Revenue of Women-Owned Businesses Rose, Credit Scores Dropped in 2018

According to the Biz2Credit Study Analysis of 30,000 companies, small business applications for loans and credit continued to increase in 2018. However, the study found that while annual revenues increased for women-owned companies, credit scores for women business owners and the average age of businesses declined. The number of women-owned businesses that applied for funding in 2018 was 59% higher than in 2017 and jumped up 41% compared to 2016. Additionally, the study found that while small business owners overall received more loans and credit, women-owned companies applying for small business loans both dipped.

Companies Finds Average Annual Revenues Up While Credit Scores Dropped in 2018

The study found that while average annual revenues increased, credit scores for women business owners and the average age of businesses in recent years. The average age of women-owned businesses in 2018 was 52 months, compared to 55 months in 2017 and 56 months in 2016. Additionally, the study found that while small business owners overall received more loans and credit, women-owned companies applying for small business loans both dipped.

Key findings

- **Average Credit Score**: The average credit score for women-owned companies in 2018 was 613, compared to 616 in 2017 and 618 in 2016. This shows a decrease in the credit scores for women business owners.
- **Average Age of Business**: The average age of women-owned businesses in 2018 was 52 months, compared to 55 months in 2017 and 56 months in 2016. This indicates that businesses owned by women are younger than those owned by men.
- **Average Annual Revenues**: Women-owned businesses experienced an increase in average annual revenues. The average annual revenues for women-owned businesses rose to $228,578 in 2018, an improvement from $202,491 in 2017. This shows a growth in revenues over the past year.

Two Challenges are universal when it comes to entrepreneurship - creating the right product or service to launch, marketing it appropriately to the right audience, hiring great employees, keeping costs down, etc. However, one real challenge that women face is more difficulty in gaining access to financing. It's common knowledge that only 2-3% of all venture capital financing goes to women, and women are more likely to finance their startups with credit card debt, which can negatively impact their credit scores, making it more difficult to gain access to traditional bank and SBA loans. This sets up a cycle where women might not otherwise qualify for traditional bank loans.

Visit the Biz2Credit website to learn more about the latest trends in small business financing and entrepreneurship.

**Women’s Leadership Expert**: Rohit Arora is the CEO of Biz2Credit, an industry-leading small business finance government official who explains the state of small business finances in 2019 and highlights the challenges faced by women entrepreneurs. Rohit is passionate about helping small business owners achieve their goals and has dedicated his career to providing innovative solutions to support their success. His insights and expertise have been featured in numerous publications and events, making him a respected authority in the field of small business financing.

**Shaila’s Insights**: Shaila Zadeh, owner of the trendy HIIT BOX gym in Brooklyn, NY, had strong personal credit scores and a growing customer base, yet still found it challenging to secure funding. Even though women-owned businesses are growing, the findings indicate that they still face challenges, especially in accessing traditional financing. It also appears that women who start their own businesses are potentially fueling their business growth with personal credit, which can negatively impact their credit scores, affecting their overall credit. Maryam Zadeh, owner of the trendy HIIT BOX gym in Brooklyn, NY, had strong personal credit scores and a growing customer base, yet still found it challenging to secure funding. Even though women-owned businesses are growing, the findings indicate that they still face challenges, especially in accessing traditional financing. It also appears that women who start their own businesses are potentially fueling their business growth with personal credit, which can negatively impact their credit scores, affecting their overall credit.