



US Women-Owned Small Online Business Export Report

October 2022

ebay

INTRODUCTION



Ecommerce marketplace platforms that provide a level playing field have transformed the commercial opportunities available to small businesses and entrepreneurs across America. The ability of small businesses to reach consumers around the world and export globally on these platforms provides a clear, striking and measurable contrast between traditional ways of doing business and the digital economy.

Success in exporting has been linked to business size and growth. Unfortunately, the means to export have traditionally been limited to larger businesses, further reinforcing their scale and productivity advantages over small businesses. This dynamic is compounded when viewed through the lens of businesses owned by women, which tend to be smaller on average than those owned by men¹, for reasons not examined by this report.

This report's findings demonstrate that women-owned small businesses on eBay² across the United States turn this traditional dynamic on its head. They are exporting at a rate and scale once reserved for only the very largest corporations. A massive 97 percent of them export, a far higher rate than traditional businesses overall, and they sell to customers in an average 15 different international markets annually³, again dwarfing traditional export reach. Based on several trade metrics, small businesses owned by women on eBay are not just equaling, but are outperforming the overall eBay small business community, a counter-historical result that highlights the inclusive nature of ecommerce happening via marketplaces such as eBay.



Andrea Harrison

In A Clutch
Lithonia, GA

Andrea Harrison leveraged over 25 years of experience in the fashion industry to launch "In a Clutch", a successful online accessory and consignment store. Through In a Clutch, customers worldwide benefit from her fashion skills and expertise and can find fashionable items at a fraction of the price.

"When I began selling 16 years ago, the process to sell internationally was rather complicated. But now eBay has helped simplify the process and has made selling internationally so much more fluid. I really enjoy selling on a platform that has everything already built in, like eBay."

Exporting is Dominated by Large Firms, Leaving Out Too Many Women-Owned Small Businesses

The share of businesses in the United States that are owned by women has grown steadily and dramatically since 1972⁴, rising from less than 5 percent of all firms to nearly 40 percent over the past 50 years.⁵ Growth rates in the total number of women-owned firms, their overall level of employment and combined revenues have all consistently exceeded the rates in the overall business community.⁶ However, these positive trends are consistently paired with the fact that women-owned businesses continue to be smaller, on average, than businesses owned by men, with a full 88 percent of the women-owned firms having revenues of less than \$100,000.⁷

While a wide range of potential factors that may contribute to the smaller size of women-owned businesses have been studied⁸, the disparity in size is seen as a major contributor to the disparity in export success.⁹ Conducting business over large distances has traditionally been very costly, a barrier keeping most small businesses even from operating across large domestic markets like the United States, let alone breaking into international markets. As a result, access to global markets has predominantly been available only to large domestic companies that then expand their growth by targeting an export market, establishing overseas operations in that market and eventually building a multinational supply chain with vendors and consumers located around the world.¹⁰ To wit, while large firms with 500 or more employees account for less than 1 percent of business enterprises in the United States¹¹, their share of total US exports is reported at 67.4 percent.¹² The relationship between size and exporting extends to women-owned businesses as well, with exporting businesses owned by women averaging total revenues of \$16.3 million, while non-exporting women-owned businesses average sales of \$816,000.¹³

Global marketplace platforms are breaking the link between business size and exporting opportunity. Small businesses can maintain operations in their local community, creating jobs and other benefits, while also operating virtual storefronts on ecommerce platforms with vibrant international customer bases that help establish trust and facilitate sales across national and cultural borders.¹⁴ eBay has long been at the forefront of breaking the link between size and global export opportunities

by reducing the cost of doing business over large distances enough to enable even very small businesses to export at rates never before possible.¹⁵

The next section will present findings based on eBay marketplace data to illustrate the very strong level of export activity by small businesses on eBay owned by women in the United States, contrasting the data with traditional business activity where available. For clarity, one representative state from each of the eight regions employed by the United States Bureau of Economic Analysis¹⁶ is included in the charts in the main body of the report. In addition, figures for every state and the District of Columbia are included for each data point in this report in the accompanying Appendix.¹⁷



Documenting Export Success by Small Businesses Owned by Women on eBay

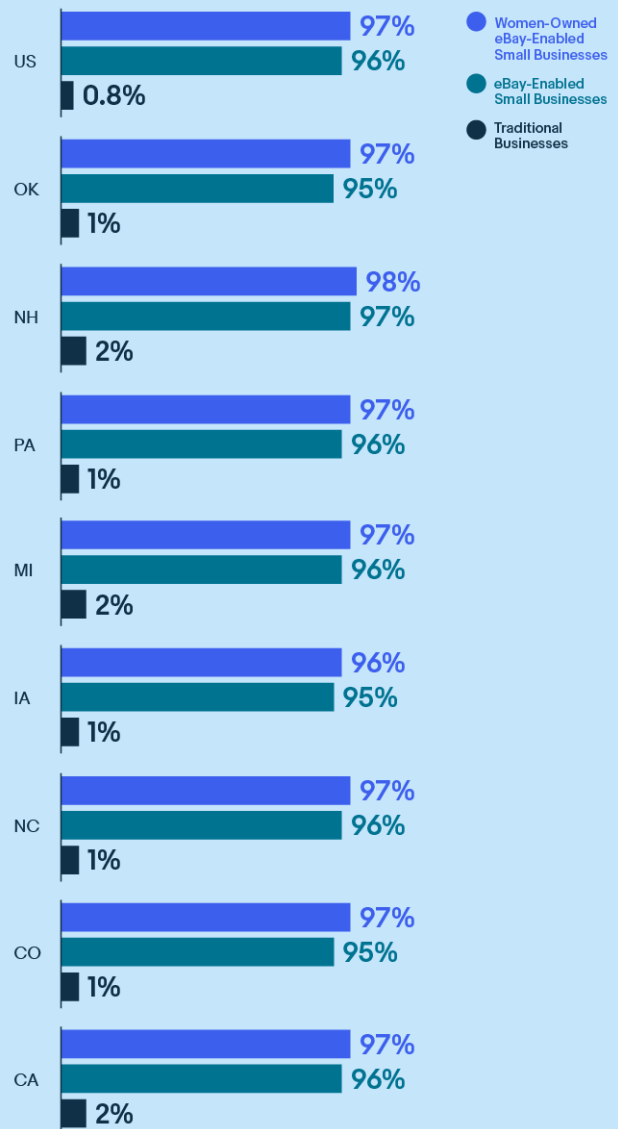
Share of Enterprises Exporting

Nearly all US-based small businesses selling on eBay are exporting, with women-owned small businesses slightly outperforming the overall rate, a result that is not the norm with traditional trade. The export rate of small businesses owned by women on eBay in 2020 was a staggering 97 percent, which slightly topped the 96 percent export rate for small businesses on eBay overall.¹⁸ Those exporting rates dwarf those in the overall economy, which stood at less than 1 percent for all US-based businesses.¹⁹ Taken state-by-state, eBay-enabled small business exporting ranged from 94 percent to 97 percent. The state-by-state export rates from the small businesses owned by women on eBay were again slightly higher, ranging from 95 percent to 99 percent, and beat the overall rate in 44 of 50 states. The District of Columbia is the only jurisdiction where the 96 percent export rate of women-owned eBay-enabled small businesses fell below the overall eBay exporting rate.

Average Number of Markets Reached by Exporters

Exporting to a new international market had traditionally imposed new costs of entry on the exporter, leading to smaller companies with smaller operating budgets exporting to fewer markets than larger firms with more financial and human resources. In contrast, eBay levels the playing field, largely ending that relationship between size and the ability to reach more export markets and creating global export opportunities for even the smallest businesses and microentrepreneurs. Nationwide, small businesses owned by women on eBay exported to an average of 15 different export markets.²⁰ At the state level, the average number of international markets reached by small businesses owned by women on eBay ranged from 11 to 17. By comparison, the state-by-state average for the small share of traditional businesses that export was only 3 to 5 different markets.²¹ Finally, small businesses owned by women on eBay topped the statewide average of all small businesses on eBay in 14 states, equaled that mark in 35 states and the District of Columbia, and fell one export market short in Delaware.

Share of Enterprises Exporting



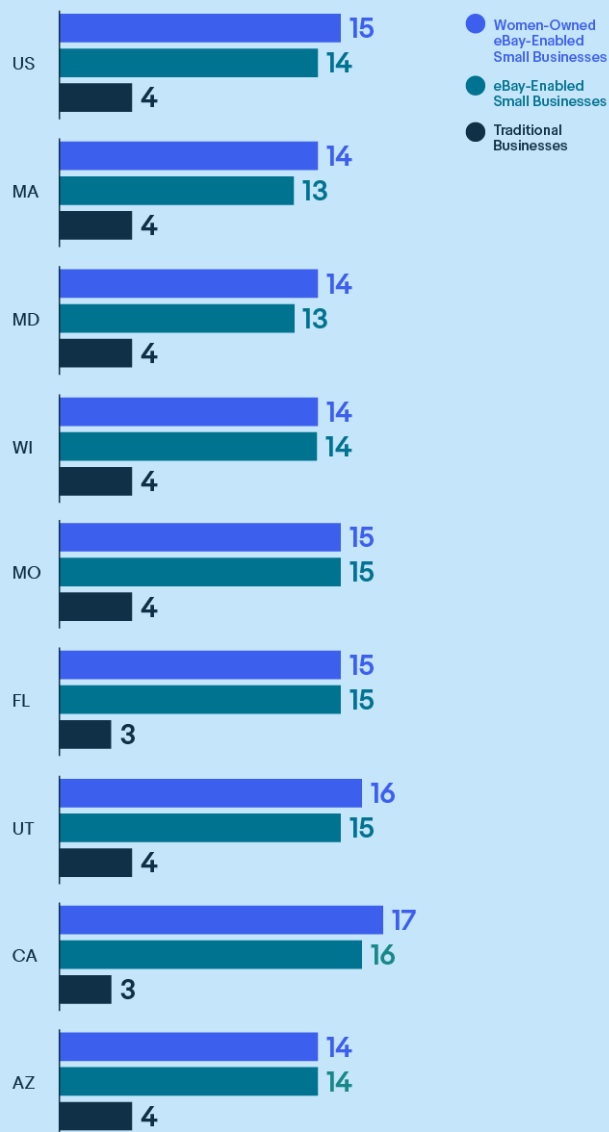
Top Five Export Markets for Women-Owned eBay-Enabled Small Businesses²²

1. 🇨🇦 Canada
2. 🇬🇧 United Kingdom
3. 🇦🇺 Australia
4. 🇨🇳 China
5. 🇩🇪 Germany

Share of Enterprises That Export to Ten or More Different Markets

Another measurement of the scale of small business exporting activity is the share of exporters that sell into 10 or more international markets. US Census Bureau data²³ indicates that only 8 percent of all US exporters, who represent less than one percent of US businesses, made sales to 10 or markets in 2019. By contrast, small businesses on eBay are able to access international markets at a much higher rate. As noted above, 96 percent of eBay-enabled small businesses are exporters, and 51 percent of them hit the 10-export market threshold in 2020.²⁴ Those small businesses on eBay owned by women were especially prodigious exporters based on this metric, with 55 percent hitting the 10-export market threshold. Looking state-by-state, the small businesses owned by women on eBay topped the overall eBay small business figure 49 times, equaled it once and fell short by one percentage point in North Dakota. In Alaska and West Virginia, the community of small businesses owned by women on eBay that reached 10 export markets topped the overall statewide eBay average by a full 10 percent.

Average Number of International Destination Markets



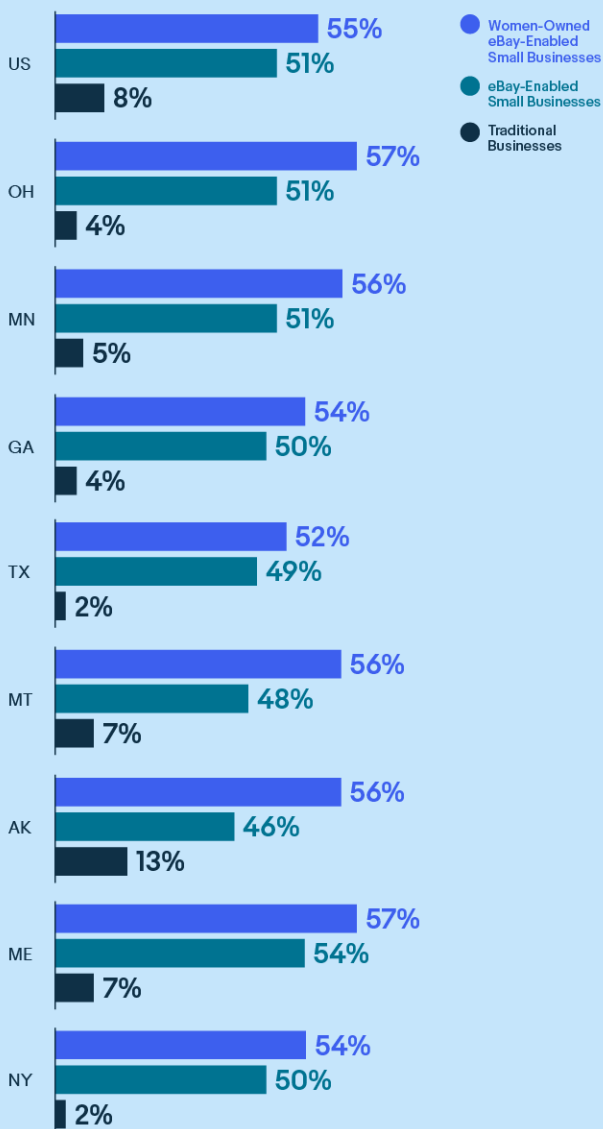
Note: Only exporters are considered.



Top Five Product Categories Exported by Women-Owned eBay-Enabled Small Businesses²⁵

1. Auto Parts
2. Clothes, Shoes & Accessories
3. Computing
4. Jewelry & Watches
5. Business, Office & Industrial

Share of Enterprises That Reach Ten or More Different International Markets

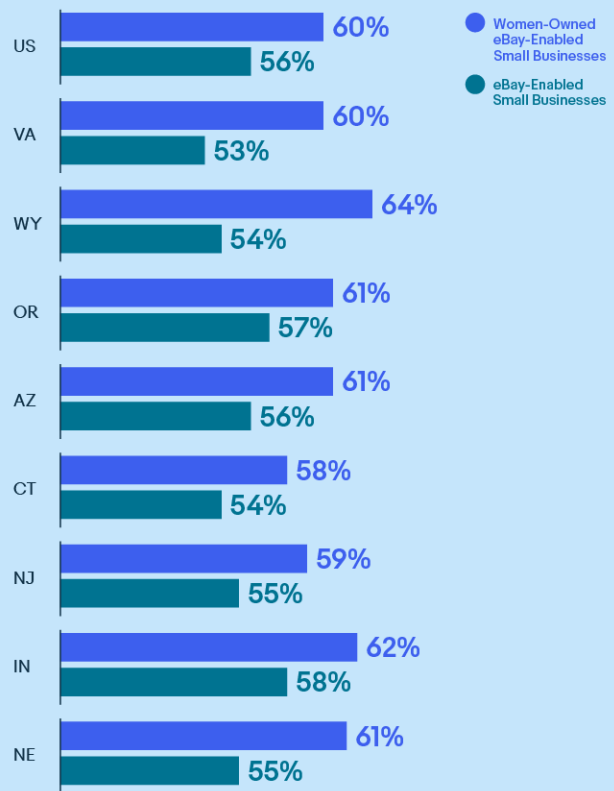


Note: Only exporters are considered.

Share of eBay-Enabled Small Businesses Who Are “Global Exporters”

We have calculated the continental reach of small businesses on eBay to illustrate the truly global scale of their export activity. For the purposes of this analysis, sales were designated to buyers on one of six continents: North America, South America, Europe, Asia, Africa and Australia. When a small business on eBay exported to a buyer in a country on a continent, they were credited with an export to that continent. Additionally, when an export sale is made to a country on the same continent as the seller, that sale is counted as an export to that continent. (e.g., a sale to a buyer in Mexico is an export to a North American market). We classify an eBay-enabled small business with sales to four or more continents in a year to be a “Global Seller”. Fifty-six percent of the eBay-enabled small businesses in the United States achieved the status of Global Seller in 2020, but 60 percent of women-owned eBay-enabled small businesses cleared that global hurdle.²⁶ Idaho was the only state that the women-owned eBay-enabled small businesses did not top their overall statewide rate.

Share of eBay-Enabled Small Businesses Exporting to Buyers on Four or More Continents



Note: Only exporters are considered.

CONCLUSION



This report demonstrates the success of eBay small businesses owned by women in exporting around the globe, illustrating how marketplace platforms such as eBay level the playing field by opening access to global markets to even the smallest businesses and microentrepreneurs. Breaking into new global markets has historically been a resource intensive logistical and operational challenge. As a result, larger businesses have traditionally exported more than smaller businesses. Each new export market presented its own unique hurdles, so larger businesses that could call on more resources have also exported to more international markets than small businesses. Finally, because women-owned businesses are, on average, smaller than those owned by men, they have been historically disadvantaged when it comes to exporting.

On eBay, these traditional export dynamics have been largely left behind or even turned on their head. Nearly every small business on eBay exports and at the rate and global scale of large multinational companies. And, small businesses owned by women on eBay are not just trade equals; as a group they generally outperform the rate of eBay small businesses overall and have proven themselves highly proficient online exporters. Given that businesses that export have traditionally been more successful and resilient than those who do not, the online export success presented in this report is a positive sign that women entrepreneurs on eBay are building successful business enterprises for the long haul.



Karen Lesak

Finds For You
Glenview, IL

Karen's store, "Finds for You", started as a hobby selling items from her closet, and quickly grew into a successful business that sells designer clothing and accessories to consumers around the globe. Her growth and success have allowed her to support her local community through professional development opportunities and donations to local charities.

"I can really leverage eBay's global reach to access a worldwide audience. eBay helps alleviate the stress of an international sale and helps increase my reach to foreign countries. As a small business, I am only able to ship globally thanks to my partnership with eBay."

RESOURCES

- ¹ JPMorgan Chase & Co. (2019) "Smaller Businesses are More Likely to be Owned by Women and Minorities." Available at: <https://www.jpmorganchase.com/institute/research/small-business/small-business-dashboard/diverse-ownership>.
- ² The analysis is based on data covering transactions on the eBay marketplace in 2020 and is limited to transactions by sellers with sales of \$10,000 USD or more annually on the eBay marketplace.
- ³ Includes countries and territories.
- ⁴ The first year that the US Census Bureau provided data on women-owned businesses. See: American Express (2018) "The 2018 State of Women-Owned Businesses Report." [Page 2] Available at: <https://www.empowerwomen.org/en/resources/documents/2019/01/the-2018-state-of-women-owned-business-report?lang=en>.
- ⁵ American Express (2018) "The 2018 State of Women-Owned Businesses Report." Available at: <https://www.empowerwomen.org/en/resources/documents/2019/01/the-2018-state-of-women-owned-business-report?lang=en>.
- ⁶ Ibid.
- ⁷ Ibid.
- ⁸ Including access to financing, business networks, government procurement and other markets, entrepreneurship training, the relative share of women-owned businesses in various economy sectors, and differences in personal goals and motivations of women entrepreneurs compared to male counterparts. See see: COFCO (2019) "Men Owned Businesses vs. Women Owned Businesses... Are There Differences?" Available at: <http://www.cofcogroup.com/men-owned-businesses-vs-women-owned-businesses-are-there-differences/>; Hadary, Sharon G. (05/17/2010) "Why Are Women-Owned Firms Smaller Than Men-Owned Ones?" The Wall Street Journal. Available at: <https://www.wsj.com/articles/SB10001424052748704688604575125543191609632>; McManus, Michael J. (05/31/2017) "Women's Business Ownership: Data from the 2012 Survey of Business Owners." US Small Business Administration. Available at: <https://www.sba.gov/sites/default/files/advocacy/Womens-Business-Ownership-in-the-US.pdf>; TD Economics (01/16/2015) "Canadian Women Leading the Charge Into Entrepreneurship." Available at: <https://www.td.com/document/PDF/economics/special/WomenEntrepreneurs.pdf>; and Organization for Economic Cooperation and Development (2016) "Policy Brief on Women's Entrepreneurship." Available at: https://read.oecd-ilibrary.org/economics/policy-brief-on-women-s-entrepreneurship_dd2d79e7-en#page1.
- ⁹ International Trade Centre (2015) "Unlocking Markets for Women to Trade." Available at: <https://www.oecd-ilibrary.org/content/publication/aa9eaa55-en>.
- ¹⁰ For example, see Roberts, Mark J. and James R. Tybout. Directions in Development: What Makes Exports Boom? (Washington, D.C.: The World Bank, 1997a); Bernard, Andrew and Joachim Wagner. Export entry and exit by German firms. Review of World Economics (Weltwirtschaftliches Archiv), 137 (2001), 105-123.; Bernard, Andrew and J. Bradford Jensen. Entry, Expansion, and Intensity in the US Export Boom, 1987-1992. Review of International Economics, 12 (2004b), 662-675.
- ¹¹ World Economic Forum (2015) "What Companies Want From the World Trading System." Available at: http://www3.weforum.org/docs/WEF_GAC_Trade_II_2015.pdf.
- ¹² US Census Bureau (04/05/2022) "A Profile of US Importing and Exporting Companies, 2019–2020." Available at: <https://www.census.gov/foreign-trade/Press-Release/edb/edbrel2020.pdf>.
- ¹³ International Trade Centre (2015) "Unlocking Markets for Women to Trade." Available at: <https://www.oecd-ilibrary.org/content/publication/aa9eaa55-en>.
- ¹⁴ See Meltzer, Joshua (2014) "Supporting the Internet as a Platform for International Trade." The Brookings Institute. Available at: <https://www.brookings.edu/research/supporting-the-internet-as-a-platform-for-international-trade/>; World Economic Forum (2015) "What Companies Want From the World Trading System." Available at: http://www3.weforum.org/docs/WEF_GAC_Trade_II_2015.pdf; OECD/ECLAC (2012) "Latin American Economic Outlook 2013: SME Policies for Structural Change." OECD Publishing. Available at: http://repositorio.cepal.org/bitstream/handle/TI362/1464/1/S2012085_es.pdf.
- ¹⁵ Olarreaga, Marcelo (11/07/2012) "eBay Reduces Trade Costs Where it is Needed Most." The World Bank - Let's Talk Development Blog. Available at: <http://blogs.worldbank.org/developmenttalk/ebay-reduces-trade-costs-where-it-is-most-needed>.
- ¹⁶ The Bureau of Economic Analysis, housed within the US Department of Commerce, divides the country into eight regions for the purposes of collecting and analyzing data. The regions are based on similarities that exist across the states with regard to a number of socioeconomic characteristics. Available at: <https://apps.bea.gov/regional/docs/regions.cfm>.
- ¹⁷ Available at ebaymainstreet.com/InclusiveTrade.
- ¹⁸ The eBay data reflects the share of 2020 eBay-enabled small businesses (those with \$10,000 USD or more in sales on eBay) in each location, who exported in that year.
- ¹⁹ Source for total number of exporters (2019): US Census - Profile of U.S. Importing and Exporting Companies, 2018-2019. Available at: https://www.census.gov/foreign-trade/Press-Release/edb/profile_hist.html.
US data: Table 4a (at page 25) - <https://www.census.gov/foreign-trade/Press-Release/edb/edbrel2019.pdf>.
State data: Table 6a (at page 39) - <https://www.census.gov/foreign-trade/Press-Release/edb/edbrel2019.pdf>.
Source for total number of companies that have at least one employee in addition to the owner (2019): US Census, 2019 County Business Patterns. Available at: https://www.census.gov/programs-surveys/cbp/data/tables/2019/List_1592946817.html.
State/US data: <https://data.census.gov/cedsci/table?q=CBP2019.CB1900CBP&g=01000000US,%240400000>.
Source for total number of companies that have no employees (2018): The County Business Patterns and Nonemployer Statistics Combined Report, 2018. Available at: <https://www.census.gov/data/tables/2018/econ/cbp/2018-combined-report.html>.
State/US data: <https://www2.census.gov/programs-surveys/nonemployer-statistics/datasets/2018/historical-datasets/>.
Share = (total number of exporters) / ((number of employing companies) + (number of non-employing companies)).

RESOURCES

- ²⁰ The eBay data reflects the average number of different international markets reached by exporting 2020 eBay-enabled small businesses (those with \$10,000 USD or more in annual sales on eBay) in each location, who exported in that year.
- ²¹ Source for US level (i) Number of firms that trade with 1 country; (ii) Number of firms that trade with 2 to 4 countries; (iii) Number of firms that trade with 5 to 9 countries; (iv) Number of firms that trade with 10 to 24 countries; (v) Number of firms that trade with 25 to 49 countries; (vi) Number of firms that trade with 50+ countries: US 2019 data: US Census - Profile of US Importing and Exporting Companies, 2018-2019, Table 4a (at page 25). Available at: https://www.census.gov/foreign-trade/Press-Release/edb/profile_hist.html.
<https://www.census.gov/foreign-trade/Press-Release/edb/edbrel2019.pdf>.
 Average number (US level) = $((\text{number of firms that trade with 1 country}) \times 1 + (\text{number of firms that trade with 2 to 4 countries}) \times 3 + (\text{number of firms that trade with 5 to 9 countries}) \times 7 + (\text{number of firms that trade with 10 to 24 countries}) \times 17 + (\text{number of firms that trade with 25 to 49 countries}) \times 37 + (\text{number of firms that trade with 50+ countries}) \times 60) / ((\text{number of firms that trade with 1 country}) + (\text{number of firms that trade with 2 to 4 countries}) + (\text{number of firms that trade with 5 to 9 countries}) + (\text{number of firms that trade with 10 to 24 countries}) + (\text{number of firms that trade with 25 to 49 countries}) + (\text{number of firms that trade with 50+ countries}))$.
 Source for State level (i) Number of firms that trade with 1 to 5 countries; (ii) Number of firms that trade with 6 to 9 countries; (iii) Number of firms that trade with 10+ countries: State 2016 Data: Purchased US Census Data. Average number (state level) = $((\text{number of firms that trade with 1 to 5 countries}) \times 3 + (\text{number of firms that trade with 6 to 9 countries}) \times 7.5 + (\text{number of firms that trade with 10+ countries}) \times 15) / ((\text{number of firms that trade with 1 to 5 countries}) + (\text{number of firms that trade with 6 to 9 countries}) + (\text{number of firms that trade with 10+ countries}))$.
- ²² The eBay data reflects the top 5 export destination markets (based on sales) for 2020 eBay-enabled small businesses (those with \$10,000 USD or more in annual sales on eBay) in each location, who exported in that year.
- ²³ Source for total number of firms exporting to 10+ markets (2019): U.S. Census - Profile of US Importing and Exporting Companies, 2018-2019. Available at: https://www.census.gov/foreign-trade/Press-Release/edb/profile_hist.html.
 US data: Table 4a (at page 25). Available at: <https://www.census.gov/foreign-trade/Press-Release/edb/edbrel2019.pdf>.
 Source for total number of companies that have at least one employee in addition to the owner (2019): US Census, 2019 County Business Patterns. Available at: https://www.census.gov/programs-surveys/cbp/data/tables.2019.List_1592946817.html.
 US data: <https://data.census.gov/cedsci/table?q=CBP2019.CB1900CBP6g=0100000US,%240400000>.
 Source for total number of companies that have no employees (2018): The County Business Patterns and Nonemployer Statistics Combined Report, 2018. Available at: <https://www.census.gov/data/tables/2018/econ/cbp/2018-combined-report.html>.
 US data available at: <https://www2.census.gov/programs-surveys/nonemployer-statistics/datasets/2018/historical-datasets/>.
 Share = $(\text{total number of firms exporting to 10+ markets}) / ((\text{number of employing companies}) + (\text{number of non-employing companies}))$.
- ²⁴ The eBay data reflects the share of exporting 2020 eBay-enabled small businesses (those with \$10,000 USD or more in sales on eBay) in each location, who exported to ten or more international markets in that year.
- ²⁵ The eBay data reflects the top 5 product categories exported (based on sales) by 2020 eBay-enabled small businesses (those with \$10,000 USD or more in annual sales on eBay) in each location, who exported in that year.
- ²⁶ The eBay data reflects the share of exporting 2020 eBay-enabled small businesses (those with \$10,000 USD or more in sales on eBay) in each location, who exported to four or more continents in that year.

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