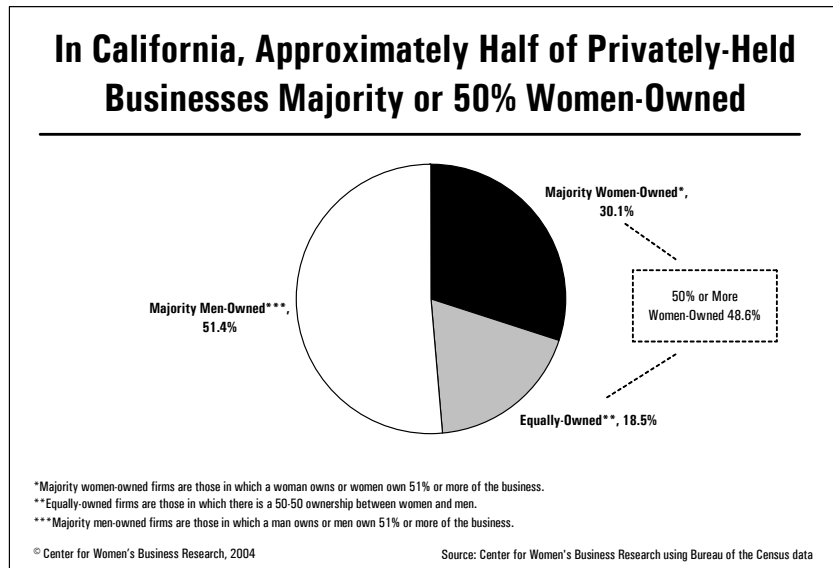


Women-Owned Businesses in California, 2004: A Fact Sheet

In this fact sheet, the Center for Women's Business Research presents the most up-to-date information currently available on privately-held women-owned businesses in California. This state fact sheet presents the Center's estimates for **privately-held firms owned 50% or more by a woman or women** and provides the most complete picture of women's business ownership currently available. Also included are detailed descriptions of the two segments that comprise this population—**privately-held firms that are majority (51% or more) owned by women, and firms equally (50-50) owned by a woman or women along with a man or men.**

Analyzing data provided by the U.S. Bureau of the Census, the Center projects (for a complete explanation, see *Methodology*) the following statistical portrait of privately-held, women-owned businesses in California in 2004.

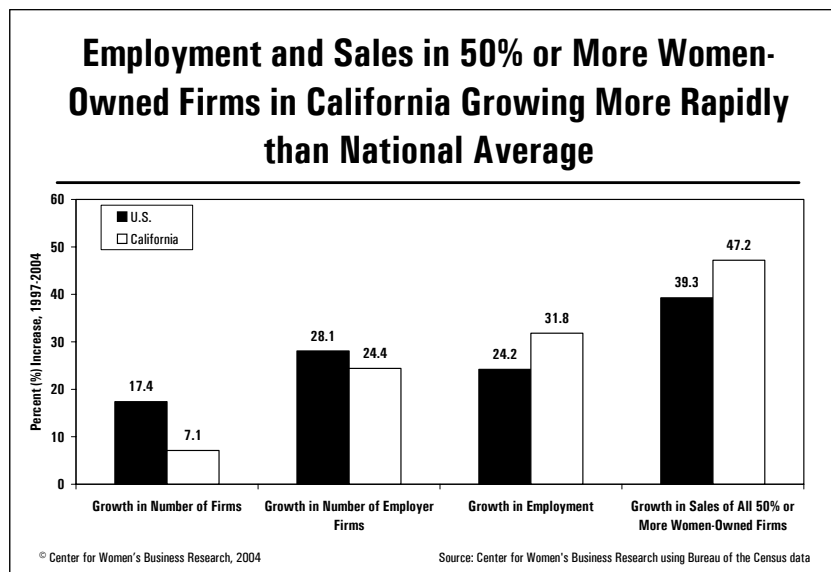
- As of 2004, there are an estimated 1,249,343 privately-held, 50% or more women-owned firms in California, accounting for 48.6% of all privately-held firms in the state.¹ This total includes:
 - An estimated 773,175 privately-held, majority (51% or more) women-owned firms in California, accounting for 30.1% of all privately-held firms in the state.
 - An estimated 476,169 privately-held, equally (50-50) women- and men-owned firms in California, accounting for 18.5% of all privately-held firms in the state.



¹ Both women-owned and all U.S. privately-held firms include both firms with paid employees and firms with no paid employees. These exclude publicly-held, foreign-owned and nonprofit businesses.

Privately-Held, 50% or More Women-Owned Firms

- The 1,249,343 privately-held, 50% or more women-owned firms in California generate more than \$406 billion in sales and employ 2,818,949 people.
- Between 1997 and 2004, the Center estimates that the number of privately-held, 50% or more women-owned firms in California increased by 7.1%, employment grew by 31.8%, and sales increased by 47.2%.
- The Center estimates that 290,922 of the 50% or more women-owned firms in California are employer firms.² The number of these firms grew by 24.4% from 1997 to 2004.
- Among the 50 states and Washington, DC, California ranks 1st in the number of privately-held, 50% or more women-owned firms in 2004, 1st in employment, and 1st in sales.
- California ranks 47th in the growth in the number of privately-held, 50% or more women-owned firms between 1997 and 2004, 19th in employment growth, and 24th in sales growth among the states and Washington, DC.
- California ranks 31st among the states and Washington, D.C. for average overall growth³ of 50% or more women-owned firms.



² Employer firms are only those firms that have paid employees. These are reported for privately-held firms, so they exclude publicly-held, foreign-owned and nonprofit businesses.

³ Overall average growth is calculated by averaging the ranks for growth of the number, employment, and sales of privately-held, 50% or more women-owned firms.

Privately-Held, Majority (51% or More) Women-Owned Firms

- The estimated 773,175 privately-held, majority (51% or more) women-owned firms in California generate nearly \$206 billion in sales and employ 1,538,918 people.
- Between 1997 and 2004, the Center estimates that the number of these firms in California increased by 10.4%, employment grew by 65.0%, and sales increased by 70.0%.
- The Center estimates that in 2004 there are 154,407 privately-held, majority (51% or more) women-owned employer firms in California. The number of these firms grew by 50.3% from 1997 to 2004.
- Among the 50 states and Washington, DC, California ranks 1st in the number of privately-held, majority (51% or more) women-owned firms in 2004, 1st in employment, and 1st in sales.
- California ranks 47th in the growth in the number of privately-held, majority (51% or more) women-owned firms between 1997 and 2004, 14th in employment growth, and 15th in sales growth among the states and Washington, DC.

Privately-Held, Equally (50-50) Women- and Men-Owned Firms

- The estimated 476,169 privately-held, equally (50-50) women- and men-owned firms in California generate more than \$200 billion in sales and employ 1,280,031 people.
- Between 1997 and 2004, the Center estimates that the number of these firms in California increased by 2.2%, employment grew by 6.1%, and sales increased by 29.3%.
- The Center estimates that there are 136,515 privately-held, equally (50%) women-owned employer firms in California. The number of these firms grew by 4.1% from 1997 to 2004.
- Among the 50 states and Washington, DC, California ranks 1st in the number of privately-held, equally (50-50) women- and men-owned firms in 2004, 1st in employment, and 1st in sales.
- California ranks 46th in the growth in the number of privately-held, equally (50-50) women- and men-owned firms between 1997 and 2004, 42nd in employment growth, and 38th in sales growth among the states and Washington, DC.



Women-Owned Firms in California: 1997 – 2004

	1997	2004	% Change 1997 – 2004
Privately-Held, 50% or More Women-Owned			
Number of Firms	1,166,650	1,249,343	7.1
Number of Employer Firms	233,865	290,922	24.4
Employment	2,138,821	2,818,949	31.8
Sales (\$000)	276,052,587	406,217,440	47.2
Privately-Held, Majority (51% or More) Women-Owned			
Number of Firms	700,513	773,175	10.4
Number of Employer Firms	102,762	154,407	50.3
Employment	932,462	1,538,918	65.0
Sales (\$000)	121,191,163	205,988,303	70.0
Privately-Held, Equally (50-50) Women- and Men-Owned			
Number of Firms	466,137	476,169	2.2
Number of Employer Firms	131,103	136,515	4.1
Employment	1,206,359	1,280,031	6.1
Sales (\$000)	154,861,424	200,229,137	29.3
All Privately-Held Firms			
Number of All Firms	2,517,232	2,571,405	2.2

Share of All Privately-Held Firms in California, 2004

	% Share
Privately-Held, 50% or More Women-Owned	48.6
Privately-Held, Majority (51% or More) Women-Owned	30.1
Privately-Held, Equally (50-50) Women- and Men-Owned	18.5

Source: Center for Women's Business Research, based on data from the U.S. Bureau of the Census.

Methodology

The Center for Women's Business Research would like to thank the U.S. Census Bureau for providing their assistance and unpublished data for our analysis. Without their help, this fact sheet would not have been possible. This state fact sheet provides 2004 estimates for the number, employment, and sales of privately-held, 50% or more women-owned business and the two segments of this population – privately-held, majority (51% or more) women-owned businesses and equally (50-50) women- and men-owned businesses based on the most recently available data from the Census Bureau's *1997 Survey of Women-Owned Business Enterprises*.

Due to changes in the way that the Census Bureau defines a woman-owned business, the *1997 Survey of Women-Owned Business Enterprises* did not count those firms in which a woman owned 50% of the business or publicly traded women-owned firms. Since the agency is now counting only privately-held, majority-owned firms, the data was not directly comparable to data gathered previously. Thus, the Census Bureau provided the Center with reconfigured 1992 data based on the 1997 definition and provided growth rates during that span of time for women-owned firms and all firms (including sole proprietorships, partnership, and subchapter S corporations). The revised 1992 to 1997 data was then used to calculate growth rates at the national and state levels for privately-held, majority (51% or more) women-owned firms and for all privately-held firms.

In this reconfiguration, the Census Bureau excluded C corporations from the 1992 data in order to *approximate* the effect of excluding publicly-traded firms in 1997.⁴ This approximation produced slightly different rates compared to the Census Bureau's previously published growth rates at the national level for privately-held, women-owned firms and for all privately-held firms.

The Center derived the 2004 estimates by using the Census Bureau's unpublished revised rates for the national and state levels while controlling by the published national growth rates for privately-held, women-owned firms and all privately-held firms.⁵

To calculate the 2004 estimates and growth rates of privately-held 50% or more women-owned firms, the Center followed these steps: 1) estimates for privately-held, majority (51% or more) women-owned firms were projected to 2004; 2) estimates for privately-held, equally (50-50) women- and men-owned firms were projected to 2004; 3) estimates for the majority (51% or more) women-owned firms and equally (50-50) women-and men-owned firms were added for both 1997 and 2004 estimates; and 4) growth rates for privately-held, 50% or more women-owned businesses were derived based on the differences between 1997 combined counts and 2004 combined estimates.

The Center for Women's Business Research projects these trends forward into 2004 using the following general assumptions: 1) growth rates between 1992 and 1997 would continue at similar rates through 2004 (growth rates are projected linearly); 2) differences between the approximated growth rates and the actual growth rates for privately-held firms at the industry and state levels would be the same as the proportional differences between the approximated and published national growth rates; and 3) growth rates for privately-held, equally (50-50) women- and men-owned firms were the same as for all privately-held firms.

In some instances, the Census Bureau did not report a 1992 to 1997 growth rate because the confidence interval for the rate included zero (0). In these cases, as noted, the assumption was made that the growth rate was zero (0). Comparisons between women-owned firms and all firms are made to all privately-owned firms.

For more information about this fact sheet or other publications highlighting trends among women-owned businesses, please contact the Center for Women's Business Research at: 1411 K Street, NW, Suite 1350, Washington, DC 20005-3407; phone: 202-638-3060; fax: 202-638-3064; or e-mail: infor@womensbusinessresearch.org. Visit our home page at: www.womensbusinessresearch.org.

⁴ The 1997 data include C corporations that are not publicly-traded; therefore, the 2004 estimates also include these firms.

⁵ Controlling by the published national growth rates is an additional step that the Center implemented for the 2004 estimates. Therefore, these 2004 estimates for numbers and growth are not directly comparable to the Center's 2002 estimates.

