# REDI@CSU
Regional Economic Development Institute

**New Insights into the Geography of Female Entrepreneurship**
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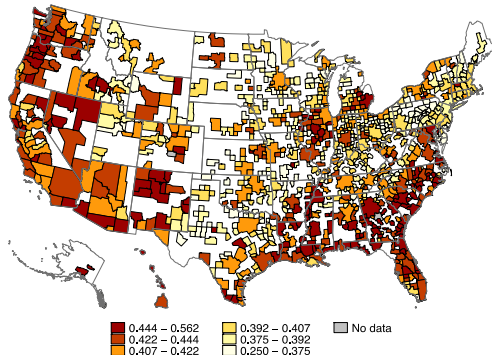February 2021
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- In 2017, ¾ of all US businesses were nonemployers. 41% of nonemployer establishments were female-led, and female-led ventures accounted for 24% of total nonemployer revenues.
- The Southeastern US has the highest concentration of female-led nonemployers, while female nonemployer revenues are highest in metro areas in the Northeast and West Coast.
- Nonemployers are growing steadily in Colorado. Nonemployer growth among Colorado women is driven by growth in businesses owned by women of color in metropolitan areas.

Nonemployer establishments, as discussed in previous REDI reports, play an integral role in regional economic development. These micro-ventures, with no paid employees aside from the owners, can quickly fill niches in their local economies, and constitute a substantial and growing share of the US labor market. And in addition to providing income for the entrepreneurs themselves, nonemployer establishments can have broader economic impacts; some successful nonemployer ventures ultimately hire outside workers, and even those that don't can reveal valuable information about local market conditions, helping other businesses be more productive.
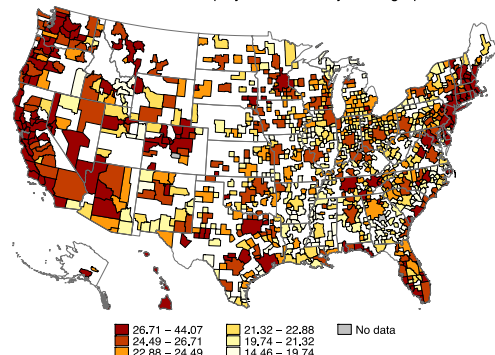
Previously, little has been known about the demographic characteristics of the entrepreneurs behind nonemployer establishments. But a new dataset* published by the US Census Bureau allows us to see who heads nonemployer establishments across the county. This report examines the state of female-run nonemployer establishments.

Across the US, women run 41.7% of all nonemployer establishments. Figure 1 below shows where female-headed nonemployers are most concentrated. Albany, GA; Memphis, TN; Fayetteville, NC; and Decatur, IL stand out as the four Metropolitan Statistical Areas in which more than half of nonemployer establishments are female-led. In contrast, only one in three nonemployers are female-led in Ocean City, NJ; Altoona, PA; and Carson City, NV.



Share of Nonemployer Establishments that are Female-Owned
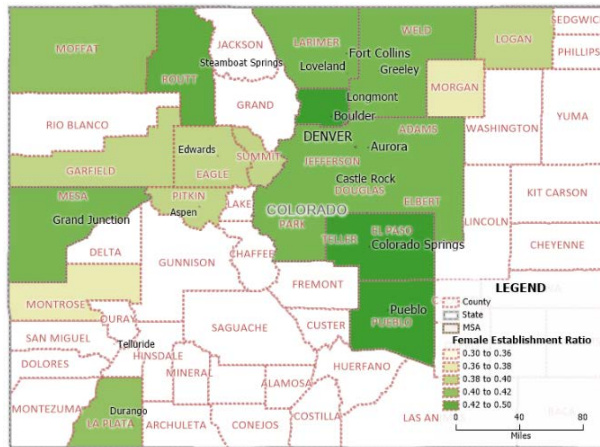Data: Census Nonployer Statistics by Demographics

Revenue per Establishment, Female-Owned ($1000)
Data: Census Nonemployer Statistics by Demographics

| | | |
|---|---|---|
| 0.444 – 0.562 | 0.392 – 0.407 | No data |
| 0.422 – 0.444 | 0.375 – 0.392 | |
| 0.407 – 0.422 | 0.250 – 0.375 | |

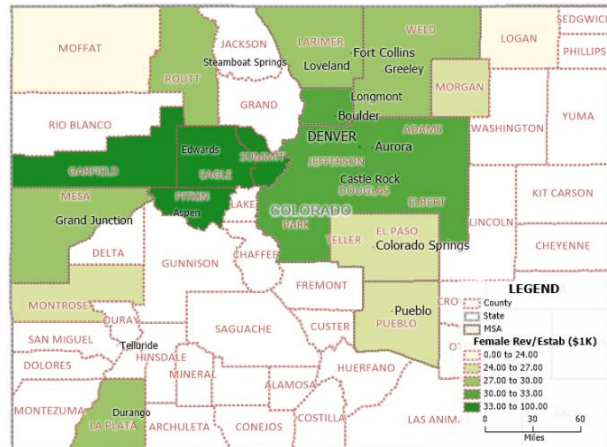| | | |
|---|---|---|
| 26.71 – 44.07 | 21.32 – 22.88 | No data |
| 24.49 – 26.71 | 19.74 – 21.32 | |
| 22.88 – 24.49 | 14.46 – 19.74 | |

Female-led nonemployer establishments generate over $286 billion of revenue, or roughly $27,000 per establishment. This comprises 24.2% of all nonemployer earnings across the country. Revenue per female-run nonemployer also varies considerably between metro areas, as seen in Figure 2. Carson City, NV; Napa, CA; Bridgeport-Stamford-Norwalk, CT; and San Francisco-Oakland-Hayward, CA boast the highest female-owned revenues per establishment, with the average venture in each of these metro areas taking in over $40,000 per year.

## Share of Nonemployer Establishments that are Female-Owned
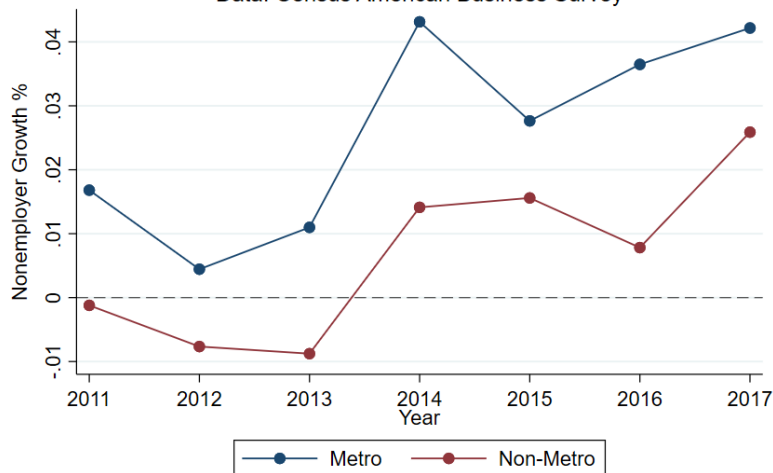### Data: Census Nonployer Statistics by Demographics

## Revenue per Establishment, Female-Owned ($1000)
### Data: Census Nonployer Statistics by Demographics



Colorado fares close to the national average in these categories: women own 41.8% of the state's nonemployer establishments, and female-led ventures account for 25.1% of the state's nonemployer revenues. The Breckenridge and Edwards micropolitan areas are among the highest-grossing regions for female-led nonemployers at over $38,000 per establishment.

In the years leading up to the 2017 Census demographic release, the growth rate of nonemployers in Colorado has been steadily rising, especially in metropolitan areas, to about 3-4% growth per year from 2015-17.

## Growth Rate of Colorado Nonemployers by Year
### Data: Census American Business Survey



Among women, nonemployer growth in Colorado has occurred primarily in the metro areas for women of color. We find a weak positive correlation overall between nonemployer growth and percentage of female residents in counties, driven by a strong correlation for non-White women in metro areas. In other words, growth in nonemployer businesses is positively related to county concentrations of females of color, including Hispanics, significantly so in the urbanized areas of the Front Range and Mesa County.

*https://www.census.gov/programs-surveys/abs/data/nesd.html