Women Small Business Owners Confident on Growth, Have More Aggressive Plans to Hire and Expand

Despite Concerns About Access to Capital, Women Entrepreneurs Believe Having More Women in Positions of Influence Can Move the Needle for the Next Generation

Charlotte

Women small business owners are poised to end 2019 on a high note, with 84 percent anticipating year-over-year revenue growth, according to the 2019 Bank of America Women Business Owner Spotlight. Future revenue projections and expansion plans have reached four-year highs, and are stronger among women entrepreneurs than their male counterparts. However, women continue to report barriers concerning access to capital and pay equality.

“Women business owners see a bright future for their businesses, yet there is still more work to be done as many say work-life balance, access to capital, and pay equality remain issues,” said Sharon Miller, head of Small Business, Bank of America. “They identified having more women in powerful positions of influence as a factor that could help pave the way for the next generation of women in business. At Bank of America, we intend to do our part by providing the opportunities and resources women entrepreneurs need to help launch and grow their businesses.”

Women business owners’ outlook on the economy remains strong and steady from last fall. The annual study of more than 1,000 entrepreneurs around the country also reveals that:

Business growth indicators remain strong for women entrepreneurs heading into 2020...

- 73 percent plan to expand (vs. 66 percent of male business owners, and up from 67 percent in 2018).
62 percent expect their revenue will increase next year (vs. 55 percent of male business owners, and up from 58 percent in 2018).
25 percent plan to hire (vs. 23 percent of male business owners, and up from 21 percent in 2018).
12 percent intend to apply for a loan (vs. 11 percent of male business owners, and steady from 13 percent in 2018).

...as does their steady economic outlook for the year ahead

52 percent of women entrepreneurs are confident their local economy will improve (up from 49 percent in 2018).
47 percent are confident the national economy will improve (steady from 48 percent in 2018).
Top areas of economic concern among all women entrepreneurs for the year ahead include health care costs (61 percent) and the political environment (58 percent), but that concern has declined over the last six months, down 8 percentage points and 6 percentage points, respectively.
Conversely, there was an increase in concern about consumer spending (58 percent), credit availability (40 percent) and trade and tariff policies (46 percent), up 6 percentage points, 6 percentage points and 5 percentage points, respectively, from this spring.

Impact of societal issues on women in business

Examining societal issues that could impact women in business over the next five years, strong majorities of women entrepreneurs identified achieving work-life balance (95 percent), pay equality (92 percent) and improved access to capital (90 percent) as impactful.
Looking longer term, women entrepreneurs say having more females in positions of influence (35 percent) is the single factor they believe will have the greatest impact in paving the way for the next generation of women in business, followed by pay equality (22 percent) and stronger networks of women (12 percent).

Access to capital remains a barrier for many

While last year’s report found that 84 percent of women entrepreneurs believe access to capital for women business owners has improved over the last decade, 58 percent say women business owners currently don’t have the same access to capital as their male counterparts.
Thirty-four percent believe it will take some time to achieve equal access to capital — on average, 14.4 years — while nearly 24 percent of women entrepreneurs believe women will never have equal access to capital.

The formula for small business success: perseverance in the face of adversity

Looking at broader trends and personal experiences that have helped shaped today’s women entrepreneurs, more than half of women business owners say experiencing adversity (67 percent), obtaining a college degree (62 percent) and having a mentor (54 percent) have been impactful in shaping their success. Other key factors identified by more than one-quarter of women entrepreneurs include participating in the arts (35 percent), playing competitive sports (30 percent) and serving on student council (26 percent).
When asked for the single character trait that has had the greatest impact on their business success, women entrepreneurs identified
integrity (23 percent) as the top personality attribute, closely followed by perseverance (22 percent). Others pointed to passion (15 percent), accountability (14 percent), ambition (14 percent) and creativity (10 percent) as essential traits.

For a complete, in-depth look at the insights of women small business owners, read the 2019 Bank of America Women Business Owner Spotlight.

Bank of America Business Advantage Women Business Owner Spotlight

Ipsos Public Affairs conducted the Bank of America Small Business Owner Report Survey for fall 2019 online between July 19 and August 19, 2019 using a pre-recruited online sample of small business owners. Ipsos contacted a national sample of 1,323 small business owners in the United States with annual revenue between $100,000 and $4,999,999 and employing between two and 99 employees. The Women Business Owner Spotlight reports on the 524 female small business owners included in the national sample. In addition, a total of approximately 300 small business owners were also surveyed in each of 10 target markets: Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Miami, New York, San Francisco and Washington, D.C. The final results were weighted to national benchmark standards for size, revenue and region.

Prior to 2016, previous waves of the Small Business Owner Report Survey were conducted by telephone and while best efforts were made to replicate processes, differences in sample, weighting and method suggests caution when making direct statistical comparisons of the results from pre-2016 and post-2016.

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