

# 2017 **SMB** **INSIGHTS**

## **Women SMB Owners Achieving Growth Through Community Focus**

# 2017 **SMB** **INSIGHTS**

- ☆ 15<sup>th</sup> Annual Survey
- ☆ Nationally representative
- ☆ 1,302 surveys
  - 399 Women Owners; 903 Men Owners
- ☆ Businesses with 5-499 employees
- ☆ Phone recruit - online survey
- ☆ January 2017

Note: U.S. Census Bureau data is an additional source used in parts of this report. See source notes at the bottom of each page.

# Executive Summary

## **A Major Force**

Women-owned companies account for \$1.7 trillion in sales. Their firms employ 9.5M workers. They plan to hire more full-time employees this year, and their future business outlook is positive. Their personal investment portfolios have grown 36% over the past two years and their net worth has increased 23% to \$1.2 million.

## **A Unique Approach for Achieving Success**

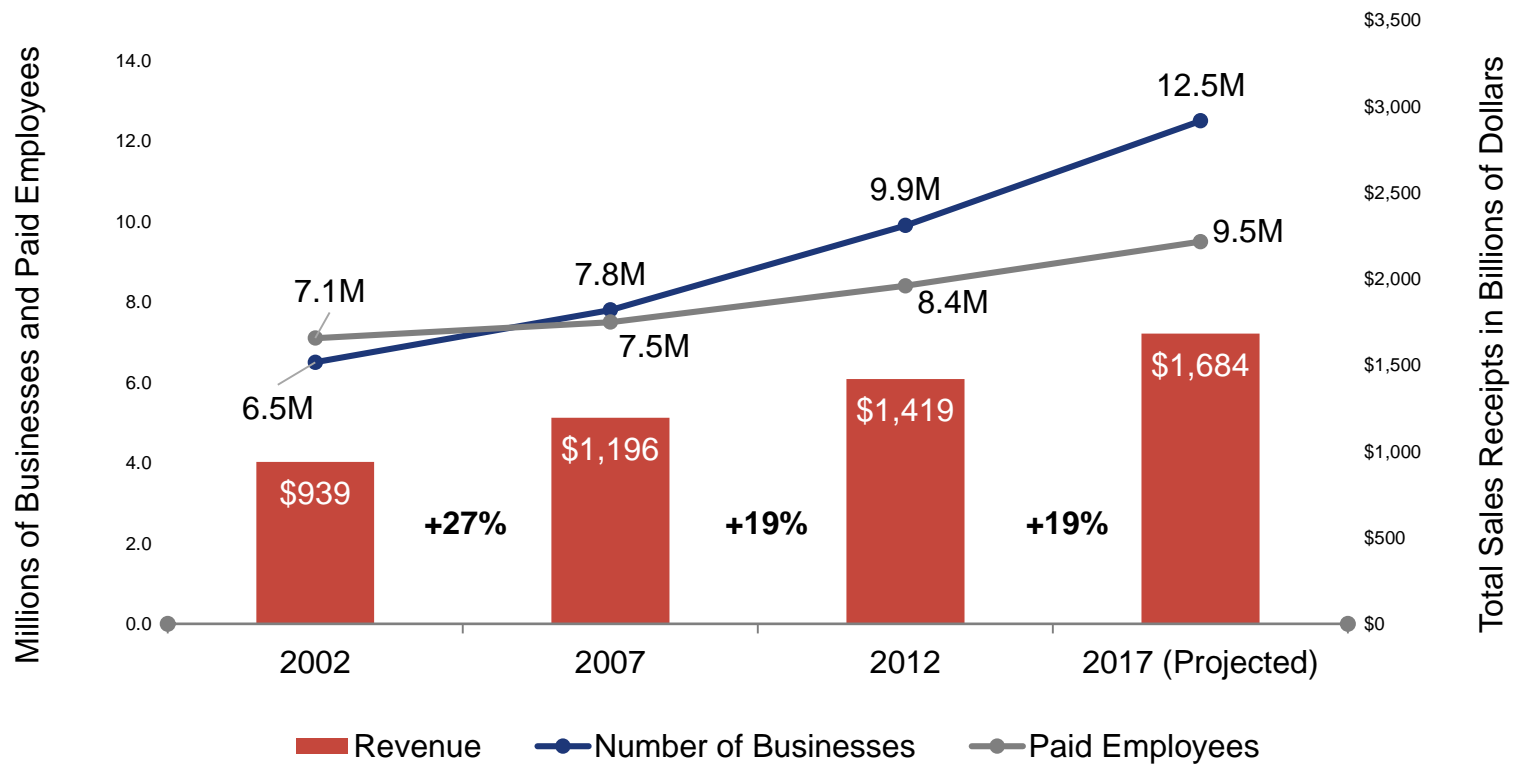
Women SMB owners are eager for the future and have a clear sense of purpose, about themselves and their businesses. Monetary gain is important, yet it cannot come at the cost of doing work that lacks meaning. Many are in service-oriented industries, such as healthcare, education, administrative support and other personal services, that enable them to support, mentor and care for others.

In general, their concerns about all facets of running a successful business are greater than men's. They also show higher stress levels and concern about being able to keep up with it all.

Women SMB owners make a point of reaching out to and connecting with their local communities. They see their businesses not purely as income generators, but as community members with a responsibility to address key social and environmental issues. It follows, then, that they prefer doing business with other local businesses. Social media, along with other media vehicles, is widely used to help facilitate connection.

# The number of women-owned businesses has increased substantially; they now account for \$1.7 trillion in sales

Number, Employment and Revenue of Women-Owned Businesses

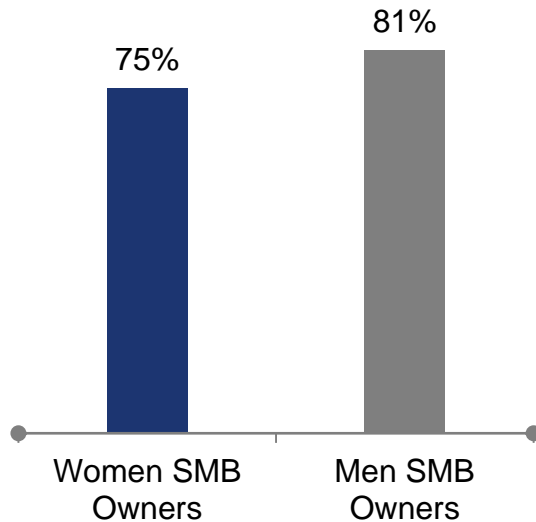


A DIVISION OF ACBJ

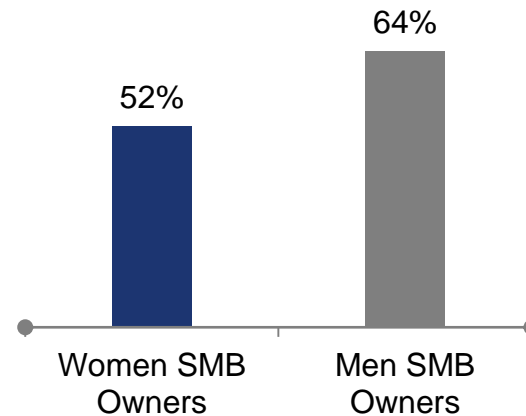
Source: U.S. Census Bureau, Survey of Business Owners (published 8/18/15); Base: All U.S. non-farm businesses operating in the 50 states and District of Columbia. (NOTE: 2017 projected using 2012 vs. 2007 growth rates)

# Women SMB owners' optimism about the economy and future business success is lower relative to men

**Confidence in the Success of Your Company Over the Next 24 Months**  
(% Extremely/Very/Confident)



**Confidence the U.S. Economy Will Improve Over the Next 24 Months**  
(% Extremely/Very/Confident)



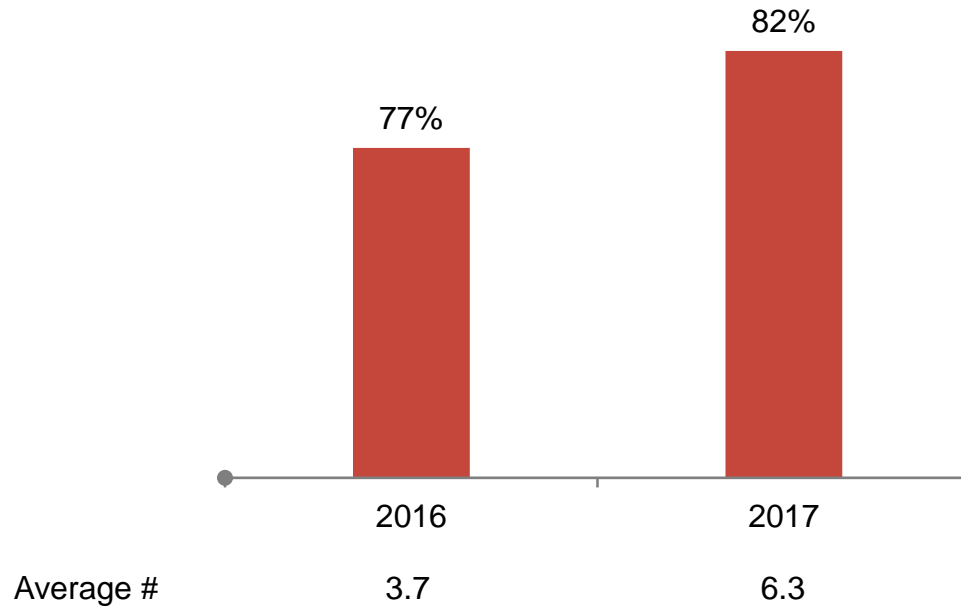
Source: The Business Journals SMB Insights 2017, Businesses with 5-499 Employees

“What is your level of confidence in the success of your company (based on revenue, profitability and growth) over the next 24 months?”

“What is your level of confidence that the U.S. economy will continue to improve over the next 24 months?”

# Despite their muted optimism, most women SMB owners are planning to hire in 2017

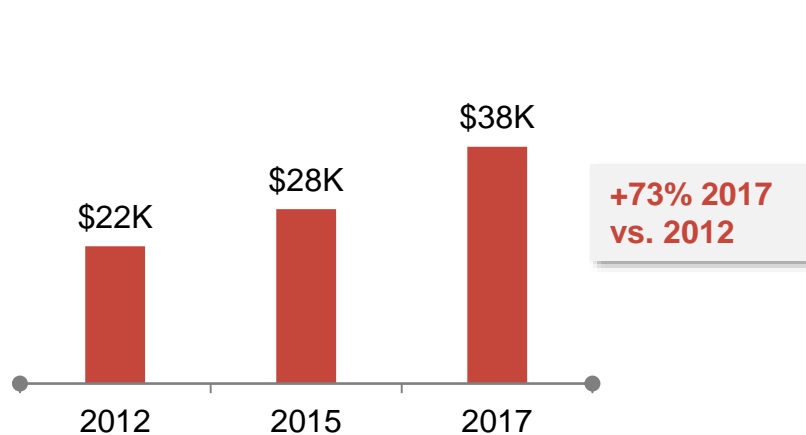
## Plan to Hire Full-Time Employees Next 12 Months



# Women SMB owners have steadily been increasing personal investments and growing their portfolios

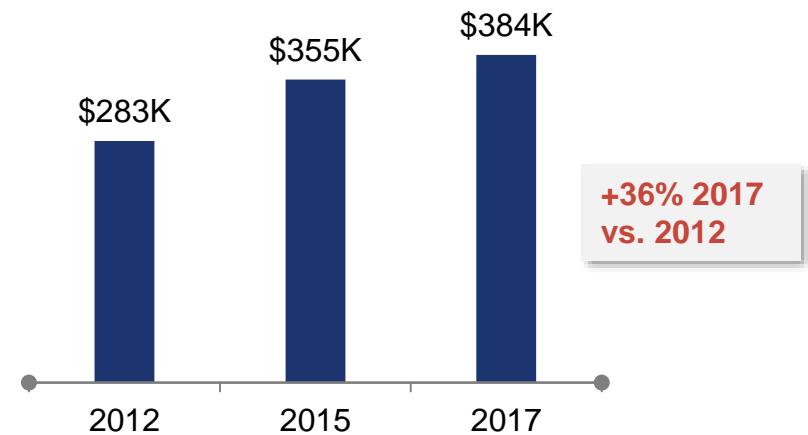
## Amount Plan To Invest Next 12 Months

(Average in Thousands)



## Market Value Of Investment Portfolio

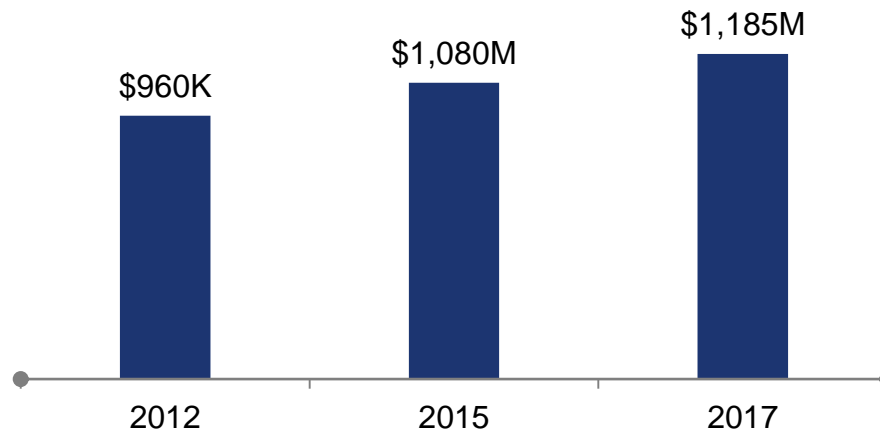
(Average in Thousands)



Source: The Business Journals SMB Insights 2017, Businesses with 5-499 Employees - Women Owners  
“Approximately how much do you personally plan to invest in the next 12 months – excluding retirement account investments (such as IRAs and 401Ks) and 529 Plans/College savings plan?” “Which of the following best describes the total market value of your investment portfolio – excluding real estate, retirement investments (such as IRAs and 401Ks), and 529 Plans/College savings plans?”

# Women SMB owners' net worth continues to increase

**Net Worth of Women SMB Owners**  
(Average in Millions)



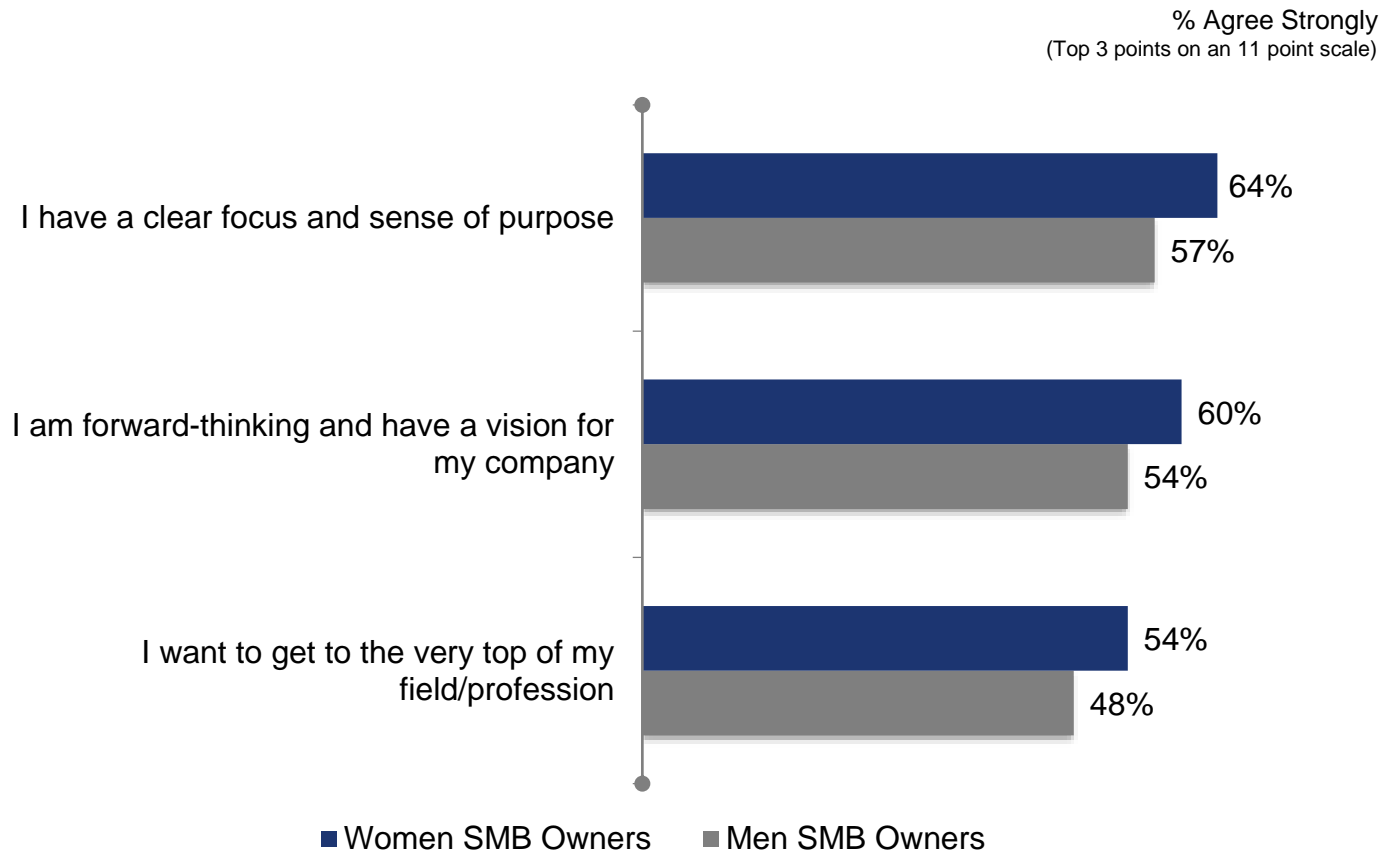
**+23% 2017 vs. 2012**



# Women SMB owners run smaller businesses than men; they also over index compared to men on youth and ethnicity

	Total SMBs	Women SMB Owners	Men SMB Owners	Index of Women vs. Men Owners
Annual Sales (average)	\$7.0M	\$6.4M	\$7.3M	88
11%+ Sales Growth	34%	34%	34%	100
5-19 employees	73	78	71	<b>110</b>
20 to 99	23	18	25	72
100 to 499	6	3	4	75
# of Employees (average)	24.5	22.1	25.5	87
Years in Business (average)	28.3	27.2	28.7	95
Under 40 Years Old	14%	19%	12%	<b>158</b>
Average Age	53.2	51	54	94
Minorities	11	17	13	<b>131</b>
Household Income (average)	\$193.8K	\$172.5K	\$202.6K	85

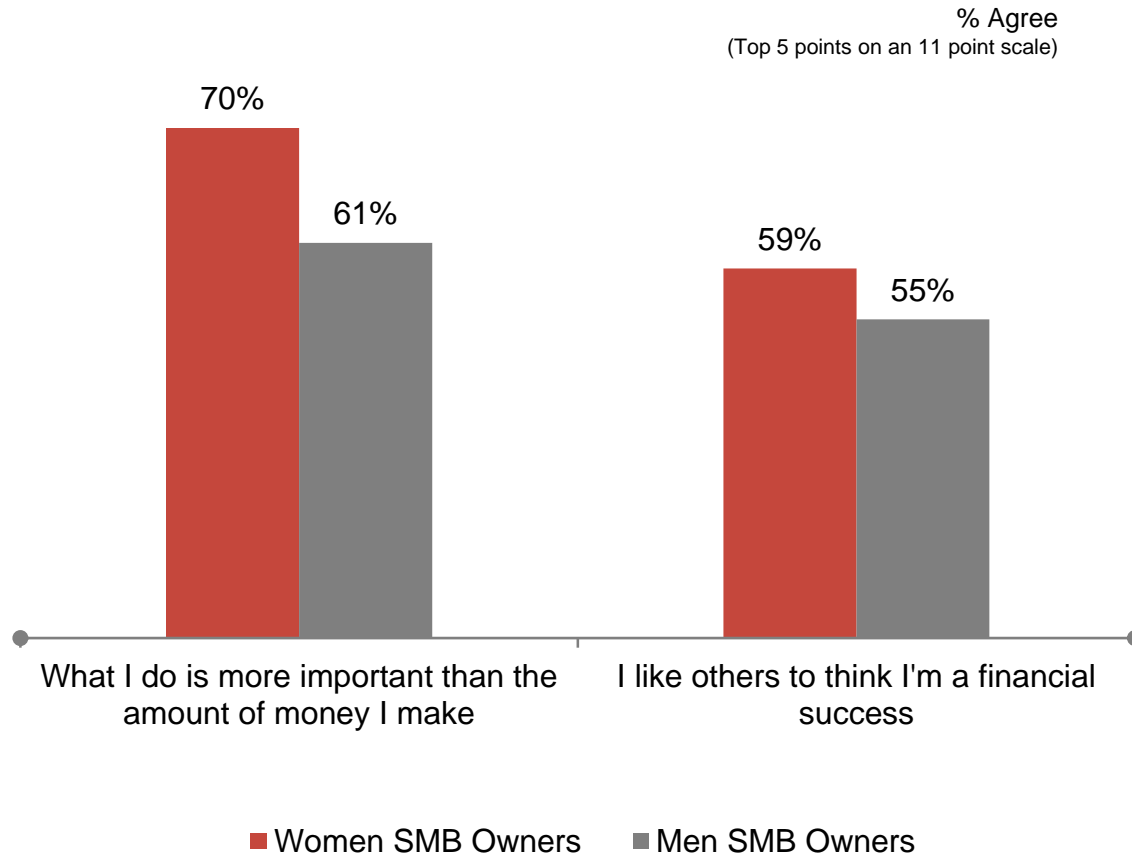
# Women SMB owners are ambitious; they see themselves as having clarity and vision



Source: The Business Journals SMB Insights 2017, Businesses with 5-499 Employees

"Following are a series of statements which may/may not reflect how you think about business, or life in general. Please indicate whether you agree/disagree with each one, using a 0-to-10 scale."

# Financial success is important to women owners, but they want more than that



Source: The Business Journals SMB Insights 2017, Businesses with 5-499 Employees

"Following are a series of statements which may/may not reflect how you think about business, or life in general. Please indicate whether you agree/disagree with each one, using a 0-to-10 scale."

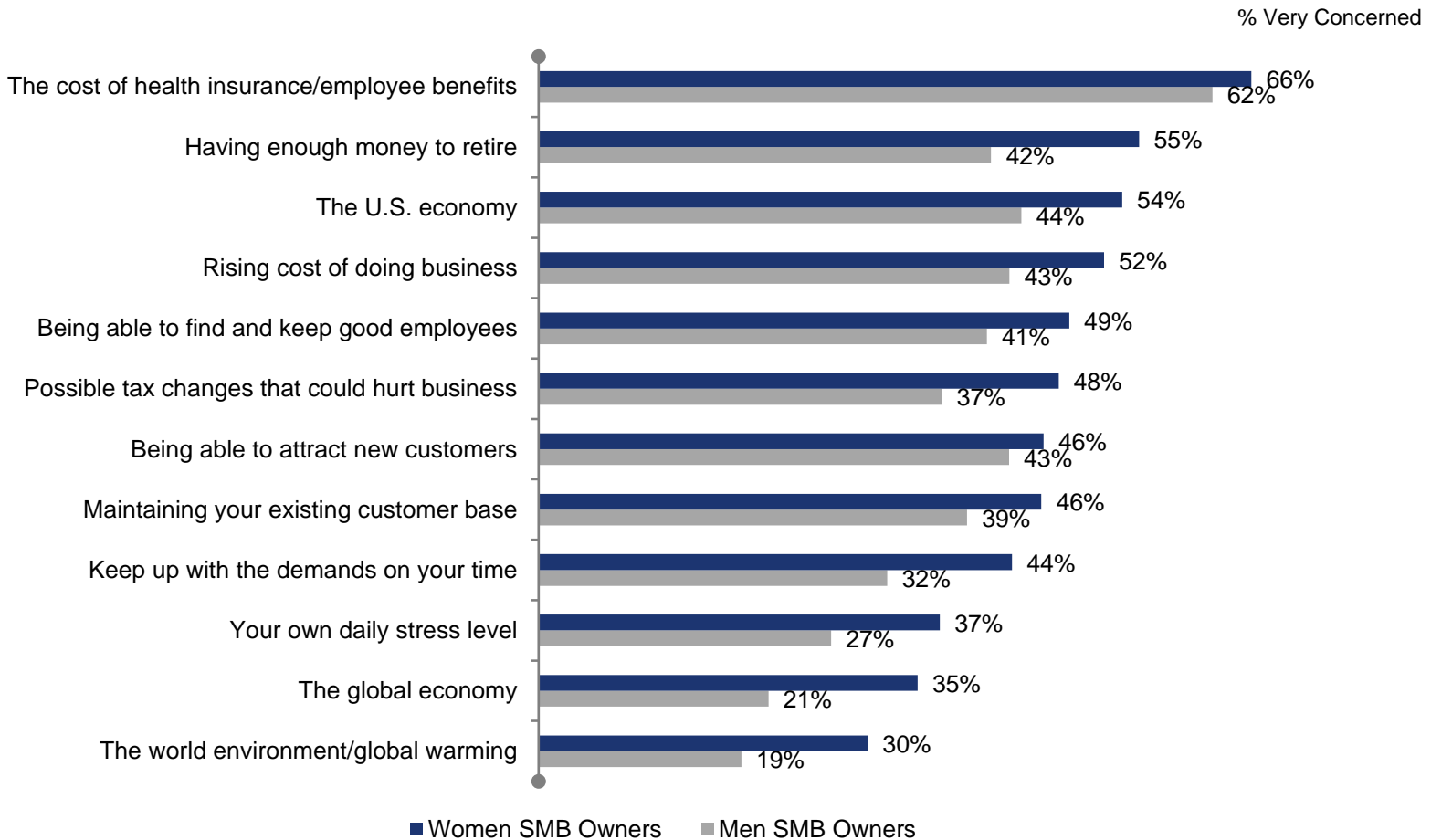
# Women-owned businesses index high on service and retail industries

	Total U.S. Businesses	Women-Owned Businesses	Index of Women-Owned Businesses vs. Total U.S. Businesses
Healthcare and social assistance	9.3%	<b>16.2%</b>	<b>175</b>
Educational services	2.4	3.7	<b>152</b>
Other services*	13.2	<b>19.1</b>	<b>145</b>
Administrative support	8.2	<b>10.9</b>	<b>133</b>
Retail trade	9.1	<b>10.6</b>	<b>116</b>
Arts, entertainment and recreation	4.8	4.8	99
Professional, scientific and technical services	14.1	13.5	96
Accommodation and food services	3.0	2.7	89
Real estate/rental and leasing	9.7	7.2	74
Manufacturing	2.1	1.4	66
Finance and Insurance	3.5	2.2	63
Wholesale trade	2.5	1.6	62
Transportation/Warehousing	4.4	1.6	37
Construction	10.6	2.7	25

Source: U.S. Census Bureau, Survey of Business Owners (published 8/18/15); Base: All U.S. non-farm businesses operating in the 50 states and District of Columbia, with or without paid employees

\*Business and civic services, repair and maintenance services, personal and laundry services, etc.

# Women owners have greater concerns than men in areas such as retirement, the economy, rising costs and time demands



Source: The Business Journals SMB Insights 2017, Businesses with 5-499 Employees

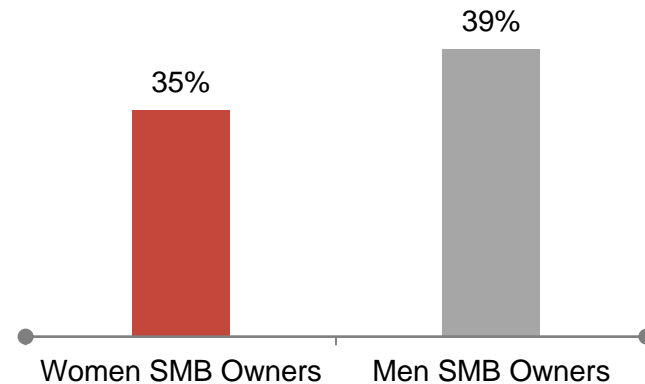
“What are the issues that you’re the most concerned about? Please indicate your level of concern for each of the following areas as they relate to your business.”

# Women SMB owners are community focused; fewer are expanding nationally

## Local Business Attitudes



## Saw Non-local Sales Increase in the Past Year

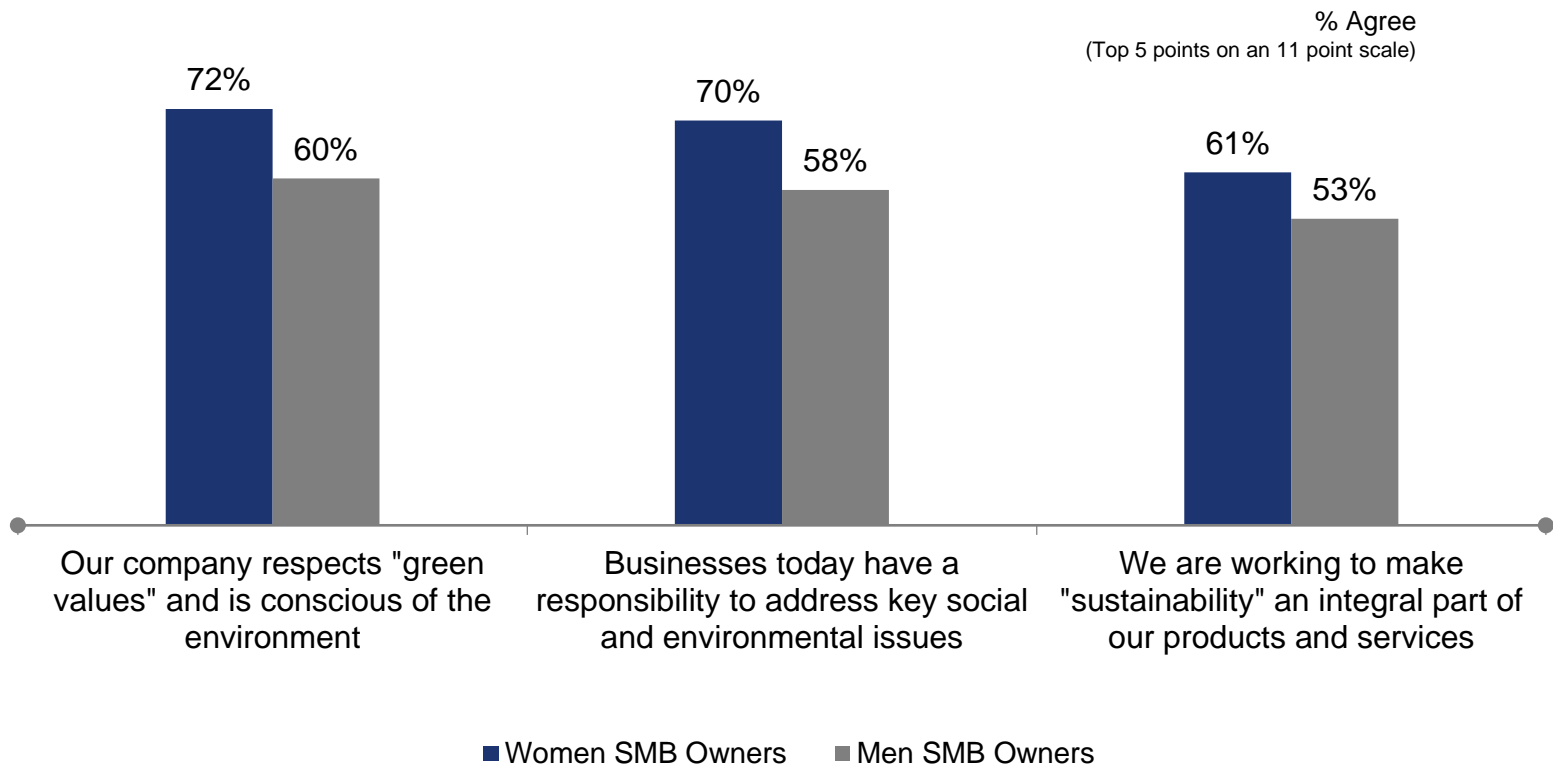


Source: The Business Journals SMB Insights 2017, Businesses with 5-499 Employees

"Following are a series of statements which may/may not reflect how you think about business, or life in general. Please indicate whether you agree/disagree with each one, using a 0-to-10 scale." "In the past year, did your company increase the amount of sales that it generated nationally (i.e., sales made in the U.S. that were not local)?"

# Women owners care more about the environment and social issues

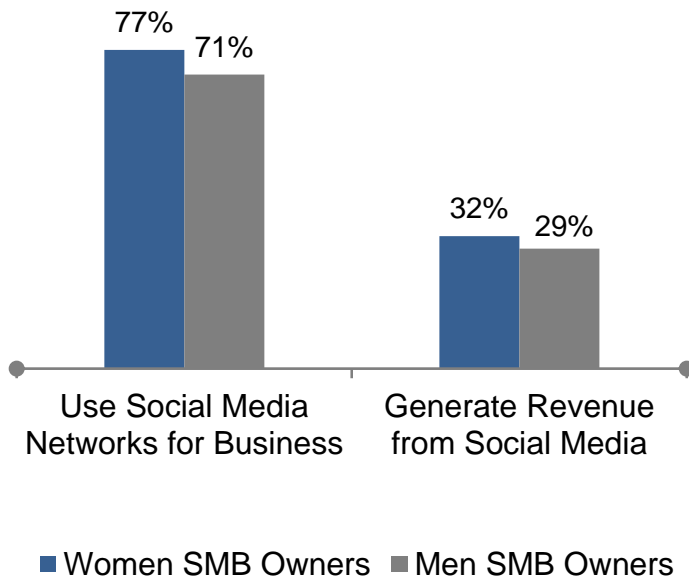
## Attitudes About Business Responsibility, Social Issues and the Environment



Source: The Business Journals SMB Insights 2017, Businesses with 5-499 Employees  
"Following are a series of statements which may/may not reflect how you think about business, or life in general. Please indicate whether you agree/disagree with each one, using a 0-to-10 scale."

# Women SMB owners employ more social media, and use networks beyond Facebook and LinkedIn

**Social Media Networks Used for Business Purposes**



	Women SMB Owners	Men SMB Owners
Facebook	55%	46%
LinkedIn	41	42
Google+	28	22
Twitter	22	20
Facebook Messenger	16	10
Instagram	15	9
Pinterest	10	5
Snapchat	4	2

Source: The Business Journals SMB Insights 2017, Businesses with 5-499 Employees

"Which of the following social networks do you or your company use? For each, please indicate whether it is used for business reasons, personal reasons or both." "Has your company generated revenue directly from social media?"



# CONTACT

## Research:

Jessie Shaw, Vice President  
212-500-0611  
[jessieshaw@bizjournals.com](mailto:jessieshaw@bizjournals.com)

## About The Business Journals:

The Business Journals is a division of American City Business Journals (ACBJ), the largest publisher of metropolitan business newsweeklies in the United States, with 43 business publications across the country reaching more than 3.6 million readers each week. We also offer specialty publications for sports fans, sports business readers and classic car enthusiasts.

**THE BUSINESS  
JOURNALS**

A DIVISION OF ACBJ