

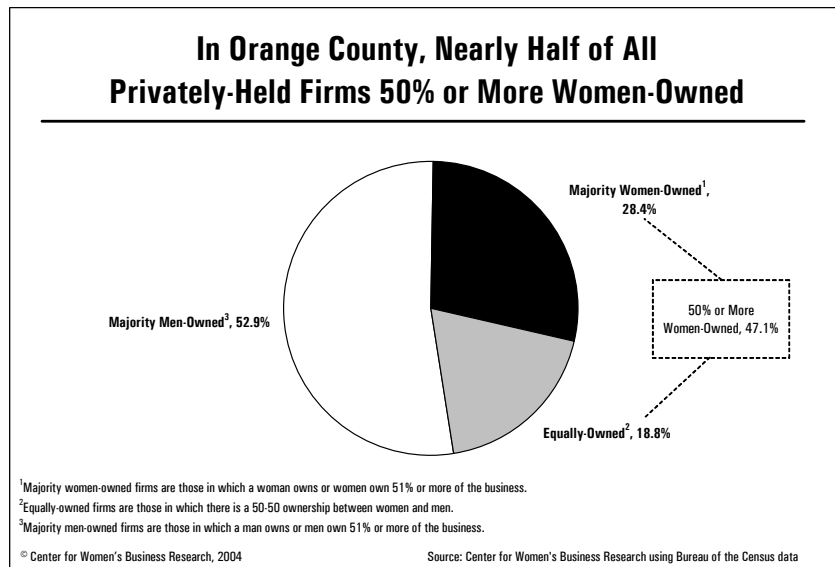


Women-Owned Businesses in Orange County, CA, 2004: A Fact Sheet

In this fact sheet, the Center for Women's Business Research presents the most up-to-date information currently available on privately-held, women-owned businesses in Orange County, CA. This fact sheet presents the Center's estimates for **privately-held firms owned 50% or more by a woman or women** and provides the most complete picture of women's business ownership currently available. Also included are detailed descriptions of the two segments that constitute this population—**privately-held firms that are majority (51% or more) owned by women**, and **firms equally (50-50) owned by a woman or women along with a man or men**.

Analyzing data provided by the U.S. Bureau of the Census, the Center projects (for a complete explanation, see *Methodology*) the following statistical portrait of privately-held, women-owned businesses in Orange County, CA in 2004.

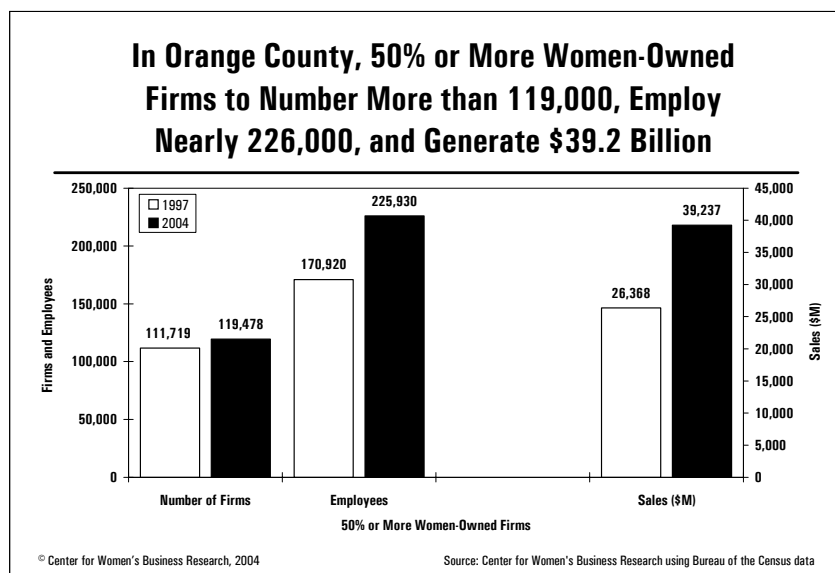
- As of 2004, there are an estimated 119,478 privately-held, 50% or more women-owned firms in Orange County, CA, accounting for 47.1% of all privately-held firms in the metropolitan area.¹ This total includes:
 - an estimated 71,892 privately-held, majority (51% or more) women-owned firms in Orange County, accounting for 28.4% of all privately-held firms in the metropolitan area; and
 - an estimated 47,585 privately-held, equally (50-50) women- and men-owned firms in Orange County, accounting for 18.8% of all privately-held firms in the metropolitan area.



¹ Both women-owned and all U.S. privately-held firms include both firms with paid employees and firms with no paid employees. These exclude publicly-held, foreign-owned, and nonprofit businesses.

Privately-Held, 50% or More Women-Owned Firms

- The 119,478 privately-held, 50% or more women-owned firms in Orange County generate more than \$39 billion in sales and employ 225,930 people.
- Between 1997 and 2004, the Center estimates that the number of privately-held, 50% or more women-owned firms in Orange County increased by 6.9%, employment grew by 32.2%, and sales increased by 48.8%.
- The Center estimates that 30,135 of the 50% or more women-owned firms in Orange County are employer firms.² The number of these firms grew by 24.3% from 1997 to 2004.
- The estimated 119,478 privately-held, 50% or more women-owned firms in Orange County, CA account for 9.6% of all privately-held, 50% or more women-owned firms in the State of California.
- Among the top 50 MSAs,³ Orange County ranks 14th in the number of privately-held, 50% or more women-owned firms in 2004, 15th in employment, and 6th in sales.⁴
- Orange County ranks 49th in the growth in the number of privately-held, 50% or more women-owned firms between 1997 and 2004, 17th in employment growth, and 19th in sales growth among the top 50 MSAs.
- Orange County ranks 12th among the top 50 metropolitan areas for average overall size and ranks 29th for overall growth⁵ of 50% or more women-owned firms.
- For 2004, Orange County ranks 19th among the top 50 MSAs in terms of the percent share of privately-held, 50% or more women-owned firms among all privately-held firms in the metropolitan area.

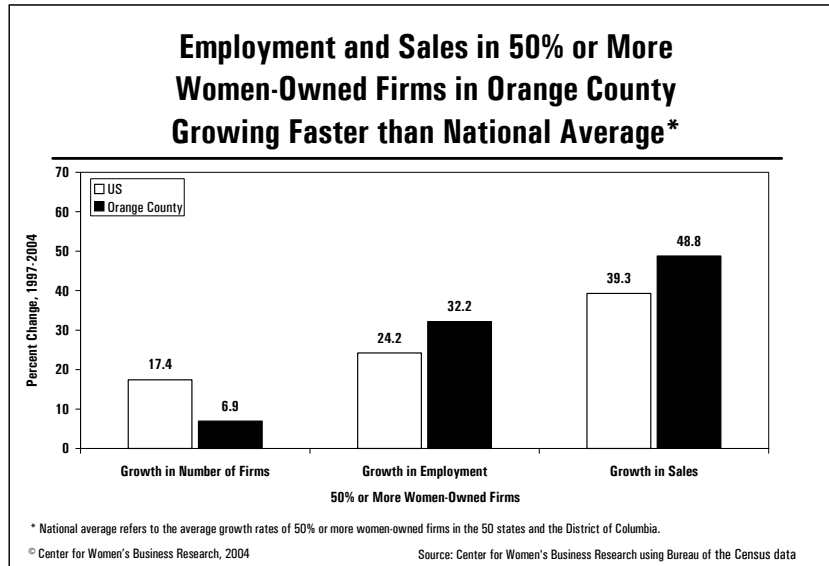


² Employer firms are only those firms that have paid employees. These are reported for privately-held firms, so they exclude publicly-held, foreign-owned, and nonprofit businesses.

³ The top 50 MSAs are based on 1997 U.S. Census Bureau definitions and were chosen based on overall population size. For a complete explanation, see the *Methodology* section.

⁴ Rankings are among the top 50 MSAs only.

⁵ Overall average size and average growth are calculated by averaging the ranks for size or growth of the number, employment, and sales of the firms.



Privately-Held, Majority (51% or More) Women-Owned Firms

- The estimated 71,892 privately-held, majority (51% or more) women-owned firms in Orange County, CA generate more than \$21 billion in sales and employ 124,825 people.
- Between 1997 and 2004, the Center estimates that the number of these firms in Orange County increased by 10.4%, employment grew by 65.0%, and sales increased by 70.0%.
- The Center estimates that in 2004 there are 15,935 privately-held, majority (51% or more) women-owned employer firms in Orange County. The number of these firms grew by 50.3% from 1997 to 2004.
- Among the top 50 MSAs,⁶ Orange County ranks 17th in the number of privately-held, majority (51% or more) women-owned firms in 2004, 13th in employment, and 7th in sales.⁷
- Orange County ranks 43rd in the growth in the number of privately-held, majority (51% or more) women-owned firms between 1997 and 2004, 7th in employment growth, and 12th in sales growth among the top 50 MSAs.
- Orange County ranks 10th among the top 50 metropolitan areas for average overall size and ranks 21st for overall growth⁸ of 50% or more women-owned firms.
- For 2004, Orange County ranks 37th among the top 50 MSAs in terms of the percent share of privately-held, majority (51% or more) women-owned firms among all privately-held firms in the metropolitan area.

⁶ See footnote number three (3).

⁷ See footnote number four (4).

⁸ See footnote number (5).

Privately-Held, Equally (50-50) Women- and Men-Owned Firms

- The estimated 47,585 privately-held, equally (50-50) women- and men-owned firms in Orange County, CA generate nearly \$18 billion in sales and employ 101,105 people.
- Between 1997 and 2004, the Center estimates that the number of these firms in Orange County increased by 2.2%, employment grew by 6.1%, and sales increased by 29.3%.
- The Center estimates that there are 14,200 privately-held, equally (50-50) women-owned employer firms in Orange County. The number of these firms grew by 4.1% from 1997 to 2004.
- Among the top 50 MSAs,⁹ Orange County ranks 10th in the number of privately-held, equally (50-50) women- and men-owned firms in 2004, 16th in employment, and 8th in sales.¹⁰
- Orange County ranks 43rd in the growth in the number of privately-held, equally (50-50) women- and men-owned firms between 1997 and 2004, 32nd in employment growth, and 28th in sales growth among the states and Washington, DC.
- Orange County ranks 11th among the top 50 metropolitan areas for average overall size and ranks 31st for overall growth¹¹ of equally (50-50) women- and men-owned firms.
- For 2004, Orange County ranks 10th among the top 50 MSAs in terms of the percent share of privately-held, equally (50-50) women- and men-owned firms among all privately-held firms in the metropolitan area.

⁹ See footnote number three (3).

¹⁰ See footnote number four (4).

¹¹ See footnote number (5).

Women-Owned Firms in Orange County, CA: 1997-2004			
	1997	2004	% Change 1997-2004
Privately-Held, 50% or More Women-Owned			
Number of Firms	111,719	119,478	6.9
Number of Employer Firms	24,242	30,135	24.3
Employment	170,920	225,930	32.2
Sales	26,368,210	39,236,605	48.8
Privately-Held, Majority (51% or More) Women-Owned			
Number of Firms	65,136	71,892	10.4
Number of Employer Firms	10,605	15,935	50.3
Employment	75,634	124,825	65.0
Sales	12,646,016	21,494,400	70.0
Privately-Held, Equally (50-50) Women- and Men-Owned			
Number of Firms	46,583	47,585	2.2
Number of Employer Firms	13,637	14,200	4.1
Employment	95,286	101,105	6.1
Sales	13,722,194	17,742,205	29.3
All Privately-Held Firms			
Number of All Firms	248,154	253,494	2.2

Share of All Privately-Held Firms in Orange County, CA, 2004	
	% Share
Privately-Held, 50% or More Women-Owned	47.1
Privately-Held, Majority (51% or More) Women-Owned	28.4
Privately-Held, Equally (50-50) Women- and Men-Owned	18.8

Source: Center for Women's Business Research, based on data from the U.S. Bureau of the Census.

Methodology

The Center for Women's Business Research would like to thank the U.S. Census Bureau for providing their assistance and unpublished data for our analysis. Without their help, this fact sheet would not have been possible. This metropolitan area fact sheet provides 2004 estimates for the number, employment, and sales of privately-held, 50% or more women-owned business and the two segments of this population—privately-held, majority (51% or more) women-owned businesses and equally (50-50) women- and men-owned businesses. The projections are based on the most recently available data from the Census Bureau's *1997 Survey of Women-Owned Business Enterprises*.

Due to changes in the way that the Census Bureau defined a woman-owned business, the *1997 Survey of Women-Owned Business Enterprises* did not count those firms in which a woman owned 50% of the business or firms that are publicly traded. Thus, the Census Bureau provided the Center with reconfigured data for all 50 states and the District of Columbia for 1992 based on the 1997 definitions of privately-held, majority (51% or more) women-owned firms, equally (50-50) women- and men-owned firms, and all privately-held firms (including sole proprietorships, partnerships, and subchapter S corporations). Additionally, the Census provided the Center with 1997 data for previously unpublished data of the equally (50-50) women- and men-owned firms in the top 50 metropolitan statistical areas (MSAs). The revised 1992 to 1997 state figures were used to calculate growth rates for the states, which were then used to project 2004 figures for privately-held, 50% or more women-owned firms in the top 50 metropolitan areas.

In the reconfiguration, the Census Bureau excluded C corporations from the 1992 data in order to *approximate* the effect of excluding publicly-traded firms in 1997.¹ This approximation produced slightly different rates compared with the Census Bureau's previously published growth rates at the national level for privately-held, women-owned firms and for all privately-held firms.

¹ The 1997 data include C corporations that are not publicly-traded; therefore, the 2004 estimates also include these firms.

The Center derived the 2004 estimates by using the 1992–1997 growth rates based on the Census Bureau's unpublished revised figures for the national and state levels while controlling by the published national growth rates for privately-held, women-owned firms and all privately-held firms.²

To project the figures for privately-held, 50% or more women-owned firms in the top 50 MSAs, the Center followed several steps. First, state and national growth rates of privately-held, majority (51% or more) women-owned firms, privately-held, equally (50-50) women- and men-owned firms, and all privately-held firms were projected to 2004. This method accounted for the likelihood that majority (51% or more) women-owned firms and equally (50-50) women- and men-owned firms would grow at different rates.

Second, the Center applied the 1997–2004 growth rates for the states to the published figures of the top 50 MSAs for privately-held, majority (51% or more) women-owned firms, and the Census provided figures for privately-held, equally (50-50) women- and men-owned firms. The top 50 MSAs were defined as those MSAs in 1997 that had the largest overall population. Since the 2004 top 50 MSAs were not chosen across all MSAs based on women's business growth, there could be other MSAs doing as well or better in terms of growth or number of privately-held, 50% or more women-owned firms. However, this method provided several benefits. Projecting to 2004 using the same 1997 definition provided consistency in terms of comparing 1997 with 2004. Additionally, even though other MSAs may be larger in size or have faster growth in terms of privately-held, 50% or more women-owned firms, the focus on the top 50 MSAs by population size is logical because the largest MSAs are likely to be making the largest contributions to the overall economy of the individual states and the country as a whole.

For the third step, the majority (51% or more) women-owned firms and equally (50-50) women- and men-owned firms were added together to produce the 1997 figures and 2004 estimates of privately-held, 50% or more women-owned firms.

² Controlling by the published national growth rates is an additional step that the Center implemented for the 2004 estimates. Therefore, these 2004 estimates for numbers and growth are not directly comparable to the Center's 2002 estimates.

Finally, growth rates for privately-held, 50% or more women-owned businesses in the top 50 MSAs were derived based on the differences between 1997 combined counts and 2004 combined estimates.

Once the growth rates and estimates were established, the Center prepared the rankings and comparisons of each of the top 50 MSAs. Comparisons between women-owned firms and all firms were made among the figures for privately-owned firms.

The Center for Women's Business Research projected trends for the top 50 MSAs forward into 2004 following some general assumptions. One assumption was that growth rates between 1992 and 1997 would continue at similar rates through 2004 from the 1997 base.³ This method did not take into account changes in the economic condition between the 1992–1997 time frame and the 1997–2004 time frame. Additionally, it assumed growth rates would be the same despite having a different, and more often, larger base in 1997. While the assumption of a consistent growth rate between the two periods has its limitations, there is no clear superior alternative based on available data. Available data on business growth for the 1997–2004 period are heavily influenced by large, publicly-traded firms, and thus are not necessarily a superior indicator of growth among privately-held, women-owned firms.

A second assumption was that the differences between the approximated growth rates and the actual growth rates for privately-held firms at the state level would be the same as the proportional differences between the approximated and published national growth rates. In some instances, the Census Bureau did not report a 1992 to 1997 growth rate because the confidence interval for the rate included zero (0). In these cases, as noted, the assumption was made that the growth rate was zero (0).

Two other assumptions were that growth rates for C corporations at the state level would equal the growth rates of other firms and that the proportion of publicly-held firms at the MSA level would equal the proportion at the state level.

A sixth assumption was that growth rates for privately-held, equally (50-50) women- and men-owned firms were the same as for all privately-held firms. While it is likely that the privately-held, equally (50-50) women- and men-owned firms are growing at a somewhat different rate than the national rate, this assumption provided a more conservative estimate for privately-held, equally (50-50) women- and men-owned firms than if they were assumed to be growing at a similar rate to privately-held, majority (51% or more) women-owned firms.

Another key assumption was that growth rates at the metropolitan level would equal the growth rates at the state level. Furthermore, it was assumed that growth rates of MSAs within multiple states would equal the growth rates of the state with the majority of the population.⁴ This method was used because the 1992 MSA level data did not match the 1997 definitions for MSAs and women-owned firms. This discrepancy meant that the 1992–1997 growth rate for the MSAs could not be calculated and applied to the 1997–2004 time frame. Even though the MSAs within a state are likely to be somewhat different, they are likely to have been influenced in a similar manner based on state economic conditions.

For more information about this fact sheet or other publications highlighting trends among women-owned businesses, please contact the Center for Women's Business Research at: 1411 K Street, NW, Suite 1350, Washington, DC 20005-3407; phone: 202-638-3060; fax: 202-638-3064; or e-mail: info@womensbusinessresearch.org. Visit our home page at: www.womensbusinessresearch.org.

³ This is the same method the Center has used in the past; however, this fact sheet clarifies the base figure for projections.

⁴ One exception to this was for the Washington, DC metropolitan area. Growth rates for this area were calculated as an average of the growth rates for the District of Columbia, Maryland, and Virginia.