

Rural Female Entrepreneurs: A Demographic Survey in Rural Pennsylvania

Dean Frear, Assistant Professor, The Jay S. Sidhu School of Business & Leadership, Wilkes University, USA,

dean.frear@wilkes.edu

Abstract

Female business ownership is an important segment of business. Rural female entrepreneurs are an integral part of this sector. Research is lacking regarding the demographic characteristics of rural female entrepreneurs. Typical issues analyzed in the literature include gender, personal characteristics such as education, experience, age, marital status, children, motivation, founding strategies, initial capital, investment process, networks, inhibiting reasons, international, and public policy issues. This research developed a demographic profile revealing characteristics of the rural female entrepreneur.

Introduction

Female business ownership is an important segment of business. Reports indicate a progressive increase in the proportion of businesses owned by women. The National Foundation for Women Business Owners reported that by the end of 2002 female-owned businesses in Pennsylvania accounted for 26 percent of "all privately held firms" or 217, 822 businesses. This is an increase from 1997 to 2002 of 7 percent (as cited in *Women Owned*, 2001). The Center for Women's Business Research reported that 46 percent of all privately held firms are either majority owned or 50 percent owned by females (*Women Owned*, 2001). A study financed by the Ewing Marion Kauffman Foundation suggests that business startups increased by only a small percentage in 2003 and that about 36 percent of those businesses were started by women (Batheja, 2004). Even though female business development is rising significantly, the research lags. Few research studies have examined rural female entrepreneurship. Little research in entrepreneurship has explored only the female population of entrepreneurs (Brush & Edelman, 2000). Though global research of female entrepreneurship has taken place for the last 25 years and knowledge has expanded, "there are still many questions unanswered" (Greene et al, 2003 p. 26).

Typical issues analyzed in the literature include gender, personal characteristics such as (education, experience, age, marital status, children), motivation (ambitions and goals) founding strategies, initial capital, investment process, networks, inhibiting reasons, international, and public policy issues (Greene, et al. 2003).

Background

This study examines the demographic characteristics of rural female entrepreneurs in rural Northeast Pennsylvania. The results describe the characteristics both individually and in the form of a profile. Research conducted by the Rural Entrepreneurship Initiative suggests that rural entrepreneurs are more likely to be women and minorities (*Entrepreneurs & Entrepreneurship*, 2001). This is important because many of the businesses started by women are service businesses and do not produce the large amount of cash or growth created by manufacturing or male-owned businesses. Many of the firms employ only the female business owner. According to the Economic Census, there were 5.4 million women-owned businesses in the U.S. in 1997 representing 26.5 percent of all non-farm industry and employed 7.1 million people (*Survey of Women-Owned*, 2001). The average female owned business has 1.3 employees, including the owner and was a service business or retail trade business (*Survey of Women-Owned*, 2001). Most of the largest female owned businesses are in metropolitan areas and account for a large part of female owned business income. A study by the Small Business Administration, *Survey of Small Business Finance* shows the firm size is smaller for female-owned businesses than for male-owned businesses by assets and income. It also revealed the average age was younger for female-owned firms (2003).

Research by Hisrich and Brush led to a model of the female entrepreneur. This differs from this research in that the purpose of the Hisrich and Brush survey was to "develop a profile of the female entrepreneur, to assess the management skills women bring to their business enterprises, and to determine the problems they encounter" (1984). The results were that the female entrepreneur was "between the ages of 35 and 45, married, with children,

and well educated....in service businesses ...believe that they lacked management skills in the areas of finance, marketing, and planning" (Hisrich & Brush, 1984). Other characteristics determined by the study included being the first born child, having a self-employed father, being college educated, and starts her own business after the age of forty (Hisrich & Brush, 1984).

A 1998 study of 92 female entrepreneurs in the Pittsburgh, PA area recorded demographic variables. The results indicated that 95.6 percent of the female entrepreneurs were 31 years of age or older. Sixty-nine percent reported being married and 69.6 percent of the 92 entrepreneurs had two or more children. The report stated that 68.9 percent had a bachelor's degree (42.2 percent) and Master's degree (26.7 percent) (Raya, 1999).

A 2002 Canadian study of entrepreneurs revealed that the average age of female entrepreneurs is 43. Other characteristics for female entrepreneurs included the number of years in operation that averaged nine (Small Business Research, 2003).

The literature indicates that rural entrepreneurs are likely to be women and minorities (Entrepreneurs & Entrepreneurship, 2001). Lack of training for females in the workplace may inhibit development of leadership skills. Researchers believe that more research is necessary to give a complete and accurate description of the female entrepreneur. Current research describing a profile of the characteristics of the demographics of rural female entrepreneurs is rare and needs added development, which supports the necessity for this study.

Research Design

The research used a self-report questionnaire, see Table 12. The research design methods included were quantitative, descriptive, and cross-sectional. Quantitative measurements were determined based on the particular category. These measures focused mainly on the number of participants in each demographic sector within the response item. A demographic questionnaire was developed and included open-ended questions such as Name; Age; Highest Educational Level Completed; Marital Status; Number of Children still living at home; Ethnicity (Optional); Date when business was opened; Type of Business: Retail, Service, or Manufacturing; Number of Employees; Age when you opened your first business; and Primary reason (s) for opening business.

A mailing list was used to reach rural female entrepreneurs in the surrounding five county area. This was compiled and sent in January 2005 by the Wilkes University Small Business Development Center with the approval of the Pennsylvania State Association of SBDCs. Approximately 150 questionnaires were mailed and the response resulted in 50 usable questionnaires. This is a 33.3 percent response rate. Using a 95 percent confidence level, 50 responses yield an error factor of 13. The researcher feels that because the list was not randomly generated the sample was a nonprobability convenience sample. Participants read and answered questions without the aid of a proctor. The self-administered questionnaires were returned to the researcher by mail. Results were analyzed using SPSS 12 (SPSS, Inc., 2003) statistical program. Frequency distributions were developed based on participant responses. A mean was then developed for each response item.

Findings

Demographic Questionnaire Results

The following are the demographic research results. They are explained first in terms of individual category results. Each of the category's outcomes is explained and where possible a mean is calculated. A profile is then developed by combining the results. There was a wide variation in demographic characteristics.

Current Age

The participants' ages range from 21 to 75. Forty-eight of the fifty participants responded to this answer. Seven of the participants are between Ages 21 to 30 comprising 14 percent. Ages 31 to 40 comprise 20 percent. Ages 41 to 50 comprise 30 percent. Ages 51 or older comprise 32 percent. There was no answer by four percent of the participants. The mean age of the participants who responded is 44.5.

Table 1.
Current Age

Current Age	Percentage
21-30	14
31-40	20
41-50	30
51 +	32
No answer	4

Educational Level

Thirty-eight of the fifty participants surveyed indicated having had either some college or graduated from college. Of those graduating from college one participant holds a 2 year degree; nineteen hold four year degrees including two with Masters Degrees and one DO. Other degrees include two from technical schools. There was no answer by four percent of the participants.

Table 2
Educational Level

Educational Level	Percent
High School	8
Some college	38
Technical School	4
2 year degree	2
4 year degree	38
Masters	4
DO	2
No answer	4

Marital Status

Thirty-three of the participants or 66 percent are married. Eight of the participants or 16 percent are single, eight of the participants or 16 percent are divorced and one of the participants or two percent is unmarried.

Table 3
Marital Status

Marital Status	Percentage
Married	66
Single	16
Divorced	16
Unmarried	2

Number of Children at Home

Twenty-four females or 48 percent of the participants have no children living at home; eleven or 22 percent have one child living at home; twelve or 24 percent have two children living at home, and 3 participants or six percent have three children living at home. The total number of children living at home is forty-four. The mean number of children at home is 0.88.

Table 4
Number of Children at Home

Number of Children	Percentage
None	48
1	22
2	24
3	6

Ethnicity

Ethnicity was optional on the questionnaire. Eighteen participants or 36 percent did not give an answer; thirty participants or 60 percent are Caucasian; one participant or 2 percent is Native American, and one participant or two percent is Hispanic.

Table 5
Ethnicity

Ethnicity	Percent
Caucasian	60
Native American	2
Hispanic	2
No answer	36

Years in Business

Fifteen of the participants or 30 percent have been in business for two years or less; eight or 16 percent have been in business from 3-5 years and nine or 18 percent have been in business from 6-8 years. Seven of the participants or 14 percent have been in business from 9-11 years; seven or 14 percent have been in business from 12-19 years, and four participants or eight percent have been in business for 20 years or more. Of those participants in business for 20 years or more, one has been in business for twenty years, one has been in business for 24 years and two have been in business for 27 years. The mean number of years in business is 7.92.

Table 6
Years in Business

Years	Percent
2 or less	30
3-5	16
6-8	18
9-11	14
12-19	14
20	8

Business Type

Participants were instructed to circle as many types of businesses as applied from the following three types of businesses Retail, Service, or Manufacturing. Twenty-two participants or 44 percent indicated owning a retail business, 13 participants or 26 percent indicated owning a service business, and two participants or four percent indicated owning a manufacturing business. Ten participants or 20 percent indicated owning a retail-service business, two participants or four percent indicated owning a retail manufacturing business, and one participant or two percent indicated owning a retail, service, manufacturing business. Interestingly some of the businesses owned by the respondents were manufacturing, day spas, accounting firms, both children and women's clothing stores, a doctor, a seamstress, gift shops, and hair salons.

Table 7
Business Type

Business Type	Percentage
Retail	44
Service	26
Retail-Service	20
Manufacturing	4
Retail-Service- Manufacturing	2
No Answer	4

Number of Employees

Seventeen of the participants or 34 percent reported having one employee, twelve of the participants or 24 percent reported having two or three employees and eight of the participants or 16 percent reported having four to six employees. Four of the participants or eight percent reported having seven to nine employees, four of the participants or eight percent reported having ten to twelve employees, and three participants or six percent reported having thirteen to fifteen employees. Two of the participants or four percent reported having twenty or more employees.

Table 8
Number of Employees

Employees	Percentage
1	34
2-3	24
4-6	16
7-9	8
10-12	8
13-15	6
20 +	4

Age When First Business was Started

Two participants or four percent started the first business between the ages of 18 and 20. Eighteen participants or 36 percent started the first business between the ages of 21 and 29 and fourteen participants or 28 percent started the first business between the ages of 30 and 39. Twelve participants or 24 percent started the first business between the ages of 40 and 49, one participant or two percent started the first business between the ages of 50 and 59, and one participant or two percent started the first business at age 60 or older. Two participants or four percent did not answer the question.

Table 9
Age When First Business Started

Age	Percentage
18-20	4
21-29	36
30-39	28
40-49	24
50-59	2
60 +	4
No answer	2

Reason for Starting Business

Nineteen participants or 38 percent stated the desire to be in business for self as the reason for starting the business. Seven participants or 14 percent recognized a need in the community for the business. Six participants or 12 percent stated starting a business created an opportunity to do something they liked. Four participants or eight percent used industry knowledge, three participants or six percent wanted to create a new work environment, and two participants or four percent stated a desire to have the business as a primary job. Two participants or four percent stated a desire to have extra income for the family, two participants or four percent stated having held a similar previous job working for someone else, one participant or two percent decided to come out of retirement, and four participants or eight percent gave no answer.

Table 10
Reason for Starting Business

Reason	Percentage
Desired Business for self	38
Saw a need	14
Do the job they like	12
Industry knowledge	8
Create new work environment	6
Business as primary job	4
Extra family income	4
Similar previous jobs	4
Come out of retirement	2
No answer	8

Profile

As indicated by the results the general demographic characteristics of the rural female vary. Some of these characteristics vary widely. The researcher has attempted to show the demographic characteristics of the average female entrepreneur in Table 11.

Table 11
Demographic Profile of Rural Female Entrepreneurs

Characteristic	Result
Current Age	44.5
Educational Level	40 percent College
Marital Status	Married
Number of Children at Home	One
Ethnicity	Caucasian
Years in Business	7.92
Business Type	Service or retail related
Number of Employees	Less than 10
Age When First Business was Started	33
Reason for Starting Business	Need for independence

(Frear, 2005)

The current rural female entrepreneur is Caucasian, married and has 1 child at home is 44.5 years of age and started her first business at age 33. Almost 40 percent are college educated. The business is service or retail related. The number of years in business is 7.92 years, with fewer than ten employees. The reason for starting the business was based on a need for independence.

Implications for Business

Women are moving from managers to business owners at increasing rates. They are entering at various ages, life stages, and with varied educational backgrounds. The research indicates that female entrepreneurs can successfully start and run businesses at any age. Rural female entrepreneurs start and run businesses for a variety of reasons including the desire to be in business, recognizing a need in the community, creating an opportunity to do something they liked, and creating a new work environment. The average length of years in business 7.92 indicates that these businesses are successful. Dun & Bradstreet data indicates "that 76 percent of new firms were open after two years, 47 percent after four years and 38 percent after six years" (Headd, 2003). Companies need to engage female managers in such a way so that retention of female managers is kept high, thus not losing their knowledge, expertise, and experience.

Conclusion

The article started by proposing the lack of research regarding a demographic profile of the rural female entrepreneur. The research sought to provide such information and a profile was developed. The importance of this information is that it adds to the very little amount of literature currently available. It was found that the current demographic characteristics of rural female entrepreneurs are similar to the findings of previous researchers. The age, marriage, education, business type, and family characteristics resemble the findings of the Hisrich and Brush (1984). Although no correlations can be made, even though there is a twenty-one year span, as well as a difference in the size of the populations surveyed, the closeness of the results corroborate previous research.

Further Research

Many different areas of research can be focused on the rural female entrepreneur. Areas of research include all of those traditional areas of management and organizational behavior that are currently under-researched. The rural female entrepreneur is an important part of the business sector. Sector expansion should lead to the development of greater amounts of research. One of the questions this research asked was the reason for going into business, but this was not an in-depth look at this question. The cause of the similarities for which women choose to become entrepreneurs may be a consequence of life experiences or other motivational factors. It would be interesting to discover the cause of the similarities. While it is not within the scope of this paper to deduce the reasons for the similarities, the findings point to a need for further research on the motivation(s) as to why women decide to become entrepreneurs, and how if at all this correlates to the demographic findings.

Table 12.
Demographic Questionnaire

Name
Age
Highest Educational Level Completed
High School- Some College- College Degree (s)
Marital Status
Single Married Divorced Unmarried
Number of Children still living at home
Ethnicity
Optional -
Date when business was opened
Month - Year -
Type of Business
(Circle all that apply) Retail Service Manufacturing
Number of Employees
Age when you opened your first business
Primary reason (s) for opening business

REFERENCES

Batheja, A. (2004). Preview Kauffman study: Entrepreneurship on the rise. *Kansas City Star*. Retrieved on May 21, 2004, at the National Association of Seed and Venture Funds URL:
<http://www.nasvf.org/web/allpress.nsf/0/c70adb4f7b75328b86256e160041456f?OpenDocument>

Brush, C. G. & Edelman, L. F. (2000). Women entrepreneurs: Opportunities for database research. *Databases for the Study of Entrepreneurship*, 4, 445-484. Jerome Katz (ed.). Amsterdam: Elsevier Science Inc.

Entrepreneurs & Entrepreneurship (2001). *Rural Entrepreneurship Initiative*. Monograph 2, 1-6. Author. Retrieved on December 7, 2004 from the Yahoo database at URL:
http://www.newamericancommunities.org/resources/Entrepreneurs_and_E-ship.pdf#search='ruralpercent20entrepreneurs

Frear, D. F. (2005). Rural Female Entrepreneurs: An Exploratory Study Of Leadership Profiles In Rural Pennsylvania. (Doctoral Dissertation, Capella University, 2005). UMI Dissertations.

Greene, P. G., Hart, M. M., Gatewood, E. J., Brush, C. G. & Carter, N.M. (2003). Women entrepreneurs: Moving front and center: An overview of research and theory. *USASBE*. Retrieved August 22, 2004 from the USASBE database at URL:
<http://www.usasbe.org/knowledge/whitepapers/greene2003.pdf#search='Dianapercent20Projectpercent20Womenpercent20Entrepreneurspercent202003'>

Headd, B. (2003). Redefining business success: Distinguishing between closure and failure. *Office of the Advocacy, Small Business Administration*. 21, 51-61. Retrieved April 9, 2007 from URL:
http://www.sba.gov/advo/stats/bh_sbe03.pdf

Hisrich, R. D. & Brush, C. (1984). The woman entrepreneur: Management skills and business problems. *Journal of Small Business Management*, 22, 1, 30-37 Abstract. Retrieved November 4, 2004 from the Proquest database Capella University, the Sheridan Library at Johns Hopkins University.

Raya, F. S. (1999). Demographics data, problems and values of women entrepreneurs: Results of a questionnaire to a sample of women entrepreneurs in Pennsylvania. *International Council for Small Business World Conference 1999*. Retrieved April 12, 2004 from the URL: <http://www.icsb.org/tools/wsbearticles/article26.doc>

Small Business Administration (2003). Financing patterns of small firms: Findings from the 1998 Survey of Small Business Finance. *Office of Advocacy, SBA*. Retrieved November 22, 2004, from the Yahoo database at URL:
http://www.sbaonline.sba.gov/advo/stats/ssbf_98.pdf#search='Nationalpercent20surveypercent20ofpercent20Smallpercent20Businesspercent20Finance'

Small Business Research and Policy, Editor (2003). Part II: B – Demographic factors: Business owner characteristics: A factor in accessing financing? Retrieved November 10, 2005 from URL:
<http://strategis.ic.gc.ca/epic/internet/insbrp-rppe.nsf/en/rd00648e.html>

SPSS, Inc. (2003). SPSS 12.0 for Windows. [Statistical Analysis Computer Software] Chicago.

Survey of Women-Owned Business Enterprises: 1997 Economic Census (2001). *U.S. Census Bureau*. Retrieved November 22, 2004, from URL: <http://www.census.gov/prod/ec97/e97cs-2.pdf#search='Surveypercent20ofpercent20WomenOwnedpercent20Businesspercent20Enterprises:percent201997'>

Women Owned Businesses in Pennsylvania 2002: a fact sheet. (2001). Center for Women's Business Research. Retrieved from Yahoo database, March 10, 2004, at URL: <http://www.nfwbo.org/USStateFacts/Pennsylvania.pdf>