



2026 Annual Women-Owned Business Report





About The Biz2Credit Women Owned Business Report

Biz2Credit's 2026 Women-Owned Business Report is an annual review of the financial performance of women-owned small to midsize companies in the United States. The study evaluates tens of thousands of applications from small to midsize businesses across the country for the entire preceding year (2025). Results from the study are a trusted source of insight into 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.

This report combines **Biz2Credit platform data** with contextual comparisons to publicly available data from **the Federal Reserve, the U.S. Small Business Administration (SBA), the National Federation of Independent Business (NFIB), and the National Women's Business Council (NWBC)** to contextualize the findings. These institutions do not endorse or validate Biz2Credit's findings.

The result is a clear message for policymakers, lenders, and the business community: progress is tangible, resilience is evident, but structural constraints remain.

Table of Contents



Executive Summary

pg. 4



Key Findings & Year-Over-Year Comparison

pg. 5



Appendix: Additional Charts

pg. 14



Methodology

pg. 19

Executive Summary

The annual Biz2Credit Women-owned Business Study found that women owned businesses are resilient and are leading the way in terms of financing demands.

Women-owned businesses entered 2025 navigating a more complex economic environment than in prior years. Inflationary pressures, elevated interest rates, and slowing revenue growth weighed on small businesses broadly. Yet new data from Biz2Credit shows that women entrepreneurs did not retreat. Instead, they increased engagement with the credit system, exercised cost discipline, and continued to invest in their businesses, signaling confidence in long-term opportunity despite near-term strain.

Some key findings:



Loan applications from women-owned businesses rose **28.8% year-over-year**, outpacing growth among non-women-owned firms.



At the same time, **women-owned businesses experienced sharper earnings compression**, widening the profitability gap relative to male-owned business peers.



Both **momentum in participation** alongside **persistent gaps in scale and margins**, define the current state of women's entrepreneurship.

Key Findings: Resilience, Rebalancing, and the Path to Inclusive Growth



Financing Demand Signals Confidence, Not Distress

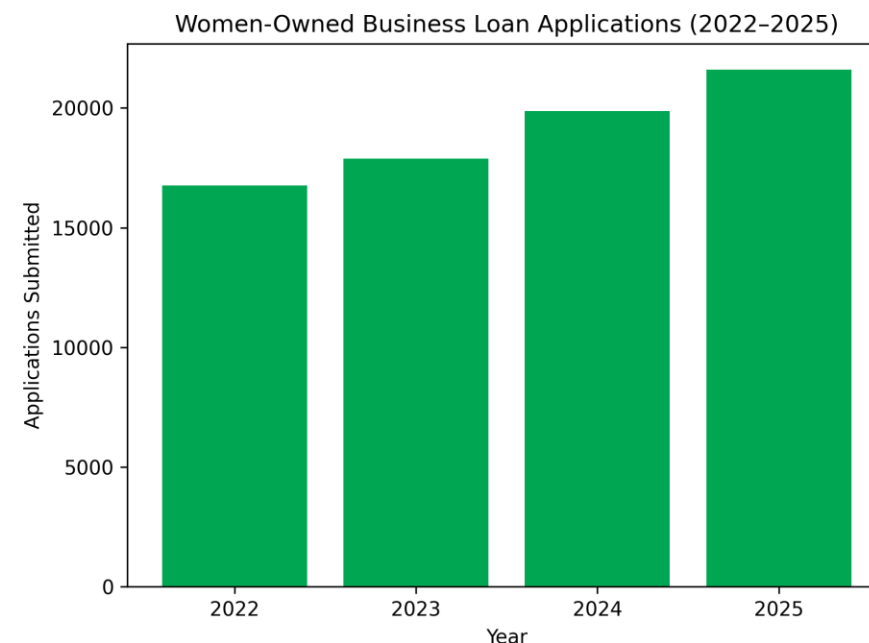
Women-owned businesses applied for Biz2Credit financing at markedly higher rates in 2025, submitting **21,604 applications**, up from **16,772 in 2024**. This surge reflects not only financing need, but sustained engagement with formal credit markets.

This trend aligns closely with Federal Reserve Small Business Credit Survey findings, which show that **64% of women-owned firms applied for financing**, compared with **58% of male-owned firms**, underscoring women entrepreneurs' continued willingness to seek capital even as borrowing costs rise.

Rather than signaling fragility, increased application volume may indicate the following strategic behavior:

- Businesses seeking working capital to manage volatility
- Refinance obligations
- Invest selectively in growth

NFIB sentiment data reinforces this interpretation, with its **Small Business Optimism Index remaining above the 52-year historical average**, suggesting owners broadly expect improved conditions ahead.



Key Findings: Cost Discipline and Operational Maturity

Despite revenue pressure, women-owned businesses demonstrated notable expense management. Average operating expenses declined **8.4% year-over-year**, nearly matching the pace of revenue contraction.

This cost discipline may reflect increasing operational maturity. Rather than cutting back indiscriminately, many women-owned firms appear to be actively rebalancing cost structures, renegotiating supplier terms, managing headcount carefully, and prioritizing higher-return investments. The result is thinner margins in the short term, but potentially stronger footing for recovery when growth accelerates.

Biz2Credit data also shows that both women- and men-owned businesses experienced **declines in revenue and expenses between 2024 and 2025**, reflecting tighter economic conditions and cost adjustments across the small-business sector as a whole.

Men-owned businesses operate at significantly larger scale, generating **nearly double the average revenue of women-owned firms**, but they experienced similar contraction trends in 2025 as revenues fell **6.7%** and expenses declined **7.0%**. The data reinforce a persistent structural gap in operating scale between male- and female-owned firms, even as both groups adjusted expenses in response to slower revenue growth.

Women-Owned Businesses – 2024 vs 2025

- Revenue: **\$516,511** → **\$467,691 (-9.5%)**
- Expenses: **\$498,999** → **\$456,836 (-8.4%)**

Men-Owned Businesses – 2024 vs 2025

- Revenue: **\$970,617** → **\$905,736 (-6.7%)**
- Expenses: **\$925,858** → **\$860,977 (-7.0%)**

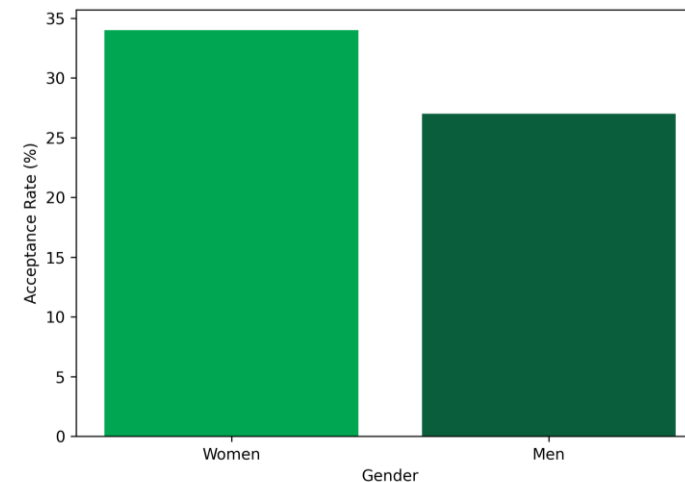
Credit Outcomes: Engagement Remains Strong

Even as credit conditions tightened, women-owned businesses continued to accept funding at higher rates than male-owned peers. In 2025, **32% of women-owned business loan applicants accepted financing**, compared with **27% of male business-owned applicants**, despite declining approval rates for both groups.

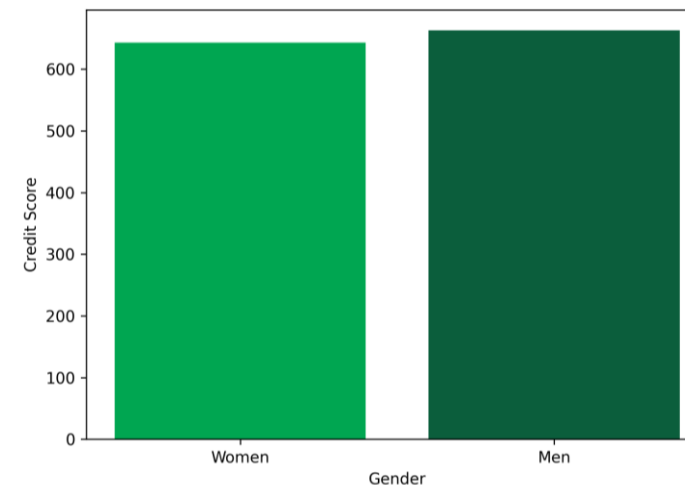
[Federal Reserve reporting](#) provides important context: women-owned firms are now fully approved for loans or lines of credit at rates comparable to, or slightly higher than, male-owned firms, reflecting gradual improvements in underwriting outcomes and lender confidence.

At the same time, credit quality softened modestly. The average personal credit score for women-owned business applicants declined from **653 to 643**, suggesting pressure on household balance sheets amid higher interest rates and persistent inflation. Male-owned business applicants maintained higher average scores at **663**, reinforcing a structural gap that continues to influence loan sizing and pricing.

Funding Acceptance Rate by Gender (2025)



Average Credit Score by Gender (2025)



Geography: Why Growth States Continue to Lead

Geography remains a powerful determinant of entrepreneurial activity. In 2025, **Florida surpassed California** as the top state for women-owned business financing applications, with **Texas holding steady in third place**

These patterns reflect broader economic fundamentals:

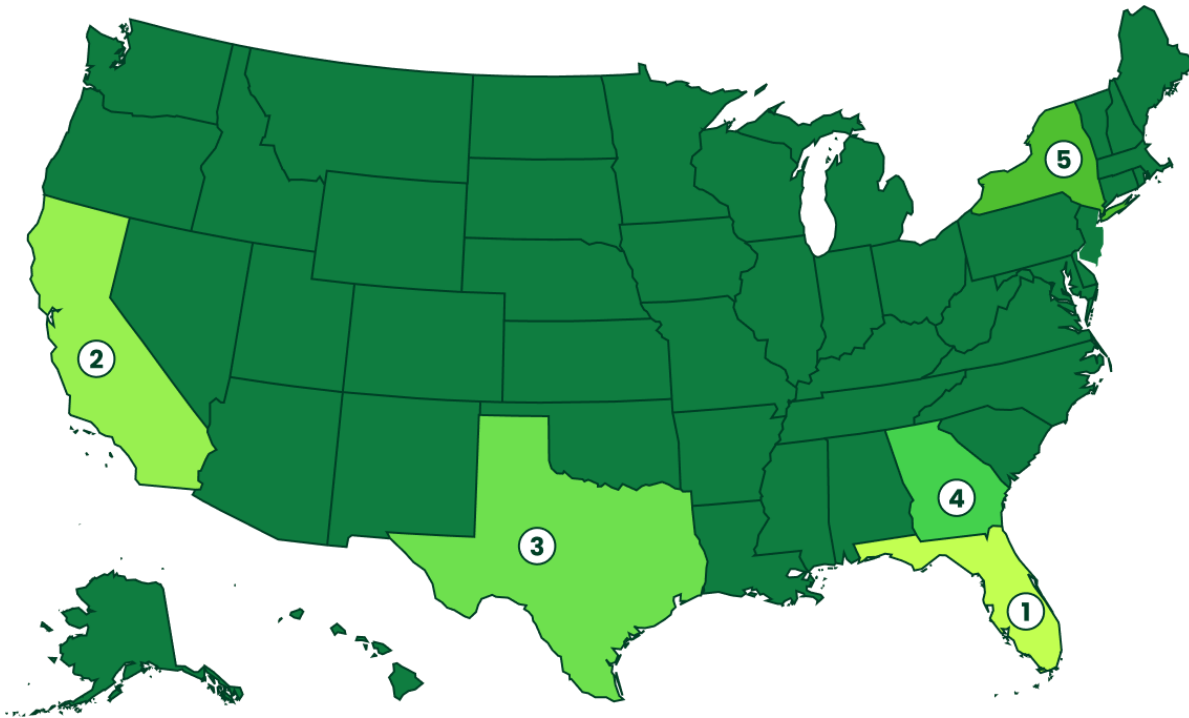
- **Tax policy:** Florida and Texas levy no personal income tax, improving cash flow for small business owners.
- **Population growth:** Both states continue to benefit from net in-migration, expanding labor pools and consumer demand.
- **Cost structures:** Lower housing and operating costs relative to coastal peers reduce barriers to entry.

[SBA Office of Advocacy data](#) confirms that women's business ownership rates are higher in Florida and Texas than in many other large states, aligning closely with Biz2Credit application patterns

California remains a critical hub, particularly for professional services, health care, and consumer-facing industries, benefiting from scale, talent density, and access to capital networks, even as regulatory and cost pressures temper growth.

Top States For Women-Owned Entrepreneurship

Applications funded for women-owned businesses **highlight concentrations by state**. This geographic pattern suggests that population growth, business formation rates, and lender activity in the Sun Belt are increasingly shaping where women-owned businesses are able to successfully access capital.



Florida had the highest financing applications from women-owned businesses followed by:

- California: 11.4%
- Texas: 10.9%
- Georgia: 6%
- New York: 4.9%
- North Carolina: 3.5%
- Illinois: 3.4%
- New Jersey: 2.8%
- Ohio: 2.75%

Industry Concentration: Progress and Constraint

Women-owned businesses continue to cluster in sectors such as **Other Services, Health Care and Social Assistance**, which together account for more than one-third of women-owned applications. The share of applications in Other Services rose more than **3 percentage points year over year**, signaling growing participation.

These trends are consistent with [National Women's Business Council findings](#), which show persistent underrepresentation of women-owned firms in capital-intensive sectors such as construction and manufacturing. Industries typically associated with:

- Higher revenues
- Larger loan sizes
- Greater asset accumulation

The implication is structural: industry mix continues to shape long-term outcomes for women entrepreneurs, influencing earnings, scale, and access to larger pools of capital.

Industry Concentration by Gender (2024-2025)

The industry distribution of small business activity shows a clear structural divide between sectors where women entrepreneurs are most active and those dominated by men. Women-owned businesses are heavily concentrated in **service-oriented sectors**, particularly **health care, personal services, education, retail, and hospitality**, where customer-facing operations and smaller capital requirements make entry and scaling more accessible.

By contrast, men continue to dominate industries that are typically **more capital intensive or infrastructure-driven**, such as **construction, manufacturing, transportation, and energy-related sectors**. These industries often require larger upfront investment, specialized equipment, or physical assets, which historically have been associated with higher barriers to entry.

Taken together, the data suggests that the gender divide in small business ownership is less about entrepreneurial participation, women are launching and operating businesses at record rates, and more about **industry structure and capital intensity**, which continue to shape where men and women entrepreneurs are most likely to build companies.

Top 10 Industries Where Women Are Most Dominant

- Health Care and Social Assistance
- Other Services (except Public Administration)
- Educational Services
- Retail Trade
- Accommodation and Food Services
- Arts, Entertainment, and Recreation
- Professional, Scientific, and Technical Services
- Real Estate and Rental and Leasing
- Public Administration
- Management of Companies and Enterprises

Top 10 Industries Where Men Are Most Dominant

- Construction
- Transportation and Warehousing
- Manufacturing
- Wholesale Trade
- Administrative and Support and Waste Management Services
- Information Technology
- Agriculture, Forestry, Fishing and Hunting
- Finance and Insurance
- Utilities
- Mining, Quarrying, and Oil and Gas Extraction

A Forward-Looking View

As the global economy recalibrates in 2026, women-owned businesses are positioned at a pivotal moment. Participation is rising. Business maturity is improving. Engagement with credit markets remains strong. At the same time, earnings gaps, industry concentration, and scale disparities persist.

The data suggests neither complacency nor crisis, but opportunity. For lenders, policymakers, and ecosystem partners, the mandate is clear: targeted access to capital, pathways into higher-growth sectors, and policy environments that reduce the cost of scaling will be essential to translating participation gains into durable economic impact.

The resilience is evident. The momentum is measurable. Future outcomes will depend on how effectively structural gaps are addressed, turning persistence into parity.



Appendix: Additional Charts



Women-Owned Businesses (Year-over-Year Comparisons)

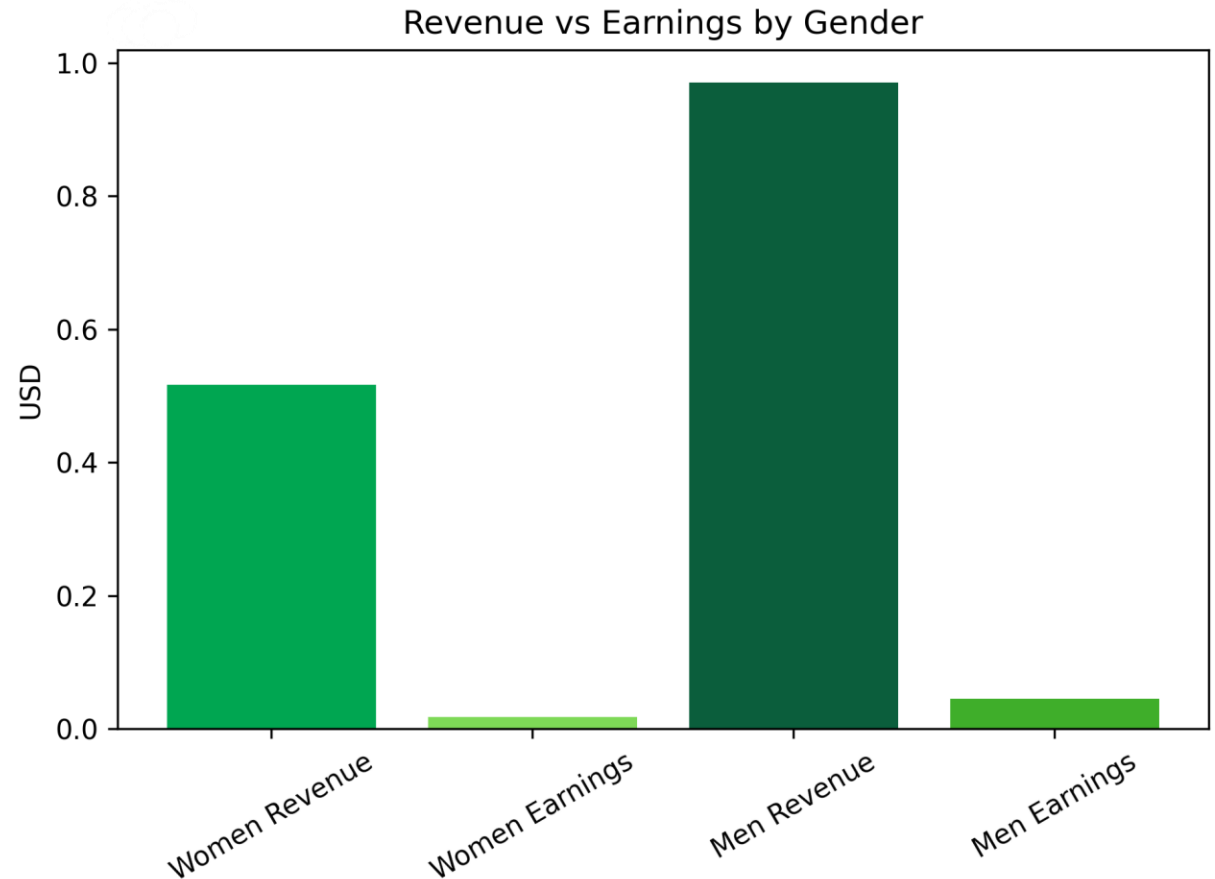
On average women-owned businesses experienced modest **year-over-year growth across some categories**, while others either remained flat or declined.

Metric	Percent Change	Trend Signal
Loan Applications Submitted	▲ 28.8%	Growing demand
Average Age of Business	▲ 1.4%	Increased business maturity
Average Expenses	▼ 8.5%	Improved cost discipline
Average Credit Score	▼ 1.5%	Slight softening
Funding Rate	▼ 5.6%	Moderation in approvals
Average Approved Amount	● 0.0%	Stable
Average Loan Size	● <1%	Essentially flat
Average Revenue	▼ 9.5%	Revenue pressure
Average Earnings	▼ 38%	Margin compression

Revenue vs Earnings by Gender for 2025

Women-owned businesses reported **average submitted revenues of \$516,511** but **average earnings of just \$17,512**, highlighting the tight margins many small businesses operate under.

By comparison, **male-owned businesses generated average revenues of \$970,617** and **earnings of \$44,759**, suggesting that scale and industry mix continue to influence profitability and long-term growth potential.

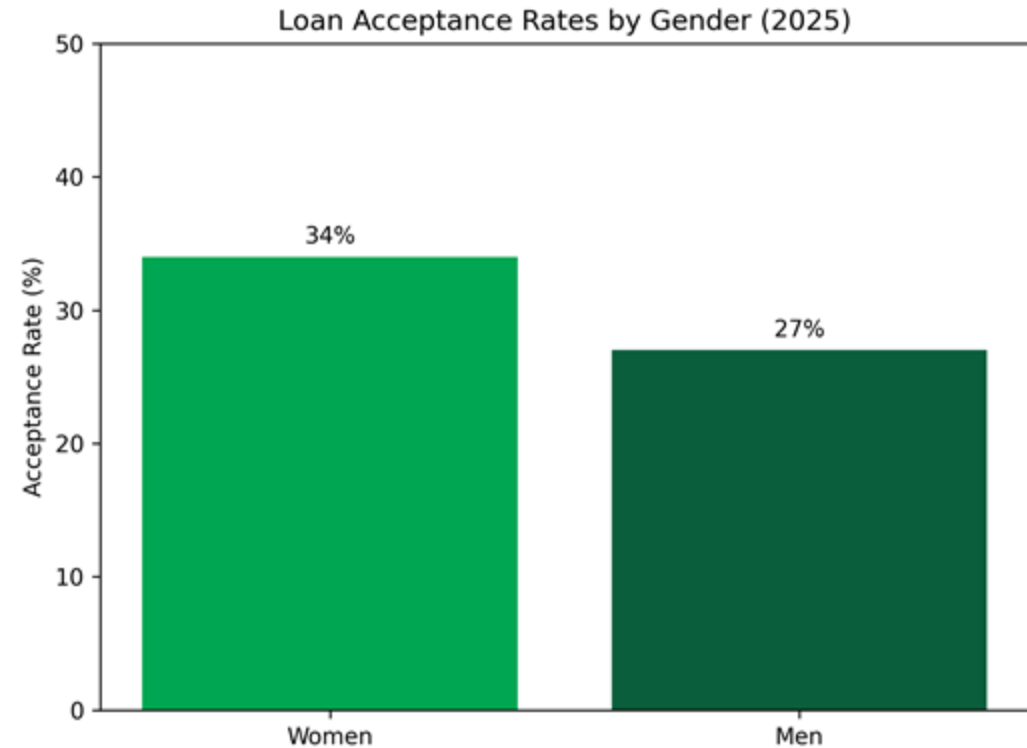


* Source: Annual Biz2Credit Women-Owned Business Study 2026

Credit Outcomes: Loan Acceptance Rates By Gender

Biz2Credit data show that **women-owned businesses continue to achieve higher loan acceptance rates than male-owned businesses** despite operating with smaller average revenues and earnings.

In 2025, **approximately 34% of loan applications from women-owned businesses were funded compared with about 27% for men-owned firms**, suggesting that while women entrepreneurs often operate at smaller scale, they demonstrate strong credit discipline and lender confidence.

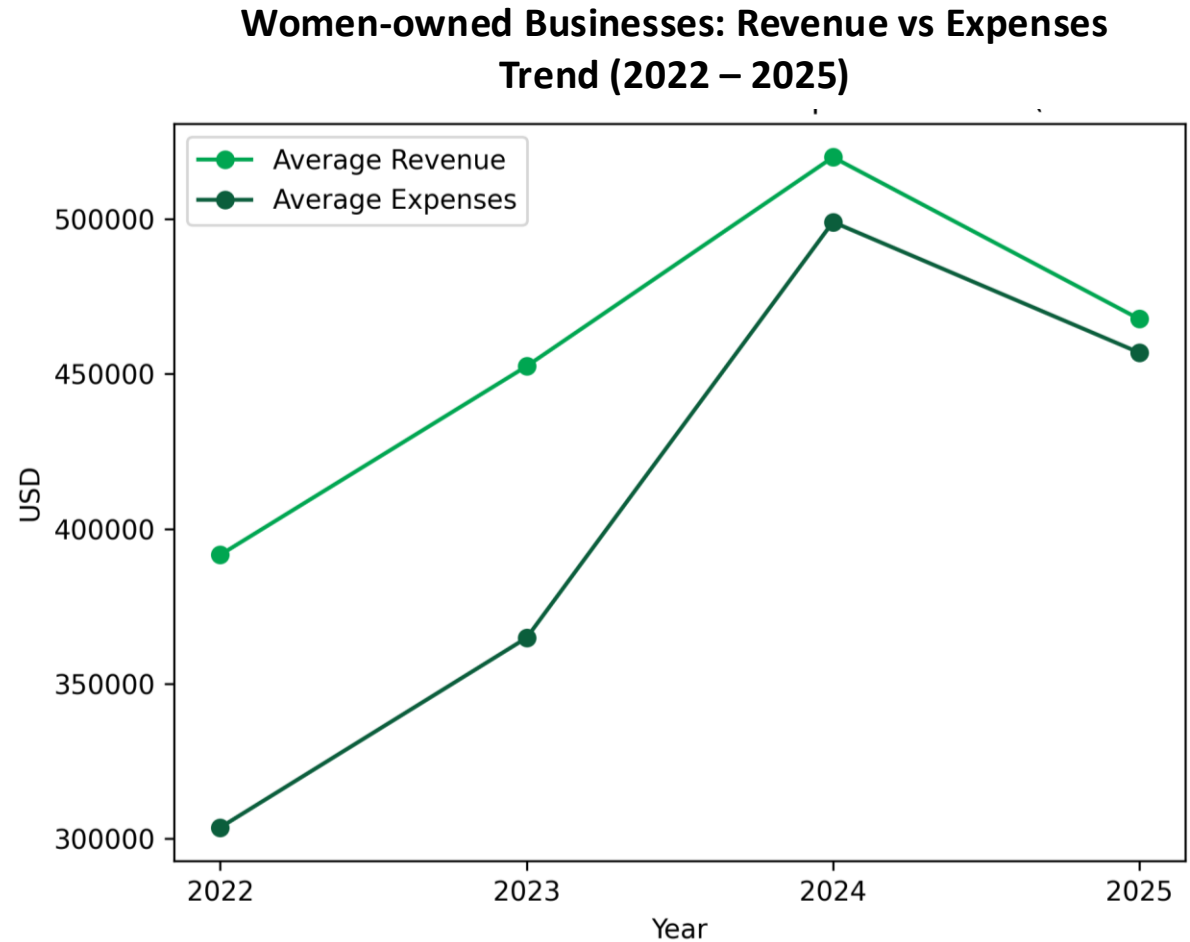


*Source: Annual Biz2Credit Women-Owned Business Study 2026

Women Owned Businesses: Revenue vs Expenses (2022 -2025)

Looking back at Biz2Credit **revenue vs expense data** from the **past four years** paints an interesting picture. Average revenue for women-owned businesses **rose steadily from \$391,582 in 2022 to \$516,511 in 2024** reflecting strong post pandemic growth and increased scale among female entrepreneurs.

However, **expenses climbed even faster** rising from \$303,629 in 2022 to nearly 499,000 in 2024 **before easing to 456,836 in 2025** highlighting the cost pressures that have squeezed profitability despite continued momentum.



*Source: Biz2Credit Internal Data

Methodology



Methodology

The dataset for the *2026 Women-Owned Business Study* is comprised of 69,222 submitted applications that were received through the Biz2Credit platform from January 2025 through December 2025. Based on the data collected, women-owned businesses were identified in 21,604 cases.

There are four important variables considered in pre-processing:

1. Submitted Annual Revenue
2. Submitted Operating Expenses
3. Age of Business
4. FICO (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.

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

1. Comparative Analysis on Women-owned and Men-owned businesses
2. Industry-wide distribution for Women-owned and Men-owned businesses
3. State-wide distribution for Women-owned and Men-owned businesses
4. Hypothesis testing using t-test

Methodology – Industry sectors

Industry Sector Definition : For the analysis, Biz2Credit examined the financials of companies that applied in the 2026 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, grantmaking, 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.



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