



Cities With the Most Female Business Owners

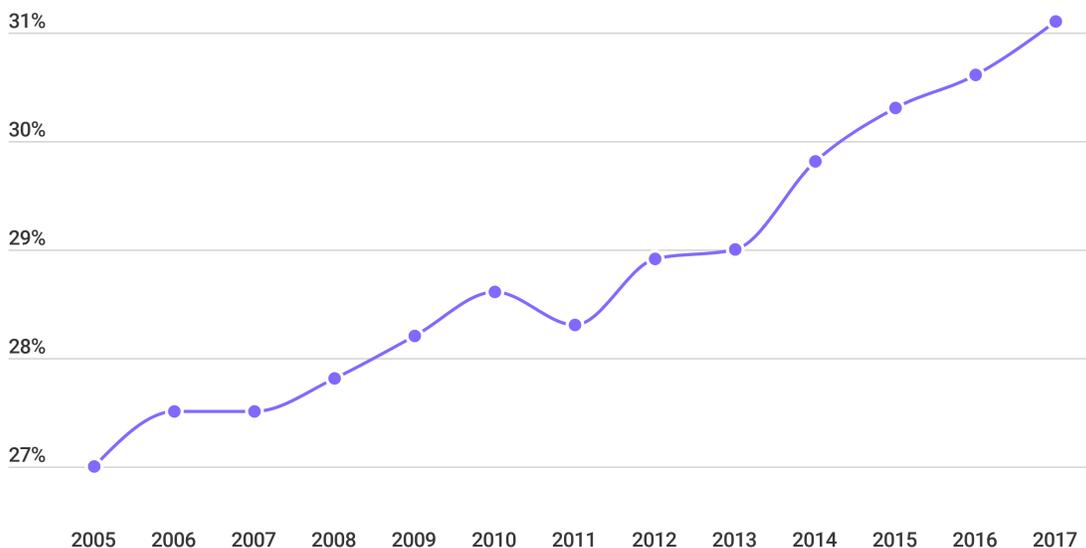
Introduction

Alongside the broader trend of rising [female labor force participation](#) since the 1950s, female entrepreneurship has also been increasing. According to the U.S. Census Bureau, the percentage of women business owners grew by 4.1 percentage points from 2005 to 2017. Currently, women make up 31.1% of business owners in the U.S., continuing the upward trend from the past several years.



The share of female business owners is on the rise

Business owners who are women



Source: Volusion analysis of U.S. Census Bureau 2017 American Community Survey 1-Year Estimates

Even though women represent almost a third of business owners in the U.S., they are not evenly represented across industries. For example, more than half of business owners in the “Educational Services, and Health Care and Social Assistance” industry are women, according to data from the *U.S. Census Bureau’s 2017 American Community Survey*.

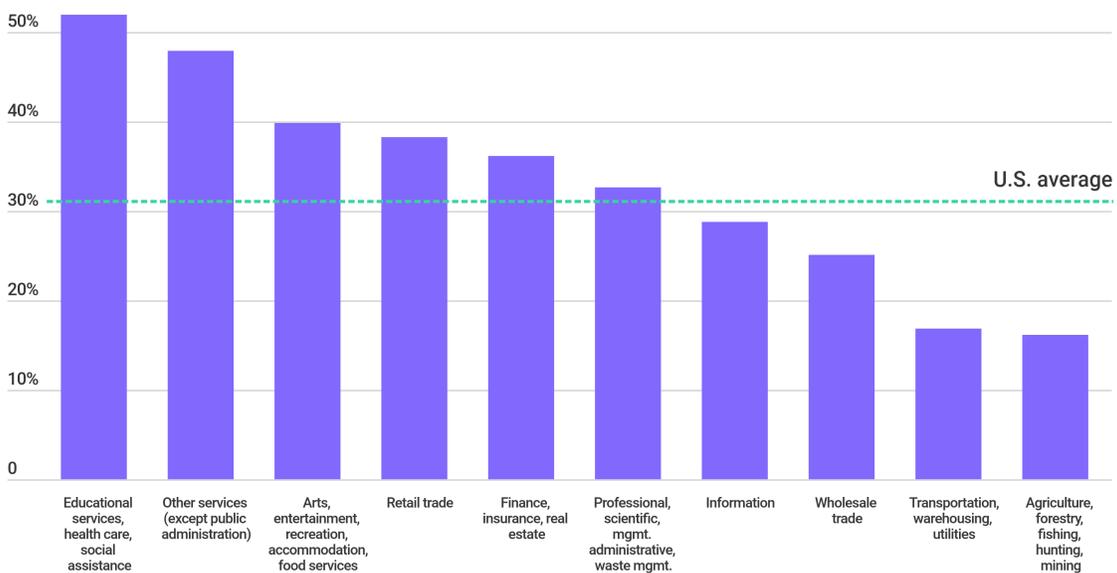


Female business ownership is also common in service businesses such as beauty salons and personal care services. Higher numbers of women also own businesses in the arts, entertainment, recreation, and food service industries. By contrast, women business owners are underrepresented in the “Information,” “Wholesale Trade,” “Transportation and Warehousing, and Utilities,” and “Agriculture, Forestry, Fishing and Hunting, and Mining” industries. In fact, only 16.1% of agriculture-related businesses are owned by women.



Women-owned businesses by industry

Business owners who are women



Source: Volusion analysis of U.S. Census Bureau 2017 American Community Survey 1-Year Estimates

One of the draws of entrepreneurship is the ability for business owners to have more control over their earnings rather than relying on a salary from an employer. The gender wage gap is still persistent in the U.S, with full-time women earning about 81% of what full-time working men make. However, this gap extends to business owners as well. Nationwide, female business owners earn a median salary of \$36,737, only 60.9% of what male business owners earn. The earnings gap is slightly narrower when only comparing full-time business owners; full-time female entrepreneurs earn a median salary of \$50,248, which is 75.8% of what full-time male business owners earn.



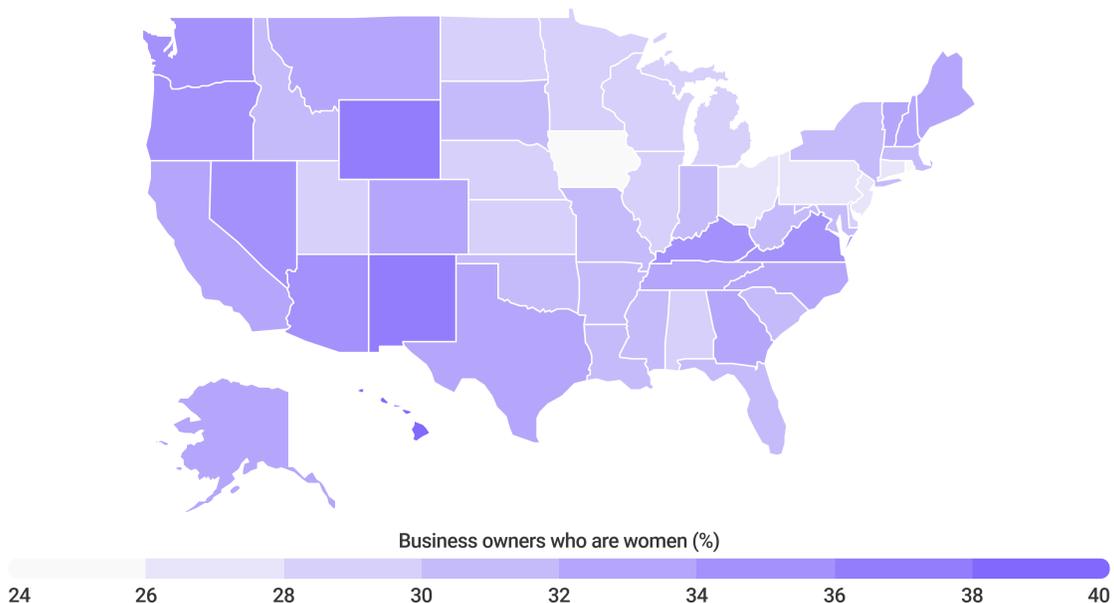
As discussed earlier, men and women business owners are not equally represented across industries, which contributes to differences in earnings. Additionally, according to [research by MBO Partners](#), women are more likely than men to cite flexibility as a motivator for entrepreneurship, which could also impact pay.

Another contributing factor to the earnings gap between male and female business owners is that [less than 10%](#) of venture capital-backed startups are founded by women. As a result of these trends, a variety of organizations are cropping up across the country to assist female entrepreneurs with starting their own businesses. Several of these are associated with the U.S. Small Business Administration, while others have started out of universities, local chambers of commerce, and grassroots efforts.

While the trend toward more women-owned businesses is clear at the national level, female entrepreneurship varies widely by location. Across all states, Hawaii has the highest percentage of female business owners, at almost 40%. Western states like New Mexico, Oregon, Nevada, and Arizona also have high rates of female business ownership. By contrast, states in the Northeast and Midwest have much lower rates of female entrepreneurship. Rhode Island and Iowa have the lowest shares, with less than a quarter of business owners being women.



Women-owned businesses by state



Source: Volusion analysis of U.S. Census Bureau 2017 American Community Survey 1-Year Estimates



At a more granular level, rates of female entrepreneurship vary significantly across metropolitan areas. To find the metro areas with the highest percentage of women business owners in the U.S., researchers from ecommerce software company Volusion analyzed the latest worker data from the U.S. Census Bureau. Its researchers compared the number of female business owners to business owners overall within a metro area, as well as median earnings, gender wage gaps, and growth in female entrepreneurship over time.

Here are the U.S. metro areas with the largest share of female business owners:



Small & midsize metros with the most female business owners

MIDSIZE METROS	PERCENTAGE	SMALL METROS	PERCENTAGE
1. Fayetteville, NC	46.9%	1. El Centro, CA	63.2%
2. Beaumont-Port Arthur, TX	41.3%	2. Morristown, TN	57.5%
3. Urban Honolulu, HI	39.6%	3. Warner Robins, GA	55.0%
4. El Paso, TX	39.2%	4. Santa Cruz-Watsonville, CA	53.5%
4. Durham-Chapel Hill, NC	39.2%	5. The Villages, FL	52.5%
6. Santa Rosa, CA	38.9%	6. Chico, CA	49.9%
7. Savannah, GA	38.8%	7. Glens Falls, NY	49.1%
8. Gulfport-Biloxi-Pascagoula, MS	38.7%	8. Hammond, LA	48.1%
9. Manchester-Nashua, NH	38.6%	9. Farmington, NM	46.9%
10. Eugene, OR	38.3%	10. Sierra Vista-Douglas, AZ	46.5%

Source: Volusion analysis of U.S. Census Bureau 2017 American Community Survey 1-Year Estimates



Large metros with the most female business owners

10. Indianapolis - Carmel - Anderson, IN

- **Business owners who are women:** 33.8% (9,936 total)
- **10-yr. change in female business owners:** 5.6 percentage points
- **Most common industry:** Retail trade
- **Median earnings of female business owners:** \$34,517 (all) / \$51,454 (full-time)
- **Pay gap for female vs. male business owners (all):** 56.2%
- **Pay gap for female vs. male business owners (full-time):** 70.5%



Photo Credit: Alamy Stock Photo

Although the midwestern metro area of Indianapolis has its roots as a major manufacturing hub, women-owned businesses have the highest representation in retail trade. The median earnings for female business owners in Indianapolis is lower than the national median when taking all female business owners into consideration, but slightly higher than the national median when only accounting for full-time owners. In recent years, Indianapolis has launched several organizations dedicated to the development of women-owned businesses. For example, the Indianapolis-based [Central Indiana Women's Business Center](#) works in partnership with the U.S. Small Business Administration to provide resources for female entrepreneurs.

9. Phoenix - Mesa - Scottsdale, AZ

- **Business owners who are women:** 33.9% (29,716 total)
- **10-yr. change in female business owners:** 3.8 percentage points
- **Most common industry:** Arts, entertainment, recreation, accommodation, food services
- **Median earnings of female business owners:** \$39,986 (all) / \$51,422 (full-time)
- **Pay gap for female vs. male business owners (all):** 69.7%
- **Pay gap for female vs. male business owners (full-time):** 78.4%



Photo Credit: Alamy Stock Photo

The Phoenix-Mesa-Scottsdale metro area has the smallest earnings gap on the list among full-time male and female business owners, though female business owners still earn only 78.4% of what male business owners earn. To help further close this gap, organizations like the [Arizona Women's Education and Entrepreneurship Center](#) offer free one-on-one counseling, business workshops, and financial literacy classes to aid women entrepreneurs. Furthermore, several women-owned businesses in Phoenix, like [Women on Adventures](#), are based on the premise of helping other women.



8. Washington - Arlington - Alexandria, DC-VA-MD-WV

- **Business owners who are women:** 34.6% (38,801 total)
- **10-yr. change in female business owners:** 3.6 percentage points
- **Most common industry:** Other services (except public administration)
- **Median earnings of female business owners:** \$49,066 (all) / \$60,504 (full-time)
- **Pay gap for female vs. male business owners (all):** 65.8%
- **Pay gap for female vs. male business owners (full-time):** 68.3%



Photo Credit: Alamy Stock Photo

The Washington, D.C. metro area is home to a well-educated workforce, a large number of government workers, and many private sector companies that support the federal government. Female business owners in the D.C. area have the highest median earnings on the list, at \$49,066 (\$60,504 when only including full-time business owners). Organizations such as the [DC Women's Business Center](#) and [Beacon](#) focus their efforts on providing resources and events for women entrepreneurs. In addition, many women-owned businesses in the greater D.C. region have gained national recognition. One such example is the 100% women-owned company Omega World Travel, a business travel management company that earned an estimated [\\$1.4 billion in revenue](#) in 2017.

7. Rochester, NY

- **Business owners who are women:** 34.6% (5,047 total)
- **10-yr. change in female business owners:** 10.9 percentage points
- **Most common industry:** Other services (except public administration)
- **Median earnings of female business owners:** \$32,186 (all) / \$36,357 (full-time)
- **Pay gap for female vs. male business owners (all):** 61.4%
- **Pay gap for female vs. male business owners (full-time):** 60.0%



Photo Credit: Alamy Stock Photo

The Rochester metro area saw a large increase in women-owned businesses from 2007 to 2017, with the share of female business owners increasing by 10.9 percentage points. The city government is supportive of women-owned businesses and recently implemented new [Minority and Women-Owned Business Enterprise \(MWBE\)](#) hiring goals. SCORE, the nation's largest network of volunteer business mentors, also has a Rochester chapter that hosts events, offers online resources, and pairs businesswomen with a mentor to help them nurture their entrepreneurial skills.



6. Las Vegas - Henderson - Paradise, NV

- **Business owners who are women:** 34.7% (9,715 total)
- **10-yr. change in female business owners:** 6.7 percentage points
- **Most common industry:** Educational services, health care, social assistance
- **Median earnings of female business owners:** \$39,834 (all) / \$52,148 (full-time)
- **Pay gap for female vs. male business owners (all):** 64.6%
- **Pay gap for female vs. male business owners (full-time):** 73.1%



Photo Credit: Alamy Stock Photo

Las Vegas's low commercial real estate prices combined with Nevada's favorable business tax breaks make the metro area an attractive place to start a business. Female entrepreneurs in Las Vegas are likely to work in education and healthcare, which fits well into the city's larger economic goal of [expanding its healthcare industry](#). The Nevada Women's Business Center and the Small Business Administration help new and existing women business owners start or grow their businesses.

5. Virginia Beach - Norfolk - Newport News, VA-NC

- **Business owners who are women:** 34.8% (8,671 total)
- **10-yr. change in female business owners:** 6.4 percentage points
- **Most common industry:** Retail trade
- **Median earnings of female business owners:** \$33,901 (all) / \$41,658 (full-time)
- **Pay gap for female vs. male business owners (all):** 66.2%
- **Pay gap for female vs. male business owners (full-time):** 67.2%



Photo Credit: Alamy Stock Photo

The Atlantic coast metro area of Virginia Beach has several predominant industries: tourism, agribusiness, and defense. In Virginia Beach, 34.8% of business owners are women, and many of them have businesses in the retail sector. These women-owned retailers cater to the large number of tourists visiting the area as well as to the local population. To further assist women entrepreneurs, Old Dominion University's Institute for Innovation & Entrepreneurship launched a [Women's Business Center](#) to offer free or low-cost tools related to business creation.



4. Riverside - San Bernardino - Ontario, CA

- **Business owners who are women:** 35.0% (20,047 total)
- **10-yr. change in female business owners:** 6.7 percentage points
- **Most common industry:** Educational services, health care, social assistance
- **Median earnings of female business owners:** \$35,938 (all) / \$52,534 (full-time)
- **Pay gap for female vs. male business owners (all):** 57.7%
- **Pay gap for female vs. male business owners (full-time):** 78.3%



Photo Credit: Alamy Stock Photo

The Riverside, CA metro area is a financially-rewarding place for female business owners, who earn about 1.3 times the amount that all women in the region earn, according to Census data. The earnings gap between male and female business owners is still significant at 57.7% among all owners and 78.3% among just full-time owners. The local California State University - San Bernardino campus hosts the Inland Empire Women's Business Center, which is designed to help women succeed in their entrepreneurial endeavors.

3. Portland - Vancouver - Hillsboro, OR-WA

- **Business owners who are women:** 35.1% (19,591 total)
- **10-yr. change in female business owners:** 2.7 percentage points
- **Most common industry:** Educational services, health care, social assistance
- **Median earnings of female business owners:** \$39,494 (all) / \$50,023 (full-time)
- **Pay gap for female vs. male business owners (all):** 65.5%
- **Pay gap for female vs. male business owners (full-time):** 72.0%



Photo Credit: Alamy Stock Photo

The median earnings for full-time female business owners in Portland is \$50,023, slightly below this demographic's national median of \$50,248. By contrast, the median earnings of female business owners overall (\$39,494) is higher than this demographic's national median of \$36,737. Female entrepreneurs in Portland benefit from statewide initiatives such as the Office of Women's Business Ownership, Women Entrepreneurs of Southern Oregon (WESO), and Women's Business Center - MercyCorps.



2. Louisville/Jefferson County, KY-IN

- **Business owners who are women:** 38.0% (7,914 total)
- **10-yr. change in female business owners:** 11.3 percentage points
- **Most common industry:** Other services (except public administration)
- **Median earnings of female business owners:** \$38,114 (all) / \$40,959 (full-time)
- **Pay gap for female vs. male business owners (all):** 61.6%
- **Pay gap for female vs. male business owners (full-time):** 58.7%



Photo Credit: Alamy Stock Photo

Compared to the other metros on this list, Louisville showed the largest 10-year change in the percentage of business owners who are women, boasting an 11.3 percentage point gain from 2007 to 2017. However, the median earnings for full-time female business owners in Louisville is nearly \$10,000 less than the national median, while the pay gap between full-time male and female business owners is 58.7%. Like the other cities on this list, Louisville features nonprofits such as the National Association of Women Business Owners, Kentucky Chapter to assist women business owners.

1. Tucson, AZ

- **Business owners who are women:** 38.2% (4,945 total)
- **10-yr. change in female business owners:** 6.7 percentage points
- **Most common industry:** Arts, entertainment, recreation, accommodation, food services
- **Median earnings of female business owners:** \$45,791 (all) / \$52,294 (full-time)
- **Pay gap for female vs. male business owners (all):** 73.6%
- **Pay gap for female vs. male business owners (full-time):** 73.2%



Photo Credit: Alamy Stock Photo

With women representing 38.2% of Tucson's business owners, this southwestern metro area ranks first for female business ownership. According to Census earnings data, Tucson women business owners also earn 1.6 times the amount that all women workers in Tucson earn. The [Fuerza Local Accelerator](#) and the [eWomenNetwork](#) are among a number of organizations and programs that help Tucson women business owners succeed. Women who own businesses in Tucson are likely to work in the arts, entertainment, recreation, accommodation, or food services industries.



Methodology & full results

Data on business ownership is sourced from the *U.S. Census Bureau 2017 American Community Survey 1-Year Estimates (ACS)*. Business ownership is defined using the Census class of worker category “self-employed in own incorporated business workers,” which does not include individuals in non-incorporated businesses. The percentage of business owners who are women and the number of women who own their own businesses are calculated for the civilian employed population over the age of 16.

The median earnings of female business owners, the earnings gap between all women and female business owners, and the earnings gap between male and female business owners is calculated for two populations: 1) the civilian employed population over the age of 16, and 2) the full-time civilian employed population over the age of 16. Data on female business ownership by industry comes from the *U.S. Census Bureau 2017 ACS Public Use Microdata Sample (PUMS)*.

Metros were grouped into the following categories based on population size:

- Large: more than 1,000,000 people
- Midsize: 350,000-1,000,000 people
- Small: 100,000-350,000 people

View the full details of the report [here](#).





About Volusion

Volusion is an all-in-one ecommerce solution that helps entrepreneurs build and manage successful online businesses. Since 1999, our dedicated team of developers, marketers, designers, and technical support experts have been passionate about helping merchants operate and grow their stores, whether startup or established. Two decades later, Volusion has earned dozens of accolades and powered over 150,000 successful online businesses.

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