



Annual Women-Owned Business Study 2023



About the Biz2Credit Women-Owned Business Study

Biz2Credit's 2023 Women-Owned Business Study is an annual review of the financial performance of women-owned small to midsize companies in the United States. The Study reviews over a hundred thousand credit inquiries and applications from small to midsize businesses across the country for the full prior year (2022). Results from the study are a trusted source of insight on the performance of women-owned private companies over the past 12 months. The Study is frequently cited in major publications covering finance and the American economy.



TABLE OF CONTENTS

1

Executive Summary

Page 4-5

2

Key Findings and
Annual Trends

Page 6-19

3

Methodology

Page 20-22

4

Appendix

Page 23-25



EXECUTIVE SUMMARY

The annual Biz2Credit Women-Owned Business Study found that revenues and earnings rose while expenses dropped for women-owned businesses in 2022; Texas, Georgia, and Florida are the top states for loan requests from women-owned companies.

Women-owned businesses' average earnings* increased by 27% (from \$45,295 in 2021 to \$57,712 in 2022), while average earnings for men-owned businesses increased by 22% (from \$88,328 in 2021 to \$108,067 in 2022).

The analysis also revealed that the average credit score** (587) of women business owners was consistent with last year's credit score (588), 23 points lower than the average score of men business owners (610), and 12 points lower than overall industries' average score (599).

In 2022, Biz2Credit received higher revenue applications compared to 2021. Year over year, the analysis shows a 2% increase in overall annual revenue and a 3% decline in operating expenses.

*Average earnings is calculated by annual revenue minus operating expenses

**Average credit score is derived from the personal FICO credit score of business owners.

Executive Summary

Key Findings and Annual Trends

Methodology

Appendix

OVERALL GROWTH OF WOMEN BUSINESSES



According to the [National Women's Business Council's \(NWBC\) 2022 Annual Report](#), women-owned firms contribute greatly to entrepreneurship in the United States. The most recent statistics (2019) stated that 1.2 millions of all enterprises with workers are owned and operated by women. In contrast to the 5.2% growth rate for enterprises owned by men, women-owned companies saw a 16.7% growth between 2012 and 2019.

Women-owned businesses had an estimated \$1.9 trillion in receipts, 10.9 million employees, and \$432.1 billion in annual payroll according to [Census Bureau \(Nov. 2022\)](#).

Source: Census Bureau, NWBC

[Executive Summary](#)[Key Findings and
Annual Trends](#)[Methodology](#)[Appendix](#)

KEY FINDINGS AND ANNUAL TRENDS



ROHIT ARORA, CEO & CO-FOUNDER OF BIZ2CREDIT

“ Women-owned businesses did very well in 2022. Their earnings rose by 27%, which is higher than male-owned firm’s growth from over the year prior. We saw growth among women-owned companies in sectors including Manufacturing, IT, Retail, Accommodation and Food, and Healthcare. ”

[Executive Summary](#)

[Key Findings and
Annual Trends](#)

[Methodology](#)

[Appendix](#)

KEY FINDINGS: BUSINESS PERFORMANCE FOR WOMEN-OWNED BUSINESS

Average annual revenue for women-owned businesses increased by 2%, i.e. from \$258,590 in 2021 to \$263,091 in 2022.

Average earnings (Annual Revenue – Operating Expenses) of women-owned business has increased by 27%, i.e., from \$45,295 in 2021 to \$57,712 in 2022. This significant jump is due to a 2% increase in overall annual revenue and a 4% decline in operating expenses.

Average credit score for women-owned businesses remained consistent, from **588** in 2021 to **587** in 2022.

Texas was the state with the **most business loan application originations (10.3%)** for women-owned businesses, same as last year.

Top Industry: Services (except Public Administration) is the largest category of businesses represented, with nearly 28.9% of the women-owned companies classifying as this industry in the Biz2Credit study.

The **funding acceptance rate** was close between men-owned businesses (37%) and women-owned business (41%).

[Executive Summary](#)[Key Findings and
Annual Trends](#)[Methodology](#)[Appendix](#)

COMPARISON: WOMEN-OWNED BUSINESSES VS MEN-OWNED BUSINESSES

Average credit score for women business owners remained consistent YoY, but 23 points lower than men business owners in 2022.

Average age of business (in months) for women-owned businesses decreased by 2 months YoY, and 9 months lower than men-owned businesses in 2022.

Women-owned businesses revenue (\$263,091) was 44% less than for men-owned businesses (\$469,372) in 2022.

Men-owned businesses outperformed women-owned across all 3 categories, which followed the same trend YoY.



YoY AVERAGE CREDIT SCORES



YoY AVERAGE AGE OF BUSINESS (months)



2022 AVERAGE ANNUAL REVENUE

[Executive Summary](#)[Key Findings and Annual Trends](#)[Methodology](#)[Appendix](#)

U.S. REPRESENTATIVE SHARICE L. DAVIDS

// When we invest in women-owned businesses, we give our overall economy a boost. I am proud to support female entrepreneurs and will continue my work to ensure all business owners have equal opportunity to provide for their employees and contribute to our economy. //

Executive Summary

Key Findings and
Annual Trends

Methodology

Appendix

WOMEN-OWNED VS MEN-OWNED BUSINESSES AVERAGE EARNINGS

Average earnings (Annual Revenue - Operating Expenses) of women-owned business increased by 27% YoY, outpacing men-owned business which saw an increase of 22%.

Average annual revenue of women-owned business increased by 2%, i.e., \$263,091 in 2022 from \$258,590 in 2021, similar to men-owned business which also saw an increase of 2%.

Average operating expenses of women-owned business decreased by 4%, i.e., \$205,378 in 2022 from \$213,296 in 2021, outperforming men-owned business which saw a decrease of only 3%.


[Executive Summary](#)
[Key Findings and Annual Trends](#)
[Methodology](#)
[Appendix](#)

WOMEN-OWNED BUSINESSES VS. MEN-OWNED BUSINESSES (YEAR-OVER-YEAR COMPARISONS)

On average, women-owned businesses and men-owned businesses both saw annual revenue increase by 2%. However, women-owned businesses saw a 5% greater increase in average earnings and a 1% greater decline in operating expenses than men-owned businesses.

Key Categories	Women YoY Difference	Men YoY Difference
Average Annual Revenue	+2%	+2%
Average Operating Expenses	-4%	-3%
Average Earnings	+27%	+22%
Average Credit Score (in points)	-1 pt	-2 pts
Average Age of Business (in Months)	-2 mo.	-2 mo.

Source: Biz2Credit Women-Owned Business Study for 2021-2022

[Executive Summary](#)[Key Findings and Annual Trends](#)[Methodology](#)[Appendix](#)

ELIZABETH RILEY, CEO OF JONATHAN SPROUTS, INC.

“ Jonathan Sprout is a woman-owned business in a male-dominated industry. I have found, thankfully, that the women who came before me and paved the way made it so that it is not as difficult as one might imagine. And, if there are any difficulties, I don’t let it hold me back. ”

Executive Summary

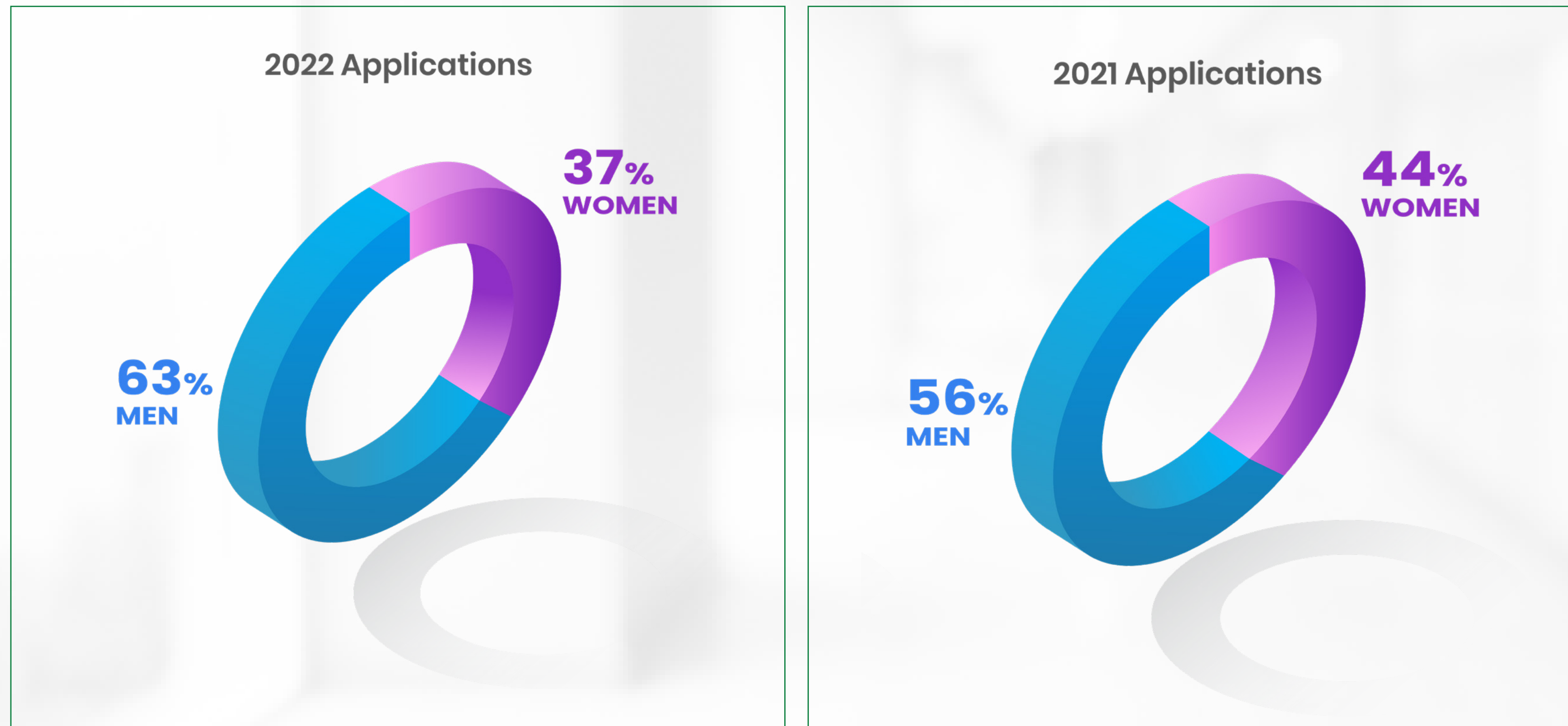
Key Findings and
Annual Trends

Methodology

Appendix

WOMEN-OWNED VS MEN-OWNED BUSINESS FINANCING APPLICATIONS IN 2022

The ratio of applications for financing from women-owned businesses fell by 7% in 2022 (37%) versus 2021 (44%), and the gap of submitted applications between women-owned and men-owned company owners widened year over year.

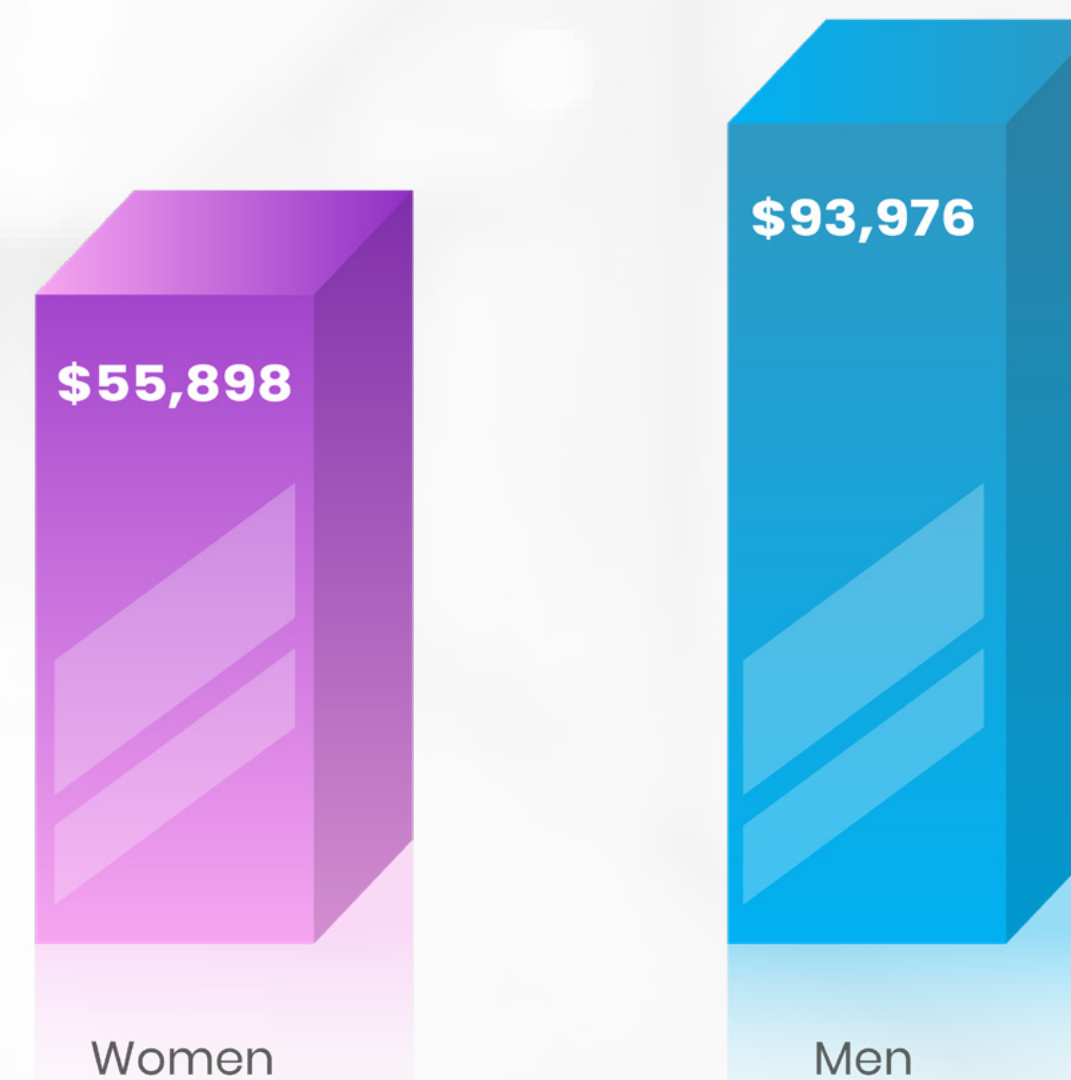
[Executive Summary](#)[Key Findings and
Annual Trends](#)[Methodology](#)[Appendix](#)

FUNDING RATE FOR WOMEN-OWNED COMPANIES VS MEN-OWNED COMPANIES

The **funding rate*** was slightly higher for women-owned business applicants (41%) vs. men-owned business applicants (37%), indicating that women were more likely to take funding compared to men.

Average funding size for women-owned companies was \$55,898, vs. \$93,976 for men-owned companies in 2022. This could be due to many factors, including but not limited to, the age of the business, industry type, the size of business in revenue, and past funding history.

2022 Average Funding Size

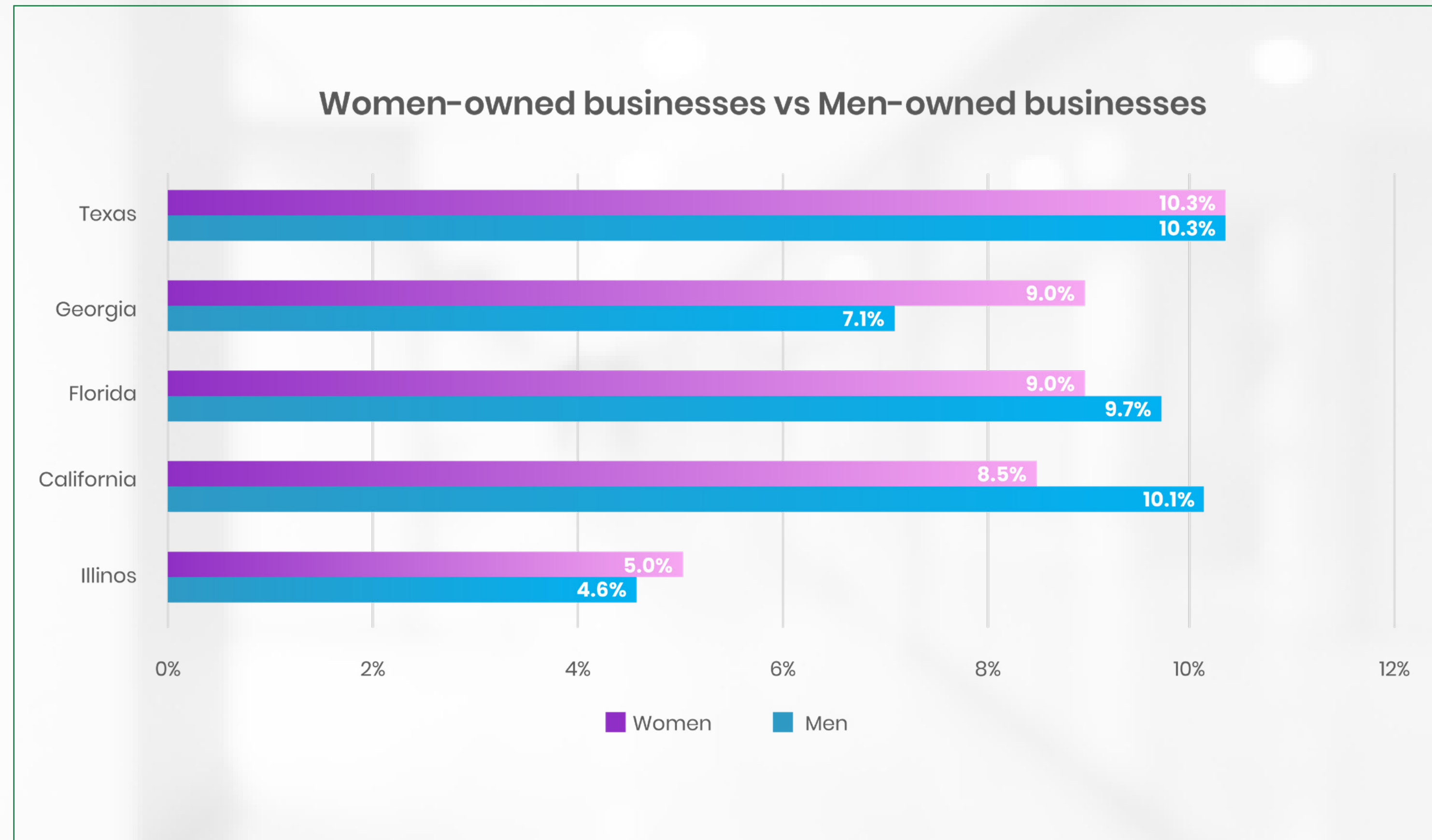


*Funding Rate is the number of funded application divided by the number of approved applications

[Executive Summary](#)[Key Findings and Annual Trends](#)[Methodology](#)[Appendix](#)

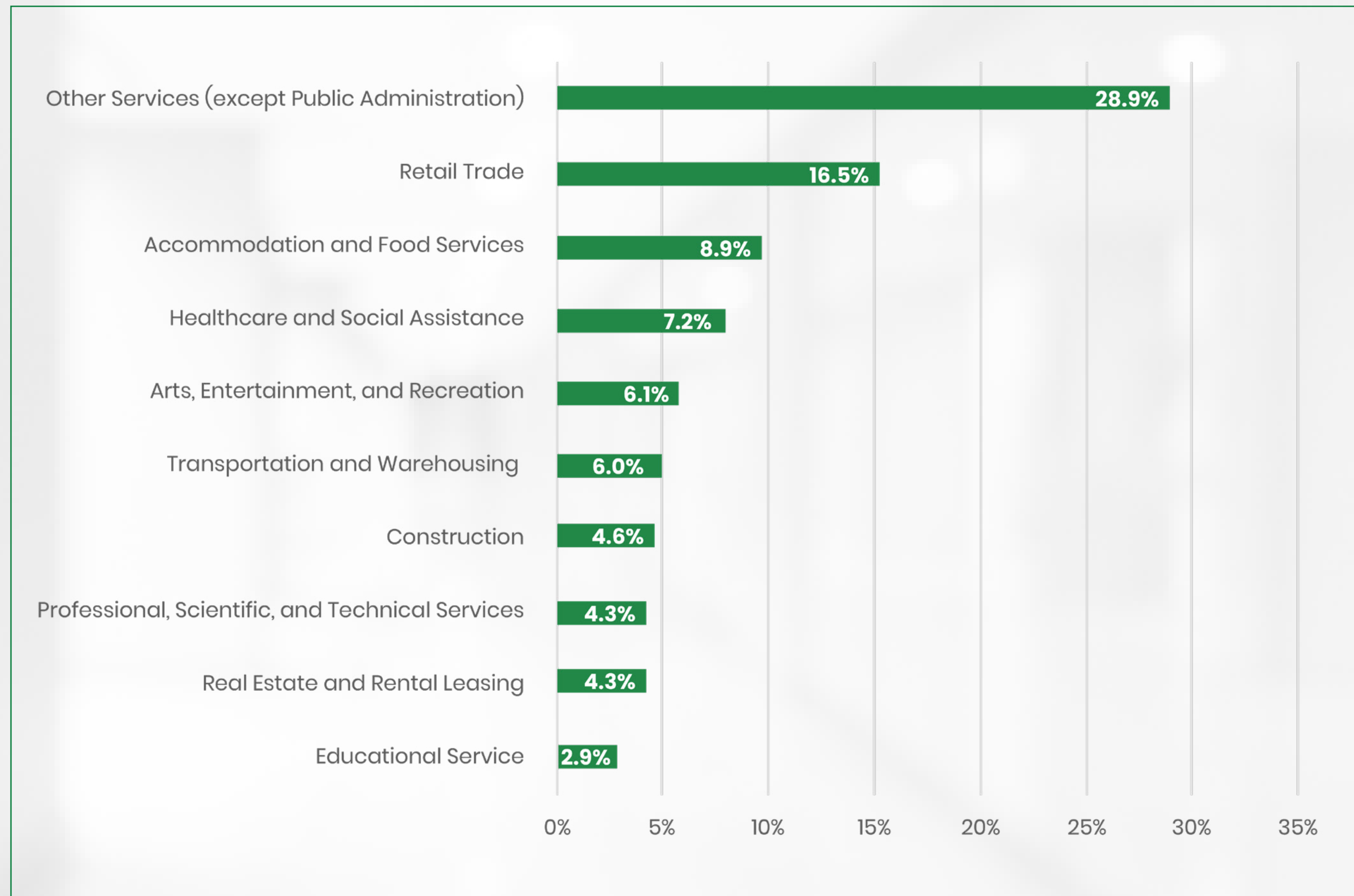
TOP 5 STATES FOR LOAN ORIGINATIONS

Texas had the highest rate (10.3%) of women-owned applicants in the nation, followed by Georgia (9.0%), Florida (9.0%), California (8.5%), and Illinois (5.0%) in 2022. These rates measure the concentration of applications received by women-owned and men-owned businesses in each state relative to the national total.

[Executive Summary](#)[Key Findings and Annual Trends](#)[Methodology](#)[Appendix](#)

WOMEN-OWNED LOAN ORIGINATION BY INDUSTRIES

Services (except Public Administration) is the largest industry category represented by women-owned companies (28.9%) in the Biz2Credit study. The industries that followed were Retail Trade (16.5%) Accommodation and Food Services (8.9%), Healthcare and Social Assistance (7.2%), Arts, Entertainment, and Recreation (6.1%), Transportation and Warehousing (6.0%), Construction (4.6%), and Professional, Scientific, and Technical Services (4.3%), Real Estate and Rental Leasing (4.3%) and Educational Service (2.9%) in 2022.

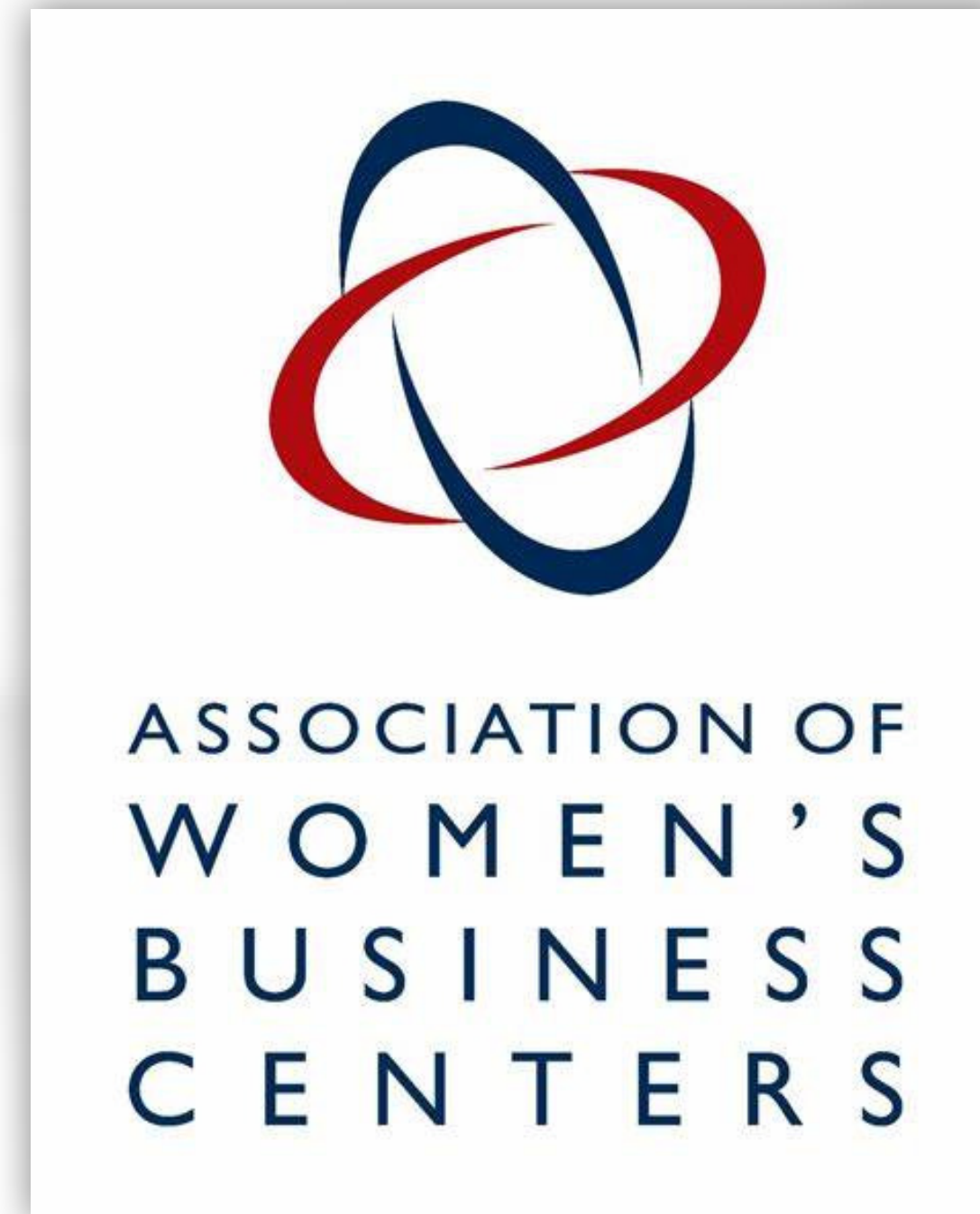
[Executive Summary](#)[Key Findings and Annual Trends](#)[Methodology](#)[Appendix](#)

Industry Category Source: 2022 NAICS Manual <https://www.census.gov/naics/>

ASSOCIATION OF WOMEN'S BUSINESS CENTERS (AWBC)

Biz2Credit partnered with the Association of Women's Business Centers, which works to secure economic justice and entrepreneurial opportunities by supporting and sustaining a national network of 150 Women's Business Centers (WBC). This robust network helps women succeed by providing training, mentoring, business development, and financing opportunities to over 150,000 women entrepreneurs each year.

In 2022, AWBC's SBA-funded WBC locations served **more than 85,000 clients**, helped **start more than 3,000 firms**, and helped clients access a record **\$1 billion in capital**.

[Executive Summary](#)[Key Findings and
Annual Trends](#)[Methodology](#)[Appendix](#)

CORINNE GOBLE, CEO OF AWBC (ASSOCIATION OF WOMEN'S BUSINESS CENTERS)

// Women's Business Centers have expanded, now reaching into every state to assist women to access networks and funding for their businesses. The work has gotten tougher compared to recent years,

The national network of nearly 150 Women's Business Centers is seeing more business starts but also greater challenges accessing opportunities and funding to help them grow and succeed.

//

Executive Summary

Key Findings and
Annual Trends

Methodology

Appendix

METHODOLOGY

METHODOLOGY

The dataset for the 2023 Women-Owned Business Study is comprised of 149,921 completed credit applications that were received through the Biz2Credit platform from January 2022 through December 2022. Based on the data collected, women-owned businesses were identified in 67,057 cases.

There are four important variables considered in pre-processing:

- Annual Revenue
- Operating Expenses
- Age of Business
- Personal Credit Score

The analysis of Annual Revenue and Operating Expenses is based on completed and submitted applications through the Biz2Credit platform with verified cash flow from bank statement. Applications above \$5 million in annual revenue and operating expenses are considered as an outlier and are excluded from the study

For 2022 Annual Revenue and Operating Expenses, Biz2Credit applies weighted averages to those variables based on the distribution of submitted applications received in 2021 on each different revenue range.

Data from the study was tabulated into five different kinds of analysis to produce the results reported in the findings:

- Comparative Analysis on Women-owned and Men-owned businesses
- Industry-wide distribution for Women-owned and Men-owned businesses
- Business Structure distribution for Women-owned and Men-owned businesses
- State-wide distribution for Women-owned and Men-owned businesses
- Hypothesis testing using t-test

[Executive Summary](#)[Key Findings and
Annual Trends](#)[Methodology](#)[Appendix](#)

METHODOLOGY

Industry Sector Definition : For the analysis, Biz2Credit examined the financials of companies that applied in the 2023 study in the following sectors:

- **Accommodation and Food Services**

Activities of this sector are providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

- **Arts, Entertainment, and Recreation**

Activities of this sector are operating or providing services to meet varied cultural, entertainment, and recreational interests of their patrons.

- **Construction**

Activities of this sector are erecting buildings and other structures (including additions); heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs.

- **Educational Services**

Activities of this sector are providing instruction and training in a wide variety of subjects.

- **Health Care and Social Assistance**

Activities of this sector are providing health care and social assistance for individuals.

- **Other Services (except Public Administration)**

Activities of this sector are providing services not elsewhere specified, including repairs, religious activities, grant making, advocacy, laundry, personal care, death care, and other personal services.

- **Professional, Scientific, and Technical Services**

Activities of this sector are performing professional, scientific, and technical services for the operations of other organizations.

- **Real Estate and Rental and Leasing**

Activities of this sector are renting, leasing, or otherwise allowing the use of tangible or intangible assets (except copyrighted works) and providing related services.

- **Retail Trade**

Activities of this sector are retailing merchandise generally in small quantities to the general public and providing services incidental to the sale of the merchandise.

- **Transportation and Warehousing**

Activities of this sector are providing transportation of passengers and cargo, warehousing and storing goods, scenic and sightseeing transportation, and supporting these activities.

[Executive Summary](#)

[Key Findings and
Annual Trends](#)

[Methodology](#)

[Appendix](#)

Industry Category Source: 2022 NAICS Manual, <https://www.census.gov/naics/>

APPENDIX

INDUSTRY-WIDE DISTRIBUTION FOR WOMEN-OWNED AND MEN-OWNED BUSINESSES

Industry	Women %	Men %	Difference
Other Services (except Public Administration)	28.90%	17.50%	11.40%
Retail Trade	16.50%	10.50%	6.00%
Accommodation and Food Services	8.90%	6.70%	2.20%
Health Care and Social Assistance	7.20%	2.90%	4.30%
Arts, Entertainment, and Recreation	6.10%	6.00%	0.10%
Transportation and Warehousing	6.00%	14.30%	-8.30%
Construction	4.60%	17.50%	-12.90%
Professional, Scientific, and Technical Services	4.30%	4.50%	-0.20%
Real Estate and Rental and Leasing	4.30%	4.50%	-0.20%
Educational Services	2.90%	1.30%	1.60%
Wholesale Trade	2.80%	2.80%	0.00%
Finance and Insurance	1.70%	1.90%	-0.20%
Manufacturing	1.70%	2.70%	-1.00%
Administrative and Support and Waste Management and Remediation Services	1.10%	1.00%	0.20%
Agriculture, Forestry, Fishing and Hunting	0.90%	1.80%	-0.90%
Information Technology	0.70%	2.10%	-1.40%
Management of Companies and Enterprises	0.40%	0.70%	-0.20%
Utilities	0.40%	0.80%	-0.40%
Public Administration	0.30%	0.20%	0.10%
Research and Development	0.20%	0.30%	0.00%
Mining, Quarrying, and Oil and Gas Extraction	0.10%	0.20%	-0.20%

[Executive Summary](#)
[Key Findings and Annual Trends](#)
[Methodology](#)
[Appendix](#)

STATE-WIDE DISTRIBUTION FOR WOMEN-OWNED AND MEN-OWNED BUSINESSES

State	Women %	Men%	Difference
Texas	10.40%	10.30%	0.10%
Georgia	9.00%	7.10%	1.90%
Florida	9.00%	9.70%	-0.80%
California	8.50%	10.10%	-1.60%
Illinois	5.00%	4.60%	0.50%
New York	4.00%	5.00%	-1.10%
North Carolina	3.50%	3.30%	0.20%
Ohio	3.50%	3.30%	0.20%
Louisiana	3.40%	2.50%	0.90%
South Carolina	3.20%	2.40%	0.80%
Michigan	3.00%	2.70%	0.30%
Tennessee	2.60%	2.00%	0.50%
Pennsylvania	2.50%	2.90%	-0.40%
Alabama	2.50%	2.00%	0.40%
Mississippi	2.40%	1.50%	0.90%
Virginia	2.10%	2.00%	0.10%
Arizona	2.10%	2.30%	-0.20%
Indiana	2.10%	1.90%	0.10%
Missouri	1.80%	1.70%	0.20%
New Jersey	1.80%	2.70%	-0.80%
All Others	17.80%	19.90%	-2.10%

[Executive Summary](#)[Key Findings and Annual Trends](#)[Methodology](#)[Appendix](#)

Read more small business research at **Biz2Credit.com/Research-Reports**

About Biz2Credit

Founded in 2007, Biz2Credit has arranged more than \$7 billion in small business financing. The company is expanding its industry-leading technology in custom digital platform solutions for banks and other financial institutions, investors, and service providers. Visit www.biz2credit.com or Twitter @Biz2Credit, Facebook, and LinkedIn