

More moms, fewer pops

Small businesses owned by women are gaining ground

The look of mom-and-pop businesses in the USA changed dramatically over the past three decades, new research shows. These very small businesses — more than 70% of all U.S. companies —

were mostly owned by men. But now, women, especially minority women, are catching up. Helping them: education, technology and faster-growing economies of Western states.

Women go high-tech to find way to success

By Jim Hopkins
USA TODAY

SAN FRANCISCO — Technology is driving female entrepreneurship like never before.

Speedy Internet connections, cheap computers and other gizmos are helping women reach parity with men in starting more sophisticated businesses, entrepreneurship experts say.

The number of microbusinesses — defined as companies with no paid employees — grew 9% from 1997 to 2001, new Census Bureau figures show. Yet, the overall number of businesses owned by women soared more than 14% in about the same period, according to the Center for Women's Business Research.

The trend is important because innovation is greatest among start-ups — business seedlings that create most new jobs. As women exploit technology to start more such companies, they're changing the face of traditional mom-and-pop ventures.

"This is definitely not your father's small business," Terri Lonier of consultant Working Solo says about the new female entrepreneurs.

Inexpensive personal computers, fax machines and color printers make it easier to launch companies in information-based industries, such as consulting, once dominated by men, says Daniel Pink, author of *Free Agent Nation*.

That liberates women who want to leave corporate jobs for self-employment in the same field — but don't want traditional women's ventures such as house cleaning, sewing and other crafts.

Jennifer Lawson was head of programming for PBS in 1995 when she started a TV production consulting firm in her Washington home.

Lawson wanted to spend more time with her son, who was entering his teens. Now she works from a home office equipped with video-screening equipment.

Technology also makes start-up research inexpensive — further expanding opportunities, says David Audretsch, an Indiana University entrepreneurship professor.

Jaime Caris of Las Vegas was surfing the Internet when she hit on the idea of becoming a "virtual" administrative assistant. Caris serves clients across the USA with word processing, accounting and other tasks from her tech-packed home office.

She zaps clients' electronic files back and forth with a high-speed Internet connection. "I couldn't do it on a dial-up," she says.

Still, even as it creates opportunities, tech also has a negative impact on women's entrepreneurship. In sectors such as retailing, where women have been over-represented, untold numbers of merchants are wiped out as Amazon.com and other corporate goliaths harness pricey mainframe computers to wiring huge savings from overhead.

That helps drive down consumer prices — but at the expense of smaller, less tech-savvy competitors, Audretsch says.



By Tim Dillon, USA TODAY

Jennifer Lawson Magic Box Mediaworks, Washington

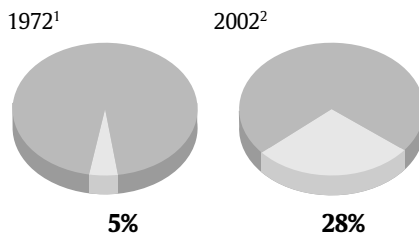
Lawson, 57, says minority women are starting more sophisticated companies than they once did, in fields such as medicine and technology development.

A former PBS programming executive, Lawson started Magic Box in 1995 to consult for television stations on program development. She also develops programs on her own, such as an eight-part series on Africa that aired in 2001.

At PBS, headhunters offered her jobs at other companies. But Lawson wanted to be her own boss. "I thought it would be fascinating to take the risk and to be out on my own."

More women own businesses ...

Women, owners of 6.2 million businesses, are narrowing the gender gap. Proportion of businesses owned by women:



1 - Census Bureau
2 - latest estimate by the Center for Women's Business Research

... at an ever-growing rate ...

Growth for:

All businesses

9%³

Businesses owned by women

14.3%⁴

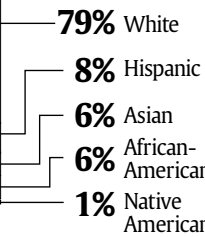
Businesses owned by minority women

31.5%⁴

3 - 1997-2001, Census Bureau
4 - 1997-2002, Center for Women's Business Research

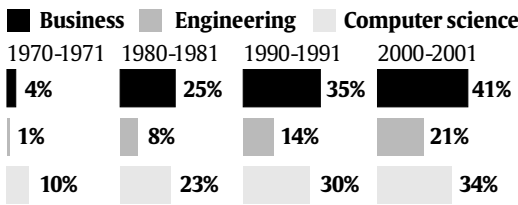
... and with increasing (or "more") diversity

The percentage of businesses owned by women who are:



Education aids start-ups

More women are starting companies because they have better educational backgrounds. Women's share of master's degrees in:



Female entrepreneurs favor West, South

There's a geographic pattern to where women start companies. Western and Southern states had the biggest growth from 1997-2002:

Alabama	19.4%	Missouri	15.8%
Alaska	19.3%	Montana	22.2%
Arizona	24.3%	Nebraska	0.0%
Arkansas	15.8%	Nevada	37.9%
California	6.5%	New Hampshire	6.0%
Colorado	20.7%	New Jersey	12.4%
Connecticut	8.3%	New Mexico	18.9%
Delaware	16.2%	New York	14.8%
District of Columbia	0.0%	North Carolina	22.0%
Florida	22.7%	North Dakota	8.6%
Georgia	23.3%	Ohio	9.0%
Hawaii	0.0%	Oklahoma	9.4%
Idaho	26.1%	Oregon	23.5%
Illinois	15.8%	Pennsylvania	7.3%
Indiana	15.5%	Rhode Island	10.8%
Iowa	7.4%	South Carolina	19.7%
Kansas	11.1%	South Dakota	16.4%
Kentucky	18.8%	Tennessee	27.2%
Louisiana	14.8%	Texas	13.8%
Maine	14.7%	Utah	27.2%
Maryland	11.2%	Vermont	11.0%
Massachusetts	11.0%	Virginia	12.6%
Michigan	17.6%	Washington	19.1%
Minnesota	12.0%	West Virginia	15.8%
Mississippi	14.6%	Wisconsin	15.6%
		Wyoming	28.3%

Sources: Census Bureau, Center for Women's Business Research, National Center for Education Statistics, USA TODAY research



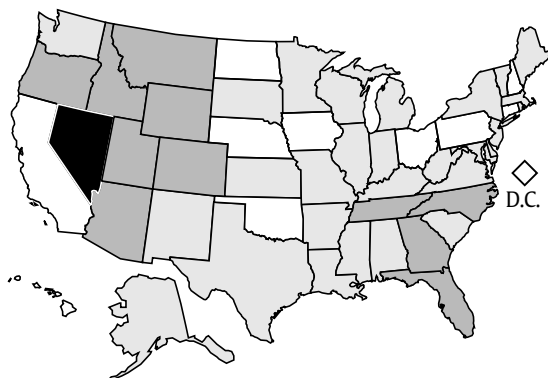
Liz Lynch Consult Ad Hoc, New York

Lynch, 36, a consultant, advises companies on increasing revenue and profit.

Her 1992 MBA from Stanford University helped her land jobs at Goldman Sachs, Disney and Time Warner — giving her corporate experience to start a company three years ago.

Lynch's master's degree remains a plus. "While there are many consultants who have MBAs, there are many who don't, and I like having an edge."

0% - 10% 10.1% - 20% 20.1% - 30% 30.1% - 40.1%



Jaime Caris Always On Time, Las Vegas

Caris, 27, does word processing, bookkeeping and other work traditionally done by administrative assistants across the USA whose businesses don't require a full-time assistant.

Nevada had the biggest growth in businesses owned by women from 1997-2002 — partly reflecting the state's No. 1 ranking in 1990s population growth.

Caris moved to Las Vegas to escape the high cost of living in the San Francisco Bay Area. A year after becoming her own boss, she says: "It's the best thing that I ever did."

By Adrienne Lewis, USA TODAY