



WALKER'S LEGACY

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# **BLACK WOMEN ENTREPRENEUR FAST FACT SHEET**

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### BLACK WOMEN'S ENTREPRENEURSHIP FAST FACT SHEET

1. Black women across the U.S. are starting businesses at **six times** the **national average**.<sup>(1)</sup>
2. As of 2012, Black women entrepreneurs owned approximately 1,525,494 businesses across the United States and composed almost **58.9%** of all Black business owners.<sup>(2) (3)</sup>
3. Black women **have higher shares** of business ownership than black men<sup>(4)</sup>. However, Black women founders **receive less than one percent** of venture capital deals and receive lower loans amounts at higher interest rates than other founders.<sup>(5)</sup>
4. Among all businesses nationally those owned by Black women have average sales per business of \$28,000, compared to \$768,000 for those owned by white men.<sup>(6)</sup>
5. Businesses owned by Black women have an average of **8.2 employees** and average sales of **\$557,000**, compared to 13.1 employees and \$2,866,000 in average sales for those owned by white men.<sup>(6)</sup>
6. African American and Hispanic female-owned businesses are the **fastest-growing entrepreneurial segment** in the country. Growing **258%** between 2007 and 2013 (American Progress).<sup>(5) (6)</sup>
7. African American women comprise **45%** of all women of color owned businesses in the country (Minority Business Development Agency).<sup>(6)</sup>
8. For Latinx women-owned businesses, entrepreneurship **grew by 180%**.<sup>(6)</sup>
9. The barriers for women starting and maintaining a successful business include lack of startup capital, resources, and loans; gender discrimination within male-dominated sectors; little access to strong networks; difficulty in obtaining government contracts; and children and family obligations. <sup>(7)</sup> Similar barriers exist for Black women and are



compounded by the influence on race on social, human, and financial capital. <sup>(6)</sup>

10. Minority-owned-women firms **struggle with growth**, regardless of their income status, capitalization, and hiring needed to scale and expand. <sup>(6)</sup>
11. With 1,521,494 firms, Black women business owners are making significant contributions to the entrepreneurial landscape, representing **45% of all minority-women-owned** and **29% of new women-owned companies** between 2007 and 2012. <sup>(2)</sup>
12. Women of color account for **89%** (1,625) of the new businesses opened every day over the past year. This number **has grown faster** than the overall rate of new women-owned businesses in the past five years—21 percent versus 43 percent. The number of **firms owned by African-American women** grew even faster, at **50%**. This is despite the fact that revenue is decreasing. The average declined 3 percent from \$67,800 in 2014 to \$65,800 in 2019. <sup>(8)</sup>
13. Minority women are **more likely** to have a **side hustle**, according to the report. <sup>(9)</sup>
14. Over the last five years, the number of women **with side hustles** has increased to **39%**, compared to a 21% average rate of entrepreneurship. Among **minority women**, it's even higher: **65%** compared to 32%, respectively. <sup>(2)</sup>
15. Over **half of all women-owned businesses** are concentrated in three industries:
  - **Other services** (e.g., hair and nail salons and pet care businesses) accounted for **22%** of all women-owned businesses (2.8 million firms). <sup>(10)</sup>
  - **Healthcare and social assistance** (including child daycare and home healthcare services) accounted for **15%** of all women-owned businesses (1.9 million firms). <sup>(10)</sup>
  - **Professional/scientific/technical services** (including lawyers, bookkeepers, architects, public relations firms, and consultants) accounted for **13%** of all women-owned businesses (1.6 million firms). <sup>(10)</sup>



- While these industries have the most women-owned businesses, they don't produce the most revenue. The three industries in which women-owned businesses have the **highest total revenue** are wholesale trade (17%), retail trade (14%) and professional, scientific, and technical services (10%). <sup>[10]</sup>
16. The **average loan amount for minority-owned small businesses** was about **\$9,300**, the non-minority average was more than twice this amount, at \$20,500 and that loans were also more expensive when received on average, **7.8% for loans**, compared with 6.4% for non-minority businesses (Fairlie and Robb 2010). <sup>[6]</sup>
17. Additionally, a study by Project Diane found that the **average funding for a black female founder** is just **\$36,000** and that Black female founders made up just **.2%** of all venture capital deals from 2012 to 2014. <sup>[6]</sup>



### Notes

1. From Women's Business Ownership: Data from the 2012 Survey of Business Owners, U.S. SBA, 2017
2. [https://about.americanexpress.com/files/doc\\_library/file/2018-state-of-women-owned-businesses-report.pdf](https://about.americanexpress.com/files/doc_library/file/2018-state-of-women-owned-businesses-report.pdf)
3. <https://www.inc.com/kathryn-finney/innovating-inclusion-digitalundevided-and-project-diane.html>
4. <https://cdn.advocacy.sba.gov/wp-content/uploads/2017/05/22154543/Womens-Business-Ownership-in-the-US.pdf>
5. <https://www.americanprogress.org/issues/race/reports/2013/11/07/79165/fact-sheet-the-state-of-african-american-women-in-the-united-states/>
6. <https://drive.google.com/file/d/0B559lwAA2nWYV21LZWk4bkhKQzg/view>
7. <https://www.businessnewsdaily.com/5268-women-entrepreneur-challenges.html>
8. [https://about.americanexpress.com/files/doc\\_library/file/2019-state-of-women-owned-businesses-report.pdf](https://about.americanexpress.com/files/doc_library/file/2019-state-of-women-owned-businesses-report.pdf)
9. <https://www.fastcompany.com/90408156/women-of-color-are-starting-businesses-faster-than-anyone>
10. <https://www.businesswire.com/news/home/20190923005500/en/Woman-Owned-Businesses-Growing-2X-Faster-Average-Businesses>
11. [https://www.brookings.edu/wp-content/uploads/2016/07/minority\\_women\\_entrepreneurs\\_building\\_skills\\_barr.pdf](https://www.brookings.edu/wp-content/uploads/2016/07/minority_women_entrepreneurs_building_skills_barr.pdf)
12. <https://money.cnn.com/2016/02/17/technology/black-women-tech-startups-project-diane/index.html>

