have employees, compared to 17.9% of men-owned businesses. That difference matters. Businesses with employees tend to be larger, serve more customers, and earn significantly more money. Employer businesses owned by women generate substantially higher revenue on average than those without employees.

Since 2002, the share of women-owned nonemployers among all nonemployer businesses has risen from 31.9% to 43.7%, while the share of men-owned nonemployers has dropped from 55.4% to 51.3%. Women's growing share of nonemployer businesses is driven by digital empowerment, the ability to choose when and where they work, and the wide availability of subcontractors.<sup>31</sup> This is especially true for women balancing paid work and caregiving responsibilities.<sup>32</sup> Men's declining share likely reflects their shift toward employer businesses.

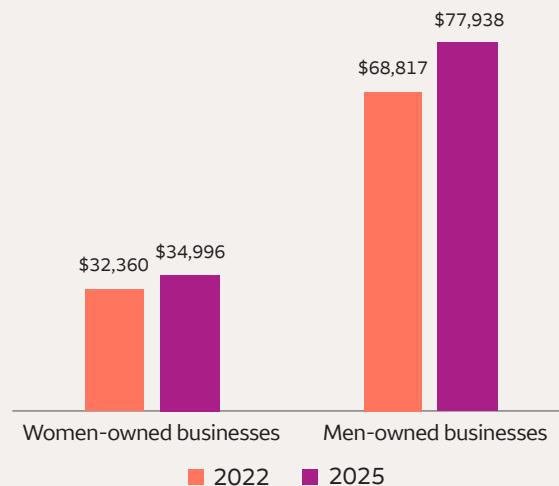
While average revenue of women-owned nonemployer businesses grew by 8.1% over the three-year period, the growth rate for men-owned nonemployer businesses was higher at 13.3%. On average, men-owned nonemployers generate more than double the revenue of their women-owned counterparts—and the gap is widening.

### Comparing the impact of women-owned employers and men-owned employers

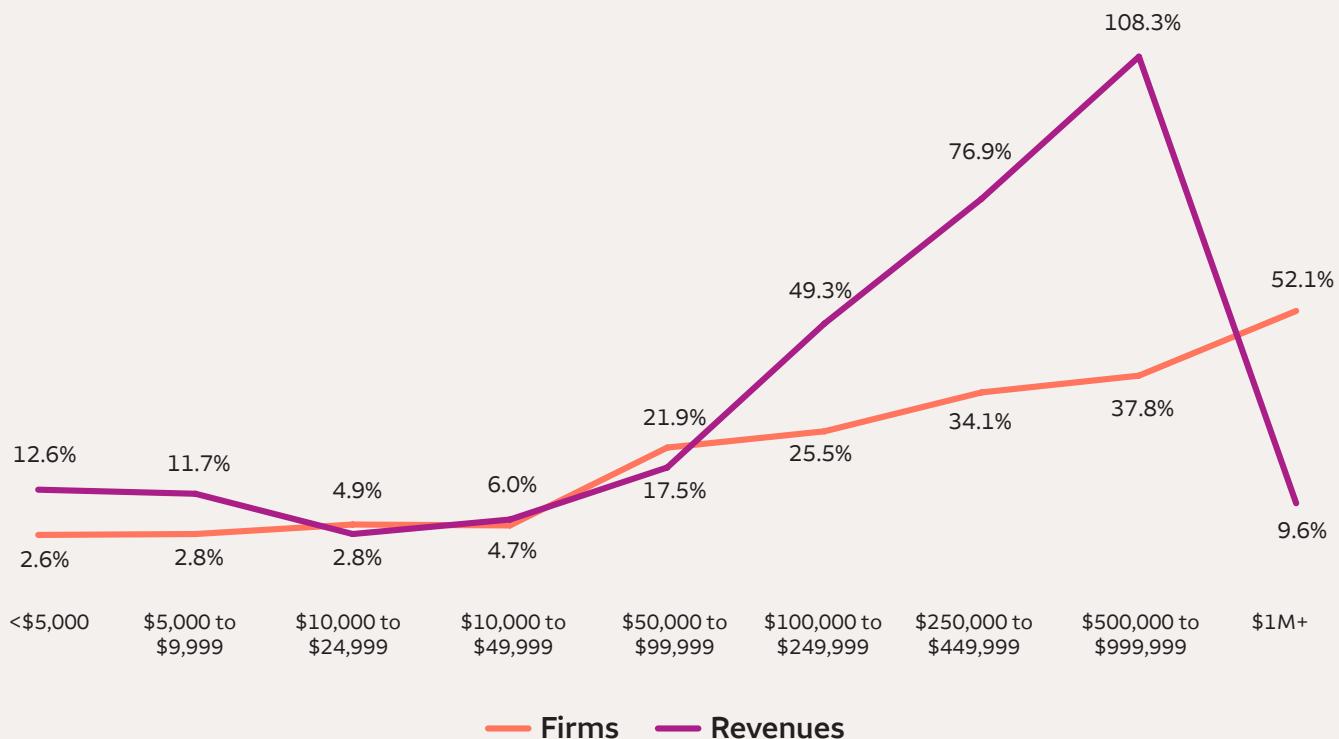
|                                     | Women-owned nonemployers | Men-owned nonemployers |
|-------------------------------------|--------------------------|------------------------|
| Firm count                          | <b>14.3 million</b>      | <b>16.8 million</b>    |
| Share of U.S. nonemployers          | 43.7%                    | 51.3%                  |
| Total revenue                       | <b>\$499.8 billion</b>   | <b>1,307 billion</b>   |
| Share of U.S. nonemployers' revenue | 23.8%                    | 62.4%                  |
| Average revenue                     | <b>\$35,000</b>          | <b>\$78,000</b>        |

### Measuring nonemployer's average size

Average revenue (000) nonemployer firms



## 2022-2025 growth rates for women-owned nonemployers by businesses and revenue



### Women entrepreneurs breaking out of the microbusiness tier

In contrast to women-owned employer businesses, nonemployer firms earning between \$100,000 and \$999,999 showed some of the strongest momentum from 2022 to 2025. The sharp rise in revenues among women-owned nonemployer firms likely reflects two overlapping trends. Some entrepreneurs are intentionally staying lean, using technology and contractors to scale income without the costs of hiring. Others may have downsized from employer status, letting go of staff to cut expenses but continuing to generate strong revenue. Together, these shifts suggest that many women business owners are adapting to economic uncertainty by prioritizing flexibility and efficiency over headcount growth.

As women continue to drive entrepreneurship across the United States, the data make it clear: Race and ethnicity significantly influence not only who starts businesses, but also which businesses are able to grow, hire employees, and create long-term economic impact. Whether a business becomes an employer with paid staff or remains a solo enterprise depends on more than ambition. It reflects underlying structural conditions.



## The role of race and ethnicity in shaping women-owned business growth

Of the **1.4 million women-owned employers**, 78.8% are owned by white women, followed by 13.5% Asian American women, 11.8% Hispanic/Latino women, and 6.4% Black/African American women. Despite these gaps, women of color are driving much of the recent growth in employer businesses—especially when it comes to firm count, job creation, and revenue.

Between 2022 and 2025, Hispanic/Latino-owned employer businesses grew by 37.2%, and Black women-owned employers by 18.3%. These businesses also expanded employment and revenue at rates that outpaced the national average, underscoring the potential of women of color to drive broad-based business expansion—if persistent challenges can be addressed. Ongoing barriers, including unequal access to capital, differences in industry concentration, and weaker professional networks, limit opportunities to scale. These outcomes are not simply a result of personal choice but are shaped by deeper structural conditions that influence business trajectories.

Closing the employer gap is not about economic fairness; it is central to building a more resilient and widely shared prosperity. Ensuring that women from all backgrounds can access the resources and support they need is essential for driving sustainable and broadly distributed growth.

## Hispanic/Latino and Black/African American women lead in employer business growth

While women of color are driving much of the recent growth in women-owned employers—especially in terms of new business formation and job creation—significant gaps remain in average business size and revenue.

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**Employer counts:** There were **1.4 million women-owned employer businesses** in 2025. Women of color accounted for 33% of these businesses, yet made up 41.3% of the U.S. population. Among minority groups:

- Hispanic/Latino women experienced the most significant growth in firm count between 2022 and 2025, increasing by 37.2%.
- Black women-owned employer businesses grew by 18.3%.
- In contrast, Asian American women experienced slower growth at 3.1%.

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**Employment:** Women-owned employers collectively employed **12.6 million people** in 2025. Minority-owned businesses accounted for **3.3 million jobs**, or 26.5% of employment by women-owned employers.

- Black women-owned businesses experienced a 23.1% increase in employment from 2022 to 2025.
- Hispanic/Latino-owned businesses followed closely at 19.6%.
- The average number of employees was highest among white women-owned employers (9.3) and lowest for Hispanic/Latino-owned businesses (6.4), indicating differences in business scale.

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**Revenue:** Total revenue for all women-owned employers reached **\$2.3 trillion** in 2025. Minority women-owned businesses contributed **\$517.3 billion**, or 22.5% of the total women-owned employers.

- Asian American women-owned employers generated the highest total revenue among minority groups (**\$297 billion**) and had the highest average revenue per business (**\$1.6 million**).
- Black/African American women-owned businesses had the lowest average revenue (**\$650,000**), reflecting persistent challenges in scaling despite strong firm and employment growth.

The variation in outcomes highlights that women-owned employers are not a monolithic group and face differing impediments and growth opportunities across communities, requiring customized solutions.



## Trends in the number of businesses, employment, and revenues for women-owned employers

### Number of employer businesses

| Race/ethnicity                             | 2025 number of businesses | % chg 2022-2025 | % chg 2024-2025 | Share of all women-owned employers | Share of population** |
|--|---------------------------|-----------------|-----------------|------------------------------------|-----------------------|
| All women-owned employers                  | <b>1,413,948</b>          | 8.0%            | 1.7%            | 100.0%                             | 100.0%                |
| Minority                                   | <b>466,930</b>            | 16.6%           | 4.5%            | 33.0%                              | 41.3%                 |
| Asian American                             | <b>191,164</b>            | 3.1%            | 0.4%            | 13.5%                              | 6.6%                  |
| Black/African American                     | <b>90,013</b>             | 18.3%           | 6.4%            | 6.4%                               | 14.0%                 |
| Hispanic/Latino*                           | <b>167,163</b>            | 37.2%           | 8.7%            | 11.8%                              | 19.1%                 |
| Native American/Alaska Native***           | <b>15,781</b>             | 10.3%           | 3.2%            | 1.1%                               | 1.3%                  |
| Native Hawaiian/Other Pacific Islanders*** | <b>2,809</b>              | 0.4%            | -8.0%           | 0.2%                               | 0.3%                  |
| White                                      | <b>1,114,181</b>          | 6.1%            | 1.6%            | 78.8%                              | 74.8%                 |

### Employment

| Race/ethnicity                             | 2025 total employment | % chg 2022-2025 | % chg 2024-2025 | Share of all women-owned employers | Avg # of employees |
|--|-----------------------|-----------------|-----------------|------------------------------------|--------------------|
| All women-owned employers                  | <b>12,638,991</b>     | 11.1%           | 0.1%            | 100.0%                             | 8.9                |
| Minority                                   | <b>3,343,941</b>      | 19.7%           | 1.8%            | 26.5%                              | 7.1                |
| Asian American                             | <b>1,489,253</b>      | 17.7%           | 0.7%            | 11.8%                              | 7.8                |
| Black/African American                     | <b>642,179</b>        | 23.1%           | 2.9%            | 5.1%                               | 7.1                |
| Hispanic/Latino*                           | <b>1,068,547</b>      | 19.6%           | 2.4%            | 8.5%                               | 6.4                |
| Native American/Alaska Native***           | <b>114,752</b>        | 25.5%           | 1.7%            | 0.9%                               | 7.3                |
| Native Hawaiian/Other Pacific Islanders*** | <b>29,210</b>         | 37.4%           | 7.1%            | 0.2%                               | 10.4               |
| White                                      | <b>10,363,598</b>     | 7.9%            | -0.2%           | 82%                                | 9.3                |

### Revenue

| Race/ethnicity                             | 2025 total revenue (000) | % chg 2022-2025 | % chg 2024-2025 | Share of all women-owned employers | Avg rev per business (000) |
|--|--------------------------|-----------------|-----------------|------------------------------------|----------------------------|
| All women-owned employers                  | <b>\$2,302,596,864</b>   | 7.7%            | 2.2%            | 100.0%                             | \$1,628                    |
| Minority                                   | <b>\$517,349,274</b>     | 16.7%           | 4.2%            | 22.5%                              | \$1,108                    |
| Asian American                             | <b>\$297,063,110</b>     | 18.6%           | 4.1%            | 12.9%                              | \$1,554                    |
| Black/African American                     | <b>\$58,479,561</b>      | 10.0%           | 4.0%            | 2.5%                               | \$650                      |
| Hispanic/Latino*                           | <b>\$137,663,474</b>     | 14.4%           | 3.9%            | 6.0%                               | \$824                      |
| Native American/Alaska Native***           | <b>\$20,748,690</b>      | 23.6%           | 7.9%            | 0.9%                               | \$1,315                    |
| Native Hawaiian/Other Pacific Islanders*** | <b>\$3,394,439</b>       | 26.1%           | 5.2%            | 0.1%                               | \$1,208                    |
| White                                      | <b>\$1,922,911,064</b>   | 4.8%            | 1.8%            | 83.5%                              | \$1,726                    |

\*Black/African American and Hispanic/Latino women are counted in both race and ethnicity segments. Adding demographic segments will therefore add to more than the total number for businesses, employment, and revenue.

\*\*United States Census Bureau Annual Estimates of the Resident Population by Sex, Race, and Hispanic Origin for the United States: April 1, 2020 to July 1, 2023, <https://www.census.gov/data/tables/time-series/demo/popest/2020s-national-detail.html#v2024>.

\*\*\*The small sample size and the lack of corroborating data points for nonemployer businesses make the numbers more likely to fluctuate and less likely to be reliable.



## Flexible by design: Minority women drive nonemployer growth

Nonemployer businesses comprise the vast majority of women-owned businesses, totaling 14.3 million as of 2025. These businesses play a critical role in the entrepreneurial ecosystem, especially in industries that are more accessible to first-time entrepreneurs and solopreneurs, including professional services, health and wellness, and online retail. The gender gap in nonemployer firm ownership continues to narrow as more women enter the entrepreneurial landscape.

Between 2022 and 2025, the number of women-owned nonemployer businesses increased by 12.3%, compared to 7.6% for men-owned businesses—a 62.2% faster rate of growth. The trend persisted from 2024 to 2025, with women-owned nonemployer businesses growing by 4.7%, outpacing the 3.1% growth of businesses owned by men. This steady expansion reflects women's increasing reliance on solopreneurship as a pathway to financial independence, flexibility, and scalable business models.

Revenue growth has not kept pace with it. From 2022 to 2025, revenue at women-owned nonemployer businesses rose by 21.4%, compared to 21.8% for men-owned businesses—meaning men-owned businesses grew at a rate approximately 1.9% faster over that period. However, the gap widened significantly from 2024 to 2025, revenue at women-owned businesses rose just 5.7%, compared to 9.4% for men-owned businesses. This represents a 65% faster growth rate for men-owned businesses compared to women's in that single year. This growing disparity highlights persistent structural challenges—particularly limited access to capital, networks, and customer acquisition tools—that continue to constrain women's ability to scale their businesses.

Still, the continued rise in the number of women-owned nonemployer businesses demonstrates strong entrepreneurial ambition. As many of these nonemployers evolve into employer businesses, targeted investments in support systems, training, and early-stage funding will be critical to unlocking their full economic potential.

## Trends in the number of businesses, employment, and revenues for women-owned nonemployers

### Number of nonemployer businesses

| Race/ethnicity                          | 2025 number of businesses | % chg 2022-2025 | % chg 2024-2025 | Share of all women-owned nonemployers | Share of population |
|---|---------------------------|-----------------|-----------------|---------------------------------------|---------------------|
| All women-owned nonemployers            | <b>14,281,838</b>         | 12.3%           | 4.7%            | 100.0%                                | 100.0%              |
| Minority                                | <b>7,291,019</b>          | 19.9%           | 9.2%            | 51.1%                                 | 41.3%               |
| Asian American                          | <b>1,479,676</b>          | 23.7%           | 7.3%            | 10.4%                                 | 6.6%                |
| Black/African American                  | <b>2,789,065</b>          | 17.1%           | 13.2%           | 19.5%                                 | 14.0%               |
| Hispanic/Latino                         | <b>2,768,748</b>          | 21.6%           | 6.9%            | 19.4%                                 | 19.1%               |
| Native American/Alaska Native           | <b>201,229</b>            | 13.1%           | 4.9%            | 1.4%                                  | 1.3%                |
| Native Hawaiian/Other Pacific Islanders | <b>52,301</b>             | 10.1%           | 4.0%            | 0.4%                                  | 0.3%                |
| White                                   | <b>9,759,567</b>          | 5.9%            | 2.1%            | 68.30%                                | 74.8%               |

### Revenues

| Race/ethnicity                          | 2025 total revenue (000) | % chg 2022-2025 | % chg 2024-2025 | Share of all women-owned nonemployers | Avg rev per business (000) |
|---|--------------------------|-----------------|-----------------|---------------------------------------|----------------------------|
| All women-owned nonemployers            | <b>499,801,440</b>       | 21.4%           | 5.7%            | 100.0%                                | \$35.0                     |
| Minority                                | <b>213,546,301</b>       | 30.2%           | 7.5%            | 42.7%                                 | \$29.3                     |
| Asian American                          | <b>58,714,756</b>        | 23.1%           | 6.8%            | 11.7%                                 | \$39.7                     |
| Black/African American                  | <b>60,568,032</b>        | 31.7%           | 7.7%            | 12.1%                                 | \$21.7                     |
| Hispanic/Latino                         | <b>84,918,355</b>        | 31.6%           | 7.6%            | 16.9%                                 | \$30.7                     |
| Native American/Alaska Native           | <b>7,338,843</b>         | 63.1%           | 11.7%           | 1.5%                                  | \$36.5                     |
| Native Hawaiian/Other Pacific Islanders | <b>2,006,315</b>         | 50.2%           | 10.5%           | 0.4%                                  | \$38.4                     |
| White                                   | <b>371,173,504</b>       | 16.2%           | 5.0%            | 74.3%                                 | \$38.0                     |

\*Black/African American and Hispanic/Latino women are counted in both race and ethnicity segments. Adding demographic segments will therefore add to more than the total number for businesses, employment, and revenue.

\*\*United States Census Bureau Annual Estimates of the Resident Population by Sex, Race, and Hispanic Origin for the United States: April 1, 2020 to July 1, 2023, <https://www.census.gov/data/tables/time-series/demo/popest/2020s-national-detail.html#v2024>.

\*\*\*The small sample size and the lack of corroborating data points for nonemployer businesses make the numbers more likely to fluctuate and less likely to be reliable.



# Turning 2025 headwinds into growth opportunities for women-dominated sectors

Economic and policy pressures in 2025—including sustained inflation, elevated interest rates, and global trade disruptions—will have a particularly significant impact on certain industries. This makes it impossible to project industry numbers with the same level of accuracy as in the past. These pressures are not evenly distributed: Women-owned businesses, particularly those owned by women of color, are concentrated in some of the most vulnerable sectors.

With targeted support and smart investment, women entrepreneurs—and those who support them—have a powerful opportunity to drive resilience and innovation across the business landscape.

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**Retail, apparel, and personal services:** These consumer-facing industries are particularly sensitive to reduced household spending and cost volatility associated with imported goods. Tariffs on goods from China, Vietnam, and Europe have driven up prices on apparel, accessories, beauty products, and party supplies. At the same time, discretionary spending has declined due to persistent inflation.<sup>33 34 35 36</sup>

A significant proportion of women-owned businesses—especially those owned by Asian American and Hispanic/Latino women entrepreneurs—operate in these sectors. Smaller businesses with limited pricing power are unable to pass increased costs to consumers, putting their profitability at risk.<sup>37</sup>



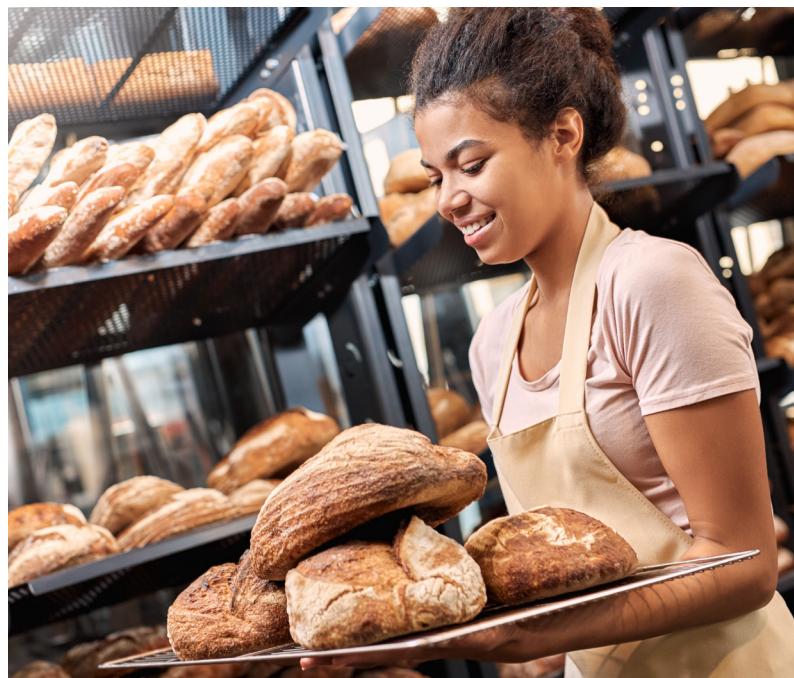
**Construction and home services:** Tariffs on steel, aluminum, and lumber, coupled with higher interest rates, have impacted construction firms.<sup>38</sup> Labor shortages further increase project costs.<sup>39</sup>

**Food services and hospitality:** Although demand has rebounded from the pandemic, restaurant and catering businesses continue to face rising food prices, labor expenses, and overhead costs.<sup>40 41</sup> Many have not returned to pre-pandemic profitability. Immigrant women and women of color are overrepresented in these businesses.<sup>42</sup> With thin margins and reduced access to credit, they struggle to sustain operations or adapt to new models (such as delivery and tech integration).<sup>43</sup>

**Healthcare, childcare, and personal care services:** These essential industries are facing talent shortages and regulatory changes.<sup>44 45</sup> For small providers, rising wages and compliance burdens are difficult to manage without scale.<sup>46</sup> Black/African American and Latino women are significantly overrepresented in caregiving roles and own many small practices or childcare centers.<sup>47</sup> These businesses are essential to communities, yet are often underfunded and vulnerable to closures due to staffing gaps.

Women, especially women of color, are disproportionately found in lower-margin, consumer-facing, or care-based sectors—precisely the ones facing the strongest economic headwinds. Structural barriers to financing, including racial bias in lending and lack of collateral, make it harder to weather volatility. Most women-owned businesses, especially those owned by minorities, are smaller and more likely to be sole proprietorships, which limits their capacity to absorb shocks or pivot quickly.

These trends underscore the need for targeted financial and technical support for women-owned businesses in vulnerable industries, particularly those led by women of color. In addition to firm count, support programs must also consider opportunity access, industry risk, and structural disadvantage.



# State and metro economic clout reflects growth and market presence

Economic clout reflects not only growth in the firm count, employment, and revenue of women-owned businesses, but also their relative share of the economy and their geographic concentration across states and metropolitan areas.

Top-ranked states and metropolitan statistical areas (MSAs) tend to share several key traits, including multifaceted and dynamic economies, strong support ecosystems, and business-friendly policies. These conditions help women entrepreneurs access capital, mentorship initiatives, networks, and procurement opportunities essential for scaling.

In contrast, lower-ranked regions often face challenges such as limited industry diversity, fewer support services, and gaps in capital access—barriers that restrict growth and negatively impact development.

Still, the overall trend is encouraging: Women entrepreneurs are gaining economic ground across the country. By understanding the conditions that support their success, policymakers, funders, and support organizations can design targeted strategies to accelerate growth and build a more inclusive, opportunity-rich economy for all. Funders include a wide range of sources—from traditional banks, credit unions, and community development financial institutions (CDFIs) to venture capital firms, online lenders, philanthropic foundations, and providers of alternative financing such as revenue-based and crowdfunding models—each playing a distinct role in supporting the capital needs of diverse entrepreneurs.

By understanding the conditions that support their success, policymakers, funders, and support organizations can design targeted strategies to accelerate growth and build a more inclusive, opportunity-rich economy for all.





## 2025 state rankings

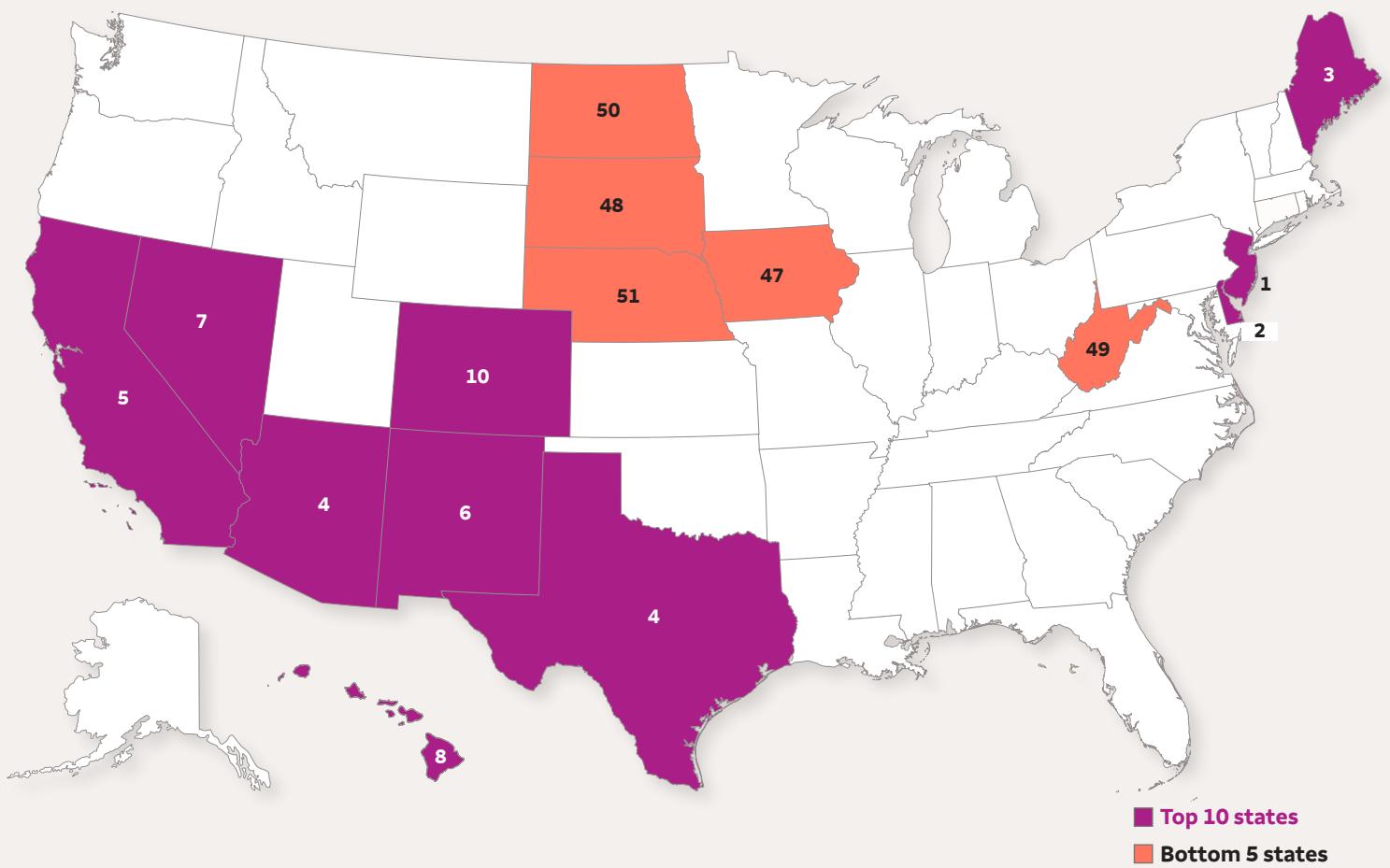
Top-performing states like New Jersey, Delaware, Maine, and California stand out not only because they demonstrated strong performance in firm count, employment, and revenue growth, but also because they benefit from structural advantages that foster sustainable success for women entrepreneurs.

- These states tend to have high rates of business formation among women, with a growing share of those businesses becoming employer businesses—an indicator of scale and economic contribution.
- Economic and demographic conditions play a key role. States like Texas and California have large, diverse, and growing populations—particularly in urban centers and among immigrant communities—driving demand and creating more opportunities for women-owned businesses to grow.
- Access to the right amount of capital and infrastructure is another big differentiator. Top-ranked states often feature active SBA lenders, CDFIs, grant programs, and high broadband availability, making it easier for digital and service-based women-owned businesses to operate and expand.
- Supportive policies further amplify outcomes. Supplier diversity programs, state-level Minority/Women Business Enterprise (M/WBE) certifications, and streamlined business licensing processes help reduce friction and open up procurement and contracting pathways.
- Top states tend to have robust ecosystems that provide both community and professional support for women entrepreneurs to start and scale businesses. Vital resources include SBA Women's Business Centers, mentorship networks, accelerators, and access to higher education.

On the flip side, states that rank in the bottom five—Iowa, South Dakota, West Virginia, North Dakota, and Nebraska—share many of the conditions that suppress growth among women-owned employer businesses.

- These states exhibit limited or negative growth in women-owned businesses, employment, and revenue, with many businesses remaining in the nonemployer category, thereby limiting their economic impact.
- Economic challenges, such as stagnant or declining populations, rural isolation, and higher poverty or unemployment rates, restrict consumer demand and workforce availability, making it more difficult for women-owned businesses to thrive.
- Right-sized capital access is often lacking, with fewer local banks, CDFIs, and grant programs. When lending is available, women- and minority-owned businesses may encounter less advantageous terms, which can impact their long-term growth potential.
- These states also frequently suffer from policy gaps such as little to no state-level investment in women-specific business programs, few supplier diversity initiatives, and complex or burdensome licensing processes.
- A lack of entrepreneurial infrastructure compounds the issue. Without dedicated mentorship networks, women-focused accelerators, or investment in entrepreneurship education, women in these states face significant hurdles in gaining the knowledge, capital, and connections necessary to grow.

## Ranking the top 10 and bottom 5 states for women-owned businesses in 2025



### Top 10 states in 2025

- 1 New Jersey
- 2 Delaware
- 3 Maine
- 4 Texas
- 5 California
- 6 New Mexico
- 7 Nevada
- 8 Hawaii
- 9 Arizona
- 10 Colorado

### Bottom 5 states in 2025

- 47 Iowa
- 48 South Dakota
- 49 West Virginia
- 50 North Dakota
- 51 Nebraska

## How metros fuel growth for women-owned businesses

Leading metropolitan areas in many cases foster the long-term growth and success of women-owned businesses. These regions are home to dense clusters of women-owned businesses and demonstrate strong performance across key growth metrics such as employment and revenue.

Many of these metro areas are situated in states known for their business-friendly regulations and favorable tax environments. They boast diverse entrepreneurial ecosystems and expanding industries. Several of these metro areas have also benefited from revitalization efforts and strategic programs aimed at enhancing business opportunities, including government contracting initiatives.

Top performing MSAs such as the Washington, D.C., New Orleans, and Austin metro areas stand out for their diversified and resilient economies.

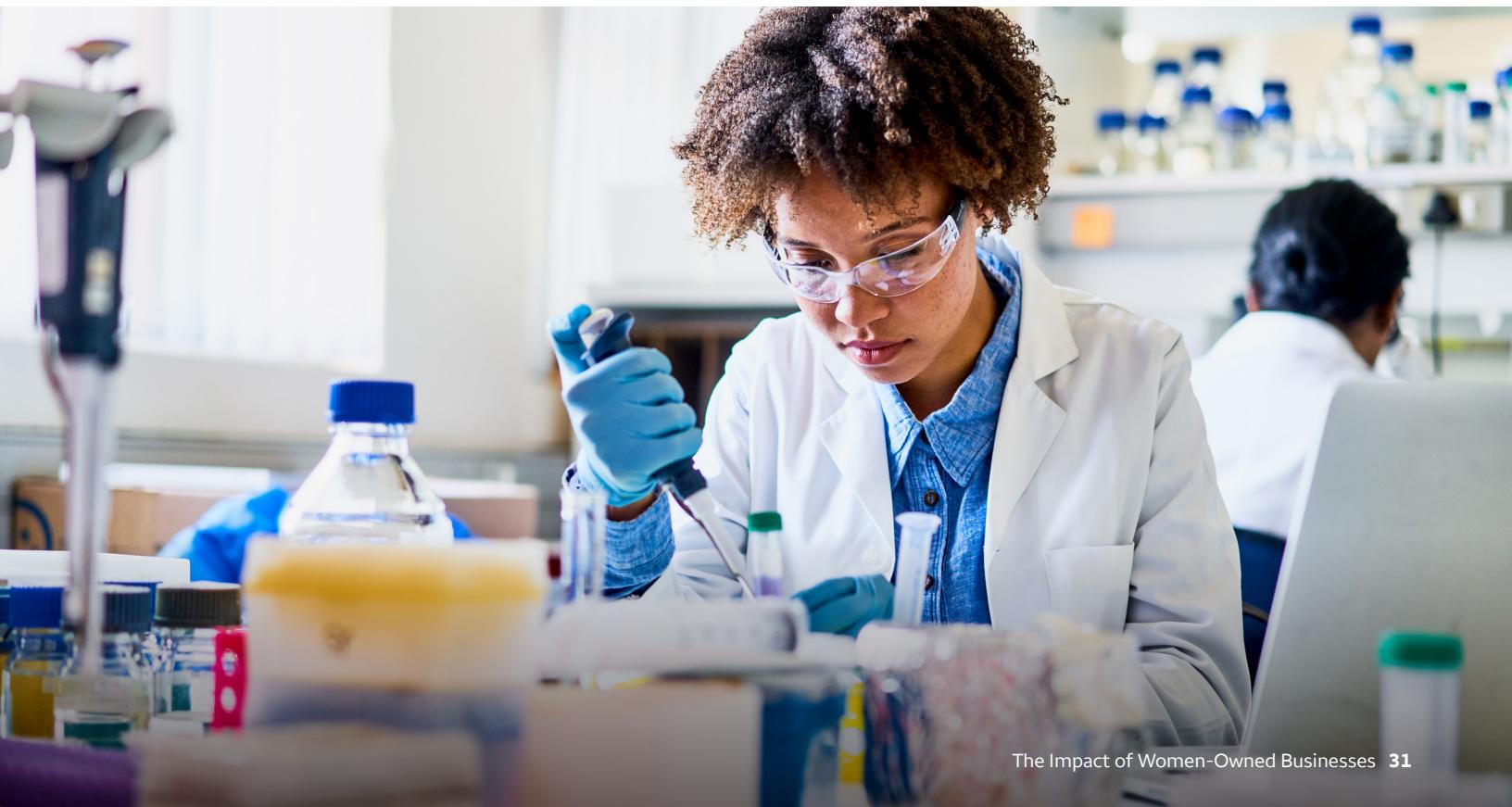
- These areas are anchored by strong sectors such as technology, healthcare, and financial services—with the federal government playing a major role in D.C.'s economic landscape.
- Vibrant urban hubs offer greater access to right-sized capital, entrepreneurial support networks, and policies that tend to favor business growth, including lower tax burdens and relatively light regulations.

- Many of these regions are home to strong educational institutions and a skilled labor force, which contribute to a more dynamic business environment and talent pipeline for women entrepreneurs.

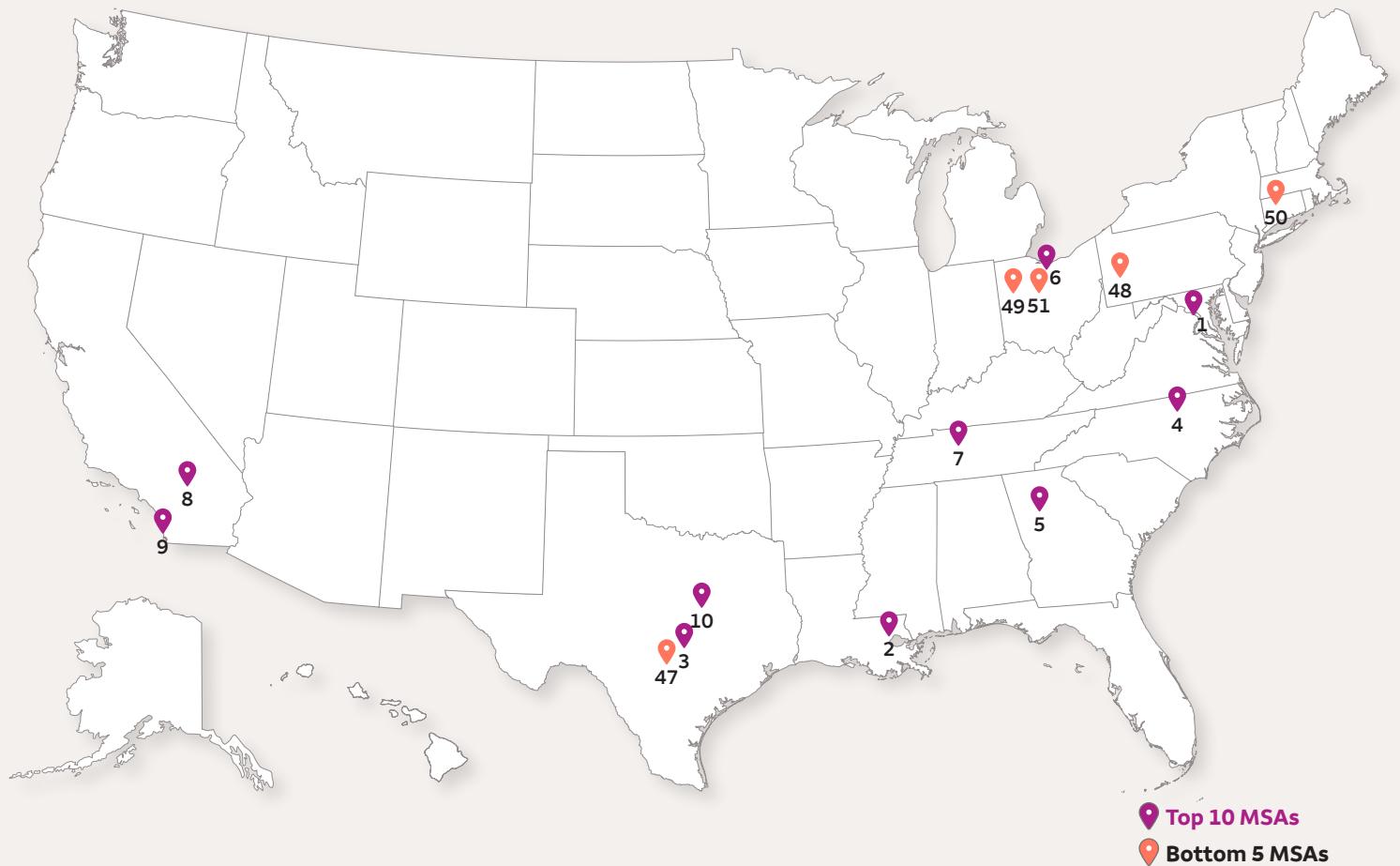
- Favorable conditions create environments where women-owned businesses are more likely to thrive, particularly in emerging and innovation-driven industries.

In contrast, lower-ranked MSAs such as the San Antonio, Pittsburgh, and Cincinnati metro areas tend to rely more heavily on legacy industries such as traditional manufacturing. These sectors often involve high startup costs and capital-intensive infrastructure, which can pose significant hurdles for women entrepreneurs looking to enter or expand in these markets.

- These MSAs generally lag in high-growth sectors such as tech, healthcare innovation, and professional services, which offer more accessible entry points for women entrepreneurs.
- Compared to higher-ranked regions, these areas often have fewer targeted resources like incubators, accelerators, and grant programs designed specifically to support women-owned businesses.
- The continued focus on legacy industries can slow efforts to diversify these local economies, limiting opportunities for women entrepreneurs looking to explore emerging markets.



## Ranking the top 10 and bottom 5 MSAs for women-owned businesses in 2025



### Top 10 MSAs in 2025

- 1 Washington-Arlington-Alexandria, DC-VA-MD-WV
- 2 New Orleans-Metairie, LA
- 3 Austin-Round Rock, TX
- 4 Raleigh, NC
- 5 Atlanta-Sandy Springs-Roswell, GA
- 6 Cleveland-Elyria, OH
- 7 Nashville-Davidson-Murfreesboro-Franklin, TN
- 8 Riverside-San Bernardino-Ontario, CA
- 9 San Diego-Carlsbad, CA
- 10 Dallas-Fort Worth-Arlington, TX

### Bottom 5 MSAs in 2025

- 47 San Antonio-New Braunfels, TX
- 48 Pittsburgh, PA
- 49 Cincinnati, OH-KY-IN
- 50 Hartford-West Hartford-East Hartford, CT
- 51 Columbus, OH

# From barriers to breakthroughs: Turning ownership into economic impact

While women-owned businesses have made substantial gains in firm count, these advancements mask deeper challenges that continue to limit their full economic potential. The persistence of revenue and employment gaps—especially when analyzed by race, ethnicity, firm size, industry, and geography—signals that barriers remain deeply entrenched.

In 2025, new and ongoing headwinds tested the resilience of women entrepreneurs. Economic uncertainty, inflationary pressures, and uneven access to growth resources made it difficult for many women-owned businesses to scale. These challenges were particularly acute for smaller businesses, women of color, and those operating in consumer-facing or care-based sectors.

Understanding these obstacles is essential to designing strategies that go beyond business creation—advancing sustainable growth and long-term wealth building for women entrepreneurs, their employees, and families. Strategic solutions must match the complex challenges women entrepreneurs face. These priorities are key to turning business ownership into lasting economic mobility and impact.



## Challenges and strategies

**Persistent scale and revenue gaps:** Women-owned businesses account for 40.6% of all U.S. businesses but just 4.5% of revenue. Men-owned employers generate 2.8 times the average revenue as women-owned employers. Men-owned nonemployers generate 2.2 times the average revenue of their women counterparts.

**Support scale-up strategies for small- to mid-sized businesses:** Tailor technical assistance to help businesses navigate government and corporate procurement, digital expansion, and hiring. Expand accelerator, incubator, and mentorship programs. Fund ecosystem-building organizations that serve women in vulnerable sectors.

**Capital access remains uneven:** Disparities for women stem from lower wealth,<sup>48</sup> limited networks in funding circles,<sup>49</sup> discriminatory financing practices,<sup>50 51</sup> sector bias that deters lenders and investors, and underrepresentation across public<sup>52 53</sup> and private debt<sup>54</sup> and equity<sup>55</sup> channels. Lack of assets forces many women-owned employers to rely on personal funds or online lenders that charge higher rates than banks while seeking smaller amounts of money.<sup>56</sup>

**Expand capital access and de-risk early growth:** Increase marketing and approvals for SBA loans, CDFI lending, and credit-building tools. This helps entrepreneurs assess financial health, improve performance, and access tailored resources to enhance funding opportunities and long-term growth. Develop more grant and microloan programs for nonemployers seeking employer status. Some financing options lack transparency in their fees, terms, and total costs, making it difficult for entrepreneurs to assess their true affordability. Clearer disclosures, plain-language loan terms, and upfront cost comparisons can help business owners make more informed lower-risk financial decisions.



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***Smaller businesses struggle in a volatile economy:***

Women-owned employers earning under \$1 million grappled with stagnant or negative growth between 2022 and 2025. Women-owned nonemployers—most of which are solo-operated and disproportionately owned by women of color—also faced mounting challenges during this period, including declining customer demand and rising operational costs. Elevated interest rates, inflation, global trade conflicts, and broader geopolitical tensions disproportionately impacted small, consumer-facing businesses.

***Enhance initiatives that broaden entrepreneurship opportunities:***

A wide range of institutions can create dedicated funds to meet the unique capital needs of women business owners—particularly those of color or operating smaller or early-stage ventures. Philanthropic foundations are well-positioned to de-risk investments and build inclusive ecosystems through grants and program-related investments. Corporations can align supplier inclusion and ESG goals by creating impact funds or low-interest loans for contractors. CDFIs serve as trusted local intermediaries for deploying flexible capital,

while federal, state, and local governments grant or offer low-interest loans to their contractors or to encourage companies to scale up in sectors such as manufacturing. Private investors and mission-aligned VCs also play a critical role by tailoring equity and alternative financing models for high-potential but undercapitalized founders. Together, these actors can address persistent funding gaps and unlock the full economic potential of diverse businesses.

Develop and distribute educational resources—including online courses, webinars, and guides—tailored to the specific needs of women entrepreneurs managing different size businesses in different regions and industries. Increase access to peer networks, tailored training, and industry-specific market opportunities.

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***Variations in opportunity by demographic group:*** Women of color own 33% of employer businesses but comprise 41.3% of the population. Black/African American and Hispanic/Latino women-owned businesses have the lowest average revenue. Limited access to networks, financing, and industry opportunity reinforce unequal outcomes.

**Enhance procurement access for entrepreneurs of different backgrounds:** Improve local, state, and federal government procurement programs. Support corporate efforts to expand contracting opportunities for small businesses, including those owned by women and minorities. Streamline certification processes and ensure widespread access to bid opportunities.

**Concentration in vulnerable industries:** Women-owned businesses dominate in sectors such as personal services, childcare, and retail—industries sensitive to price pressures, labor shortages, and supply chain disruptions. Businesses in these sectors often lack the margins and capital reserves needed to withstand economic shocks.

**Build economic resilience in underserved sectors:** Offer tax relief or wage subsidies to small businesses in high-cost, low-margin industries, such as childcare and food service. Support tech adoption and digital sales platforms to improve productivity and market reach. Fund childcare access and caregiving support.

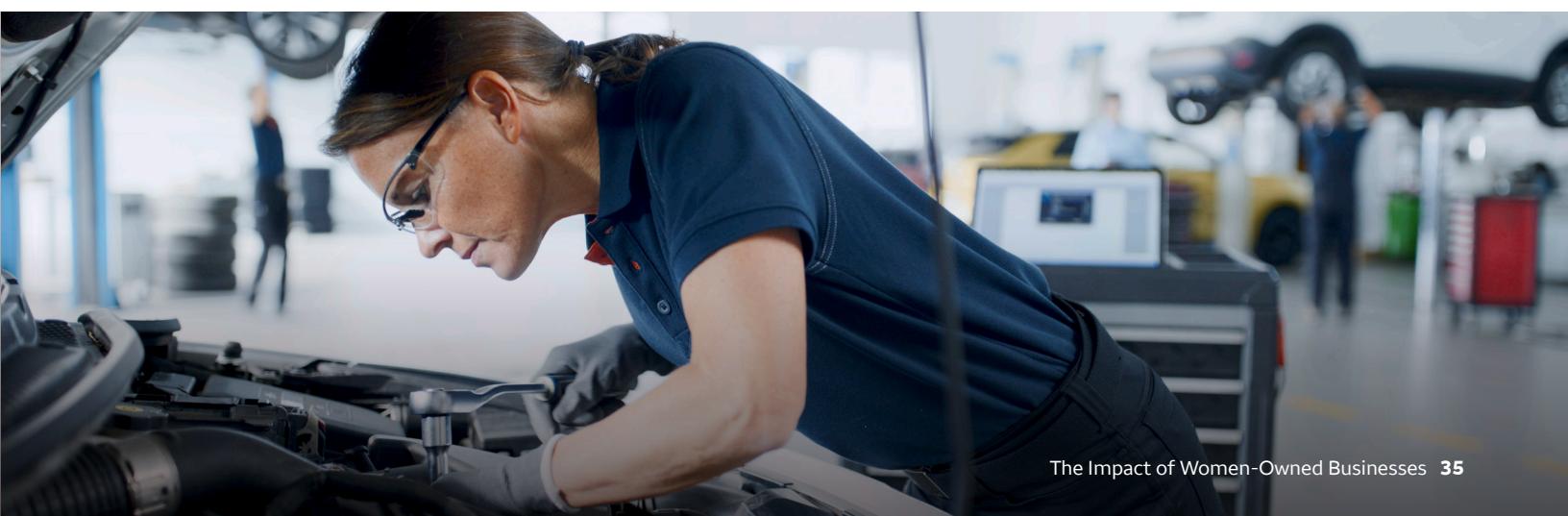
**Global sourcing and logistics challenges:** In 2025, women-owned businesses—especially smaller firms that rely on imported goods or contract manufacturing—face mounting supply chain disruptions that threaten their margins and stability. Rising U.S. tariffs and reduced duty exemptions have increased the cost of low-value imports, particularly affecting product-based businesses. Climate-related threats, such as drought-driven shortages of materials like copper, are starting to ripple through tech and beauty supply chains. Meanwhile, most women-owned businesses lack the capital or tech infrastructure to absorb these shocks or adopt AI-driven supply chain tools, widening the gap between microenterprises and larger players. These disruptions compound existing barriers to growth and highlight the need for tailored capital, digital access, and policy solutions that reflect the realities of women-led firms.

**Turning obstacles into operational innovation:** To navigate supply chain pressures, women-owned businesses are embracing practical, collaborative solutions. Rising tariffs, shipping delays, and material shortages have hit product-based and microenterprises hardest, prompting many to diversify suppliers and shift to domestic or nearshore sources to reduce risk. Others are joining buying cooperatives or sharing warehousing to cut costs and strengthen resilience.

On the tech front, even modest investments in cloud-based inventory and order management tools help forecast demand and prevent overstocking. But it's not just about survival. Women entrepreneurs are also pushing for systemic change—partnering with funders, trade groups, and policymakers to advance inclusive supply chain resilience funds and equitable access to digital tools. These strategies—grounded in resourcefulness, collaboration, and policy engagement—are helping build long-term competitiveness in a volatile global trade environment.

**Gaps in geographic opportunity:** Women-owned businesses in states and metropolitan areas with strong infrastructure, diverse funding options, and supportive policies show significantly stronger economic clout. Bottom-ranked states tend to have smaller, more rural populations, low M/WBE investment, and fewer entrepreneurial support resources.

**Address regional differences:** Target investments in lower-ranked states to build entrepreneurship infrastructure: Broadband, capital access, and business education, accessible by mobile phone or personal computer. Incentivize public-private partnerships that expand and support ecosystems in underserved areas.



# Overcoming key obstacles with strategic recommendations

While the number of women-owned businesses continues to increase, growth remains uneven across business size, industry, and geography. Many face ongoing challenges related to financing, scaling, and navigating resource gaps that affect long-term development. Data from this report point to specific areas where targeted strategies can help address these constraints and improve outcomes.

Initiatives that focus on practical approaches to strengthening business performance, expanding access to right-sized capital, and enhancing support systems. By aligning policies and programs with the needs of businesses at different stages and in different sectors, these initiatives and resources can help fuel sustained business growth and broader economic participation.

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**Fintech solutions:** Responsible fintechs can significantly boost small businesses by identifying operational gaps and addressing them with tailored education. They can design products with more flexible underwriting standards that consider an entrepreneur's short- and long-term goals, track record, and completion of learning modules. Philanthropic capital can help de-risk these loans through "credit enhancements," similar to those used by CDFIs.

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**Financial education and access:** Conferences and other events can equip entrepreneurs with the knowledge to navigate diverse financing options and connect them directly to lenders, investors, and other funding sources. These gatherings also foster peer learning and trust-building, which play a pivotal role in helping women entrepreneurs access capital and sustainably scale their businesses.



# Methodology

The CoreWoman data team, comprising Ricardo Salas Ph.D., Lizeth Gallego, Stephany Arenas, and Santiago Cárdenas, and Ventureneer content team, including Geri Stengel, Tatiana Piñeros Rodríguez, and Damian Ghigliotti, generated the data and analysis for this report.

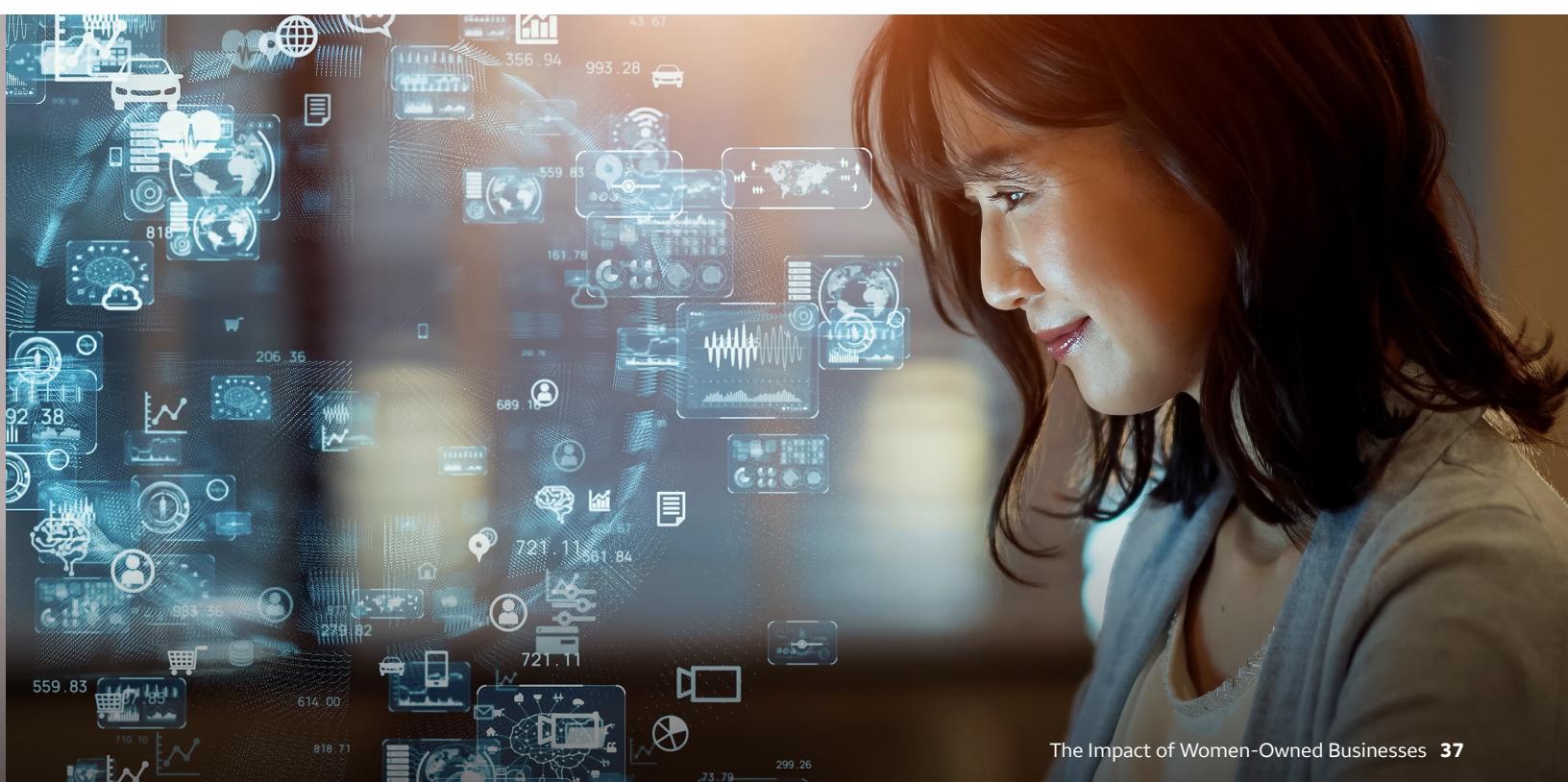
The report is based on data from employer and nonemployer businesses in the United States, collected through the U.S. Census Bureau's Annual Business Survey (ABS) and Nonemployer Statistics by Demographics (NES-D) programs. These programs integrate annual survey responses and administrative records, along with historical data from the now-retired Annual Survey of Entrepreneurs (ASE). The report includes projections of the number of businesses, employees, and revenues for both employer and nonemployer businesses from 2023 to 2025.

The report employs two model approaches: Ordinary Least Squares (OLS) and Vector Autoregressive (VAR) models. OLS models forecast firm counts, employment, and revenues capturing linear trends. VAR models estimate how macroeconomic variables interact over time to influence the number of businesses by size, accounting for dynamic feedback effects.

To incorporate the economic changes into the predictions, the report uses several covariates, including changes in national nominal Gross Domestic Product (GDP), consumer spending, the GDP deflator, business formation, and labor force-related variables. Data for the covariates were obtained from the U.S. Bureau of Economic Analysis (BEA), the Bureau of Labor Statistics (BLS), and the Current Population Survey (CPS).

As more demographic data is incorporated into surveys like the ABS and NES-D, future IWOB reports will offer a more complete picture of the entrepreneurial landscape. However, for specific populations such as Native American entrepreneurs, small sample sizes continue to limit the accuracy and reliability of statistical estimates.

Generative AI tools, including ChatGPT, were used to identify relevant studies and analyze research trends in this report. All AI-generated outputs were carefully reviewed and validated by the research team to ensure accuracy and integrity. Language tools such as Grammarly supported the writing process, helping to refine the report, which was collaboratively written and edited by multiple contributors.



# The Impact of Women-Owned Businesses

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