

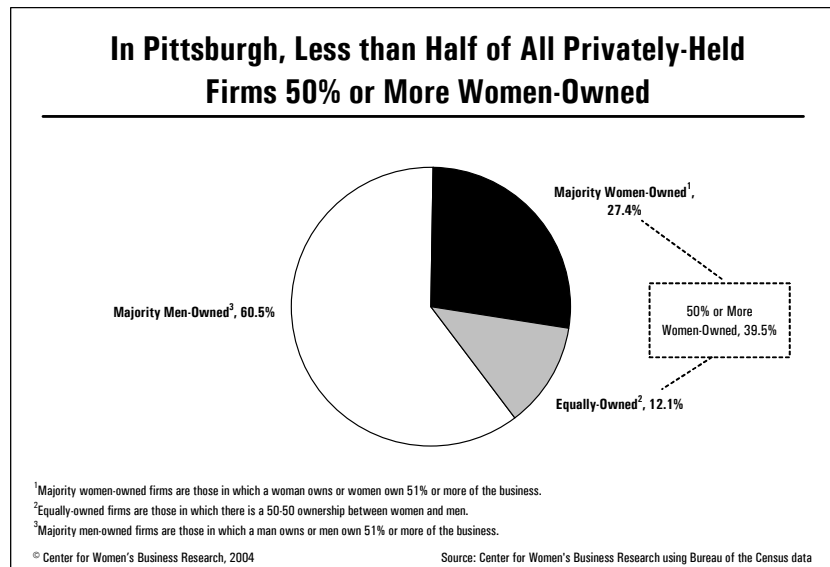


## Women-Owned Businesses in Pittsburgh, PA, 2004: A Fact Sheet

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 Pittsburgh, PA. 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 Pittsburgh, PA in 2004.

- As of 2004, there are an estimated 64,705 privately-held, 50% or more women-owned firms in Pittsburgh, PA, accounting for 39.5% of all privately-held firms in the metropolitan area.<sup>1</sup> This total includes:
  - an estimated 44,890 privately-held, majority (51% or more) women-owned firms in Pittsburgh, accounting for 27.4% of all privately-held firms in the metropolitan area; and
  - an estimated 19,815 privately-held, equally (50-50) women- and men-owned firms in Pittsburgh, accounting for 12.1% of all privately-held firms in the metropolitan area.



<sup>1</sup> 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 64,705 privately-held, 50% or more women-owned firms in Pittsburgh generate \$15 billion in sales and employ 138,000 people.
- Between 1997 and 2004, the Center estimates that the number of privately-held, 50% or more women-owned firms in Pittsburgh increased by 9.5%, employment grew by 12.7%, and sales increased by 23.8%.
- The Center estimates that 15,477 of the 50% or more women-owned firms in Pittsburgh are employer firms.<sup>2</sup> The number of these firms grew by 19.6% from 1997 to 2004.
- Among the top 50 MSAs,<sup>3</sup> Pittsburgh ranks 32<sup>nd</sup> in the number of privately-held, 50% or more women-owned firms in 2004, 28<sup>th</sup> in employment, and 37<sup>th</sup> in sales.<sup>4</sup>
- Pittsburgh ranks 41<sup>st</sup> in the growth in the number of privately-held, 50% or more women-owned firms between 1997 and 2004, 44<sup>th</sup> in employment growth, and 44<sup>th</sup> in sales growth among the top 50 MSAs.
- Pittsburgh ranks 32<sup>nd</sup> among the top 50 metropolitan areas for average overall size and ranks 48<sup>th</sup> for overall growth<sup>5</sup> of 50% or more women-owned firms.
- For 2004, Pittsburgh ranks 44<sup>th</sup> 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.



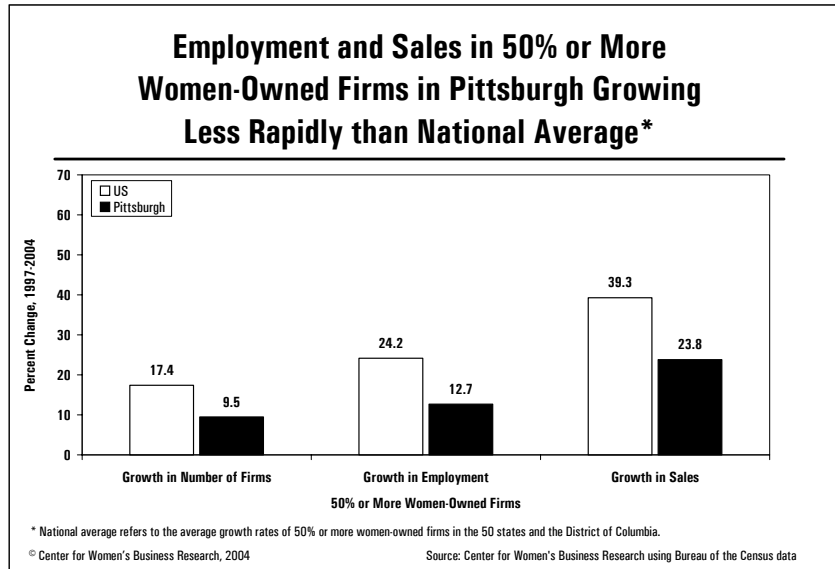
<sup>2</sup> Employer firms are only those firms that have paid employees.

These are reported for privately-held firms, so they exclude publicly-held, foreign-owned, and nonprofit businesses.

<sup>3</sup> 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.

<sup>4</sup> Rankings are among the top 50 MSAs only.

<sup>5</sup> 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 44,890 privately-held, majority (51% or more) women-owned firms in Pittsburgh, PA generate \$8.0 billion in sales and employ 67,666 people.
- Between 1997 and 2004, the Center estimates that the number of these firms in Pittsburgh increased by 11.7%, employment grew by 15.9%, and sales increased by 23.5%.
- The Center estimates that in 2004 there are 9,124 privately-held, majority (51% or more) women-owned employer firms in Pittsburgh. The number of these firms grew by 31.3% from 1997 to 2004.
- Among the top 50 MSAs,<sup>6</sup> Pittsburgh ranks 30<sup>th</sup> in the number of privately-held, majority (51% or more) women-owned firms in 2004, 33<sup>rd</sup> in employment, and 37<sup>th</sup> in sales.<sup>7</sup>
- Pittsburgh ranks 41<sup>st</sup> in the growth in the number of privately-held, majority (51% or more) women-owned firms between 1997 and 2004, 42<sup>nd</sup> in employment growth, and 42<sup>nd</sup> in sales growth among the top 50 MSAs.
- Pittsburgh ranks 31<sup>st</sup> among the top 50 metropolitan areas for average overall size and ranks 47<sup>th</sup> for overall growth<sup>8</sup> of 50% or more women-owned firms.
- For 2004, Pittsburgh ranks 45<sup>th</sup> 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.

<sup>6</sup> See footnote number three (3).

<sup>7</sup> See footnote number four (4).

<sup>8</sup> See footnote number (5).

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

- The estimated 19,815 privately-held, equally (50-50) women- and men-owned firms in Pittsburgh, PA generate nearly \$7.1 billion in sales and employ 70,334 people.
- Between 1997 and 2004, the Center estimates that the number of these firms in Pittsburgh increased by 4.7%, employment grew by 9.7%, and sales increased by 24.2%.
- The Center estimates that there are 6,354 privately-held, equally (50-50) women-owned employer firms in Pittsburgh. The number of these firms grew by 6.1% from 1997 to 2004.
- Among the top 50 MSAs,<sup>9</sup> Pittsburgh ranks 37<sup>th</sup> in the number of privately-held, equally (50-50) women- and men-owned firms in 2004, 23<sup>rd</sup> in employment, and 39<sup>th</sup> in sales.<sup>10</sup>
- Pittsburgh ranks 37<sup>th</sup> in the growth in the number of privately-held, equally (50-50) women- and men-owned firms between 1997 and 2004, 29<sup>th</sup> in employment growth, and 40<sup>th</sup> in sales growth among the states and Washington, DC.
- Pittsburgh ranks 32<sup>nd</sup> among the top 50 metropolitan areas for average overall size and ranks 44<sup>th</sup> for overall growth<sup>11</sup> of equally (50-50) women- and men-owned firms.
- For 2004, Pittsburgh ranks 46<sup>th</sup> 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.

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<sup>9</sup> See footnote number three (3).

<sup>10</sup> See footnote number four (4).

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<sup>11</sup> See footnote number (5).

<b>Women-Owned Firms in Pittsburgh, PA: 1997–2004</b>			
	<b>1997</b>	<b>2004</b>	<b>% Change 1997–2004</b>
<b>Privately-Held, 50% or More Women-Owned</b>			
Number of Firms	59,101	64,705	9.5
Number of Employer Firms	12,939	15,477	19.6
Employment	122,497	138,000	12.7
Sales	12,210,413	15,118,756	23.8
<b>Privately-Held, Majority (51% or More) Women-Owned</b>			
Number of Firms	40,175	44,890	11.7
Number of Employer Firms	6,949	9,124	31.3
Employment	58,402	67,666	15.9
Sales	6,516,755	8,047,831	23.5
<b>Privately-Held, Equally (50-50) Women- and Men-Owned</b>			
Number of Firms	18,926	19,815	4.7
Number of Employer Firms	5,990	6,354	6.1
Employment	64,095	70,334	9.7
Sales	5,693,658	7,070,925	24.2
<b>All Privately-Held Firms</b>			
Number of All Firms	156,582	163,933	4.7

<b>Share of All Privately-Held Firms in Pittsburgh, PA, 2004</b>	
	<b>% Share</b>
<b>Privately-Held, 50% or More Women-Owned</b>	39.5
<b>Privately-Held, Majority (51% or More) Women-Owned</b>	27.4
<b>Privately-Held, Equally (50-50) Women- and Men-Owned</b>	12.1

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.<sup>1</sup> 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.

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<sup>1</sup> 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.<sup>2</sup>

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.

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<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> 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](mailto:info@womensbusinessresearch.org). Visit our home page at: [www.womensbusinessresearch.org](http://www.womensbusinessresearch.org).

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

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<sup>4</sup> 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.