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COREWOMAN



The 2024 Impact of Women-Owned Businesses

A focus on women-owned businesses with 50+ employees

This backgrounder is part of a series of demographic backgrounders from the inaugural *2023 Wells Fargo Impact of Women-Owned Businesses*.

The impact of women-owned businesses with 50+ employees

Despite their key role in the U.S. economy, women-owned businesses with 50+ employees are often overshadowed by smaller and larger businesses. These companies strike a balance between the scale of large corporations and the agility of small businesses.

These firms are known for their innovation, agility, and ability to adapt to changing market conditions and technological advancements quickly. Women-owned businesses with 50+ employees tend to be more resilient than smaller businesses due to their size, diversification, and resources.

Women-owned businesses with 50+ employees engage in international trade, exporting goods and services to other countries, and often have close ties to their local communities. Their presence and engagement in these areas go beyond economic impacts to social ones, too.

Though small in number—39,938—women-owned businesses with 50+ employees make an outside impact on the economy, employing about half of the women-owned businesses workforce and generating half the revenue.

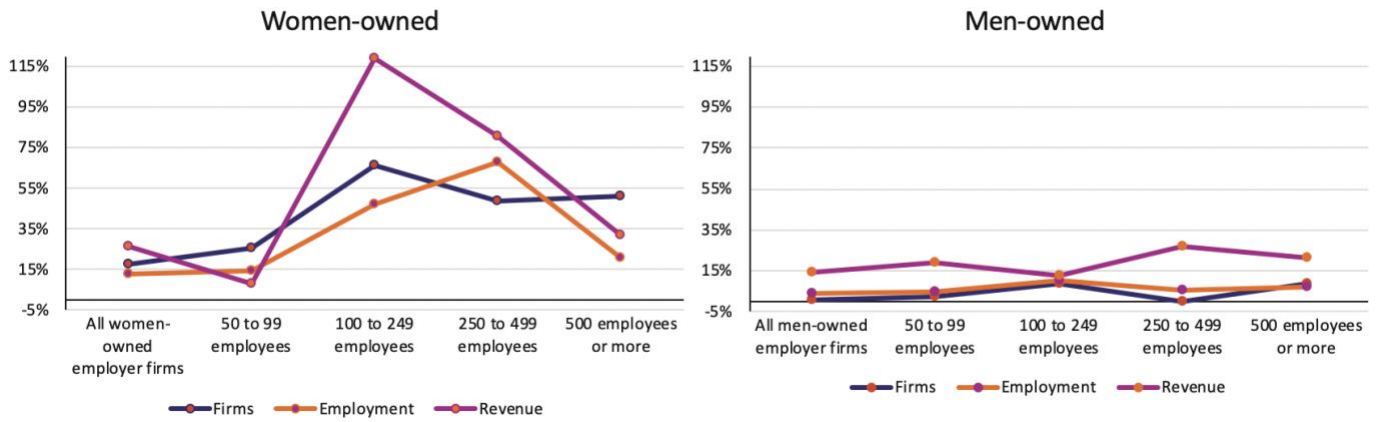
Sizing the impact of women-owned businesses with 50+ employees

40 Thousand	Employ 6 Million	Generate \$1.3 Trillion
women-owned businesses with 50+ employees. They represent 2.3% of all women-owned employers	people—49.1% of the women-owned business workforce	55.6% of women-owned businesses' revenue

Women-owned businesses with 50+ employees experienced impressive growth rates for firms, employment, and revenues

The rising economic might of larger women-owned businesses is something to behold. Women-owned businesses with 50+ employees showed their nimbleness and agility during the pandemic by outperforming their men-owned businesses counterparts. With the exception of 50-99 employees, firm revenue, larger women-owned firms experienced double and triple-digit growth.

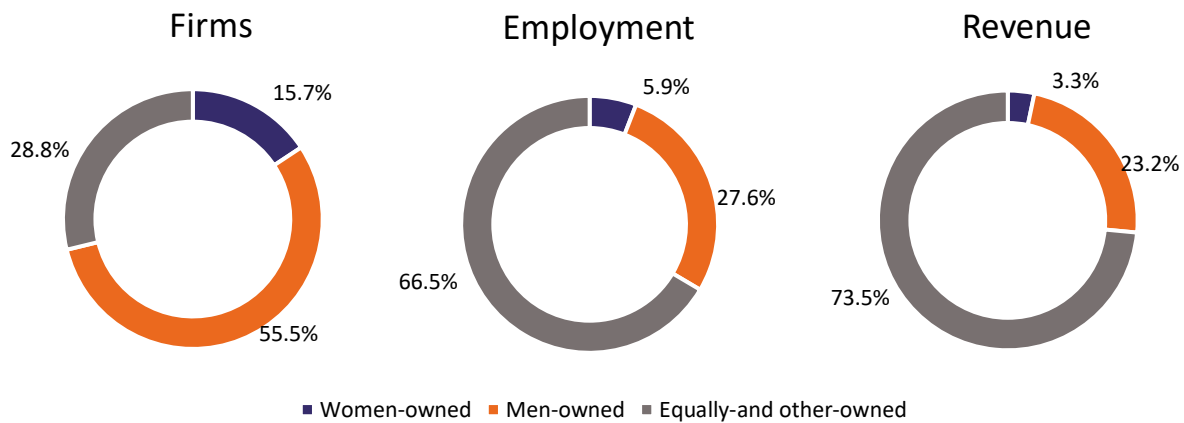
2019-2023 growth rates for companies with 50+ employees by firms, employment, and revenue



Mind the gaps

Women-owned employers' share of firms is 28.3% that of men, their share of employment 21.4% of men's, and revenue is 14.2% of men's. Women are significantly underrepresented in this category.

A comparison of women-owned businesses' share of all firms with 50+ employees in terms of firms, employment, and revenue

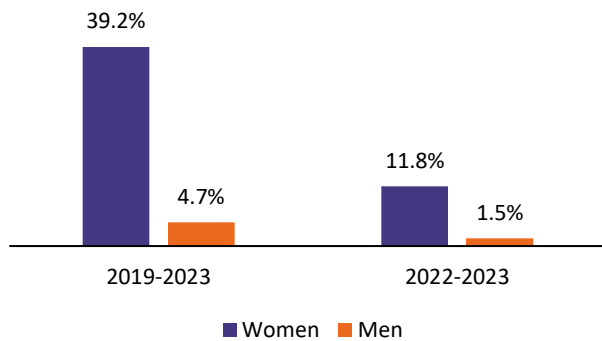


The surge in growth rates of larger women-owned firms shows that they are ripe for playing an even greater role in the U.S. economy.

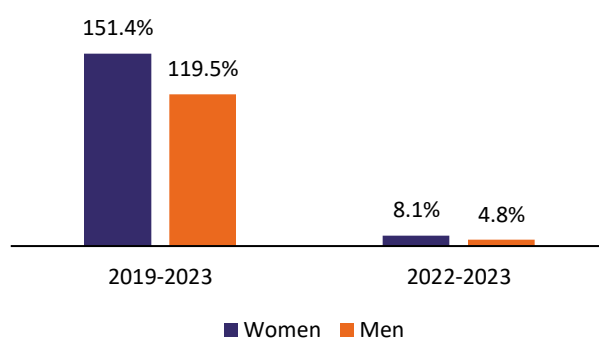
Larger Women-Owned Firms Are On the Rise

Women-owned businesses are investing in new technologies, expanding into new markets, and acquiring other businesses. They are entering traditionally male-dominated industries such as technology, manufacturing, and construction; seeking mentorship from those more successful than themselves; and becoming more visible in the business community and the media. Though women's average revenue (\$31.8 million) is half that of their men-owned counterparts (\$62.8), women's strong firm and average revenue growth rates are evidence of their ambitions.

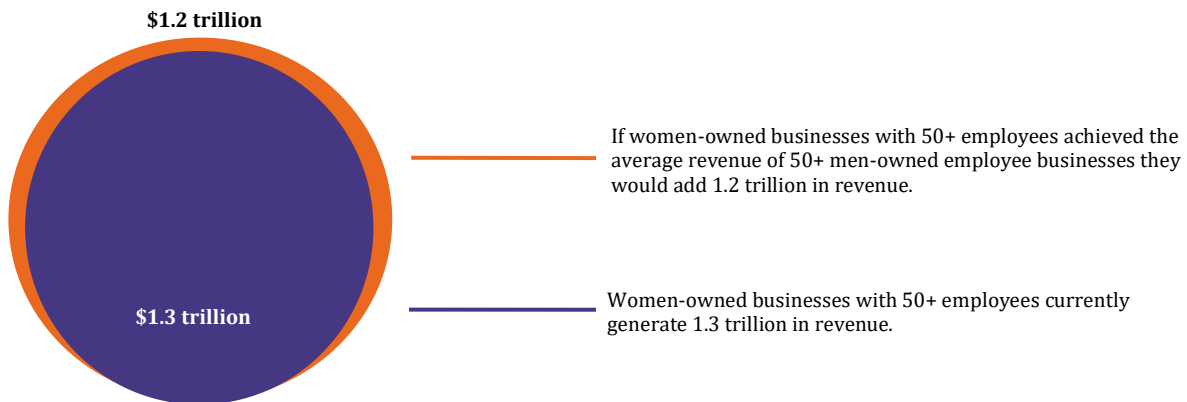
Firms growth rates



Average revenue growth rates



Closing the gap in average revenue would make a significant impact on the U.S. economy



Industry choices

To some degree, top industry choices of larger women-owned firms are similar to all women-owned businesses. Preferences include healthcare and social assistance; professional, scientific, and technical services; other services; and administrative and support and waste management and remediation services. They also differ. Women-owned firms with 50+ employees, accommodations and food, and retail are also popular industries.

Women-owned businesses with 50+ employees have more access to capital and business experience, allowing them to explore opportunities that require larger investments and specialized skills. Additionally, they may be less focused on a particular passion than their small business counterparts, giving them the flexibility to enter different industries. This gives them an

advantage in terms of their ability to respond quickly to changing trends and to take risks on new opportunities. Small women-owned businesses may prioritize businesses that require fewer resources and cater to local or niche markets based on personal interests, skills, and expertise—such as consulting, freelance work, retail, or local service providers.

Overcoming systemic disparities

Larger women-owned businesses though small in number, make significant contributions to the economy. In 2023, these nearly 40,000 women-owned businesses with 50+ employees make an outside impact on the economy, employing about half of the women-owned businesses' workforce and generating half the revenue.

Women-owned businesses with 50+ employees have proven their resilience during the pandemic. They are typically more diversified than small businesses, which means they are less reliant on a single product or service. Despite challenges such as supply chain disruptions, labor shortages, and increased competition, they adapted by accelerating digital transformation, focusing on customer service, and investing in employee training.

Still, even these larger women-owned firms are systematically disadvantaged in building their businesses. They may be less networked than men to opportunities and resources, have access to fewer mentors, be perceived as being riskier than their same-size men-owned counterparts, and face gender stereotypes and discrimination.

Despite the challenges the pandemic brought, women-owned businesses with 50+ employees showed they CAN¹ flourish. To sustain the growth spurt in larger women-owned firms and close the gap in company size between women- and men-owned businesses, the ecosystem for women-owned businesses must create conditions that help these businesses thrive. The following actions will contribute to creating these conditions.

Reap the benefits of being a certified women-owned business and having a supplier diversity program: Certification unlocks the door to corporate and government contracts, providing women-owned businesses increased opportunities to bid on government and large corporate contracts and projects that may have otherwise been inaccessible.

By offering a robust supplier diversity program, corporations and government agencies benefit by having suppliers that are agile problem-solvers, responding quickly to customer needs in cost-effective ways, while meeting market gaps and delivering on future client demands.

Access to capital: Larger women-owned businesses face complex and diverse financing needs, equity investment challenges, perceived riskiness, difficult deal structures, regulatory compliance requirements, and management team transitions when seeking financing.

It's important for larger women-owned businesses to work with bankers, financial advisors, business consultants, and attorneys who are experienced in dealing with the unique financing challenges faced by larger, more established enterprises. Additionally, building a strong business network and seeking out organizations and initiatives that support women-owned businesses can help navigate these challenges and access the necessary financing for growth and expansion.

Women can take action by advocating for policy changes, removing gender bias from the financing decision-making process, and pushing for transparency and accountability in financial institutions so that all entrepreneurs have equal access to capital. On the flip side, financiers can examine their financing-decision-making process to remove bias.

To become a certified business, you need to be 51% owned and operated by women. However, to grow companies really big, women may need private equity or venture capital investment. Unfortunately, that may take a company under the 51% women-owned threshold. Certification programs need to develop modifications to their qualifications that enable businesses to maintain their certification while taking equity investments.

Exporting can accelerate the growth of women-owned businesses with 50+ employees: Larger women-owned firms can reach new heights by embracing exporting, which offers access to larger and more diverse markets, reduced dependency on the domestic market, increased revenue potential, competitive advantage, product development, economies of scale, technology transfer, access to resources, brand enhancement, and long-term growth. However, it's important for these companies to be prepared and seek expert guidance to navigate the complexities of international trade. With a well-thought-

out plan, women-owned businesses with 50+ employees can take advantage of the numerous opportunities available through exporting. The Small Business Administration (SBA) provides support and incentives for companies that engage in exporting, including access to export financing, trade missions, and export assistance programs.

Methodology

The report is based on data from the United States Census Bureau, with projections built on data from 2002 to 2020.

Projections include number of firms, number of employees, and revenue from 2020 to 2023 for nonemployer firms and from 2021 to 2023 for employer firms. These projections are done for gender, race, ethnicity, firm size, industry, and geography.

Employer firms' estimations used 2017 to 2020 data from the Annual Business Survey (ABS) and 2014 to 2016 data from the Annual Survey of Entrepreneurs (ASE); nonemployer firms' estimations used data from 2017 to 2019 from the Nonemployer Statistics by Demographics Survey (NES-D) and the Survey of Business Owners (SBO) from 2002, 2007, and 2012. Additional macroeconomic data from the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Federal Reserve System were used.²

Several econometric models were used to calculate projections. For employer firms, these models incorporated real data trends and variables such as nominal GDP and national consumer spending.

For nonemployer firms' revenue, the level of national consumer spending was also used to project revenue. For the number of firms, the yearly nominal GDP and the female labor force rate were used to project the number of women-owned firms, and the annual real GDP and the male unemployment rate were used to project the number of men-owned firms. When there were gaps in historical data, data imputation was applied.³

Endnotes

¹ Capitalizing CAN is a nod to Candace Ayles Waterman, the CEO of Women Impacting Public Policy, who recently passed away unexpectedly. She exemplified the can-do attitude of women-owned businesses. With the right support, women CAN make even greater contributions to the economy.

² The data was used from February 15, 2023 for employer firms and size of business projections. For nonemployer firms' projections we used the latest data available as of May 18, 2023 (national and state information) and June 06, 2023 (metropolitan statistical areas (MSA) information).

³ Data imputation was made on the following projections: revenues and number of firms for employer firms by race and gender; employment, revenues and number of firms by gender and industry; number of firms and employment by gender and state; number of firms and employment by gender and MSA.



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Ventureneer helps define and eliminate challenges face by underrepresented entrepreneurs through research, training, and content.

CoreWoman is an innovation lab working to close gender gaps and promote equality, diversity, and inclusion.

The WIPP Education Institute is a national organization on a mission to accelerate the capacity and economic growth of women-owned businesses.