"Founding Social Enterprises in the U.S.: Points ofEntry, and Barriers to Entry With a Special Focus on the Relative Roles ofMale and Female Social Entrepreneurs"

Erica Broadus, Ph.D.
Trachtenberg School of Public Policy and Public Administration
The George Washington University

Joseph Cordes
Professor of Economics, Public Policy and Public Administration, and International Affairs
Trachtenberg School of Public Policy and Public Administration
The George Washington University

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Social enterprises are businesses that intentionally pursue social value creation through earned income strategies. A growing body of research suggests that women are prone toward social enterprise due to their desire to make contributions to society; propensity toward altruism, care, and protection of disadvantaged groups; and attraction to mission-driven initiatives. These findings align with empirical research that suggests that women are motivated toward, conduct, and measure business success differently than men – with emphasis on social impact rather than profit alone.

In the U.S., women-owned commercial businesses have historically lagged men's in key economic indicators: ownership, revenue, and size. Deeper inquiry has revealed that issues related to *gender* – not just biological sex – help explain these disparities. The theories of entrepreneurial expectancy and social learning suggest that women-owned businesses *can* perform as well as men's, but external feedback from people, personal experiences, and external forces (e.g., media, society, and industry demographics) undermine women's confidence and hinder them from achieving financial goals. This study is a first step toward understanding if the same patterns hold for for-profit social enterprises.

Our paper attempts to address the several questions about the participation of women entrepreneurs in the growing social enterprise sector.

(1) Are there different patterns of entry and ownership among male and female social entrepreneurs?

(2) How ,if at all, do these patterns compare with those in the more traditional for-profit sector?

(3) Does the financial performance of female and male social enterprise start-ups differ?

(4) Do female social entrepreneurs set different goals for their startups than do their male counterparts?

To address these questions we proceed as follows. First, we briefly summarize analyses of why from the vantage point of both economics, and also of feminist theory women entrepreneurs are more likely to face challenges than male entrepreneurs. We then present tabulations from responses by female and

male social entrepreneurs to a recent survey of alumni of a social enterprise accelerator of social enterprises.

Background: Female Vs. Male Entrepreneurs

Issues related to gender help explain differences between the financial performances of women- and men-owned businesses in the commercial sector. Studies of female business ownership in economics, business, and finance have found: (1) that women are much less likely to be business owners than are men, and (2) to quote Fairlie and Robb (2008) "female-owned businesses are less successful than male-owned businesses because they have less startup capital, and business human capital acquired through prior work experience in a similar business and prior work experience in family business. We also find some evidence that female-owned businesses work fewer hours and may have different preferences for the goals of their business."

Figures 1-3 provide some descriptive information about women-and men-owned firms in the United States

The question to be taken up is whether similar patterns are observed in the case of women social entrepreneurs who seek to create and to sustain social enterprises. The data set that we use to examine this question is from the Global Accelerator Leadership Initiative (GALI

The study uses survey data from the Global Accelerator Learning Initiative (GALI), a product of the Entrepreneurship Database Program (the Program) at Emory University in Atlanta, Georgia.

The Program collected data from 13,495 enterprises worldwide that applied to accelerator programs between 2013 and 2017. The data includes demographics, legal status, operations, social motives, impact areas and beneficiaries, financial goals and performance, founders/owners' backgrounds, and more. The list below is a description of the full dataset. A list of accelerators that participated in the data collection and the survey instrument are included in Appendices 3 and 4, respectively.

Figure 1: Number of U.S. women- and men-owned firms, 2012

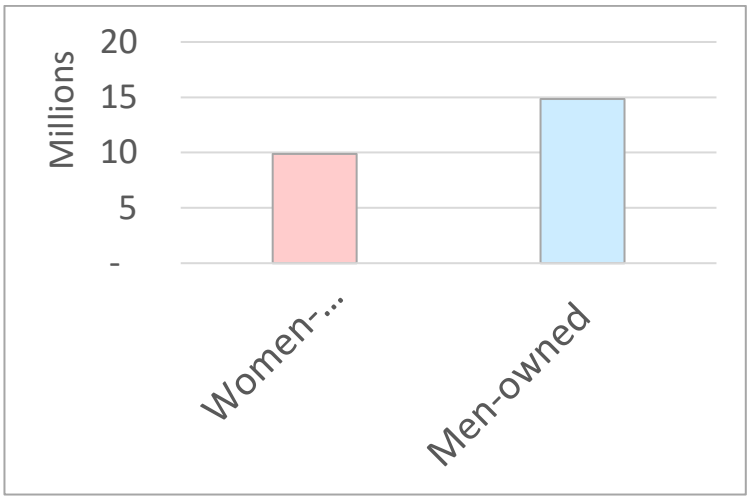


Figure 2: Annual receipts of U.S. women- and men-owned firms, 2012

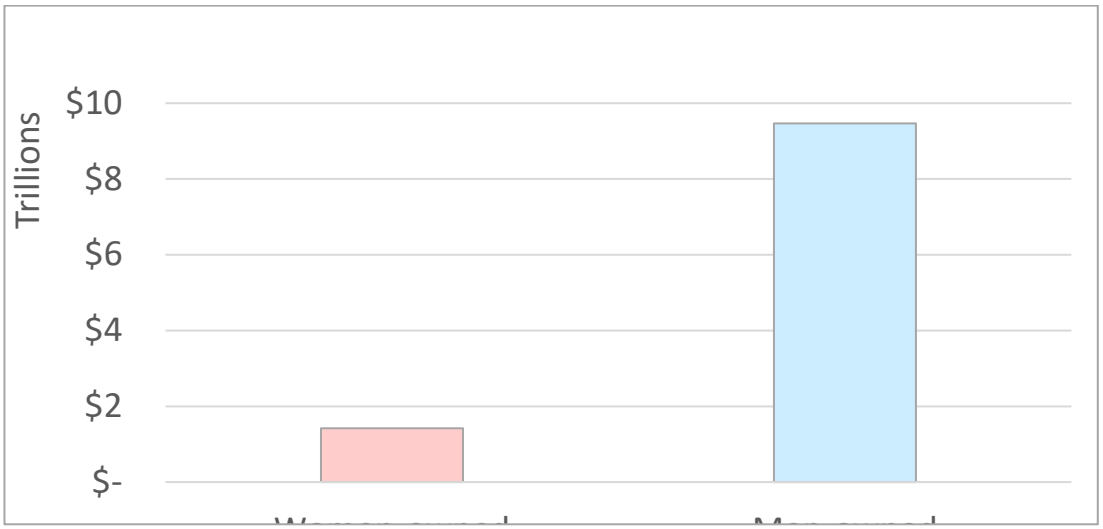
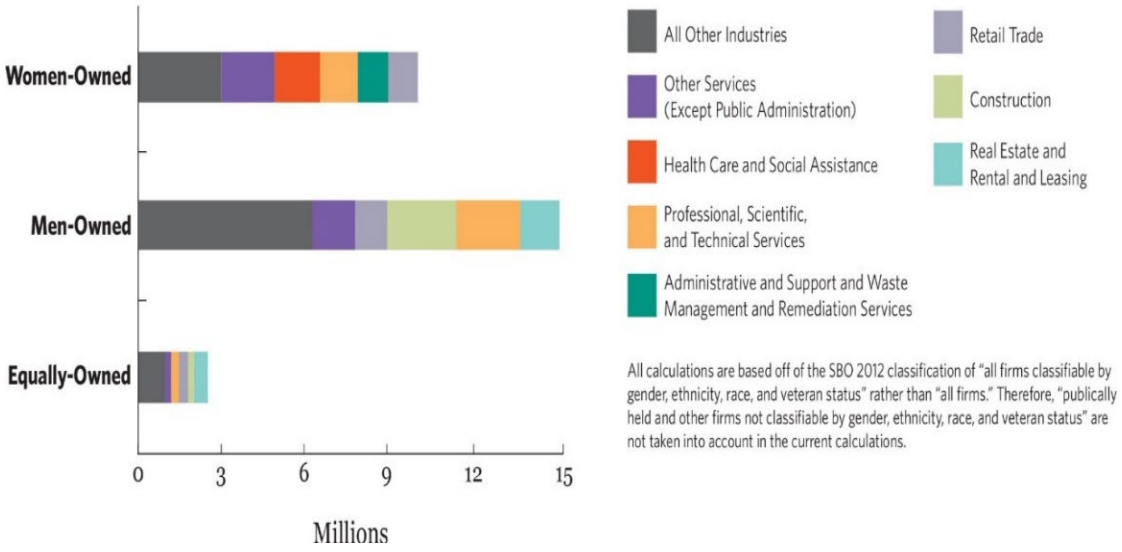


Figure 3: Top 5 industries by number of women- and men-owned firms.



All calculations are based off of the SBO 2012 classification of "all firms classifiable by gender, ethnicity, race, and veteran status" rather than "all firms." Therefore, "publically held and other firms not classifiable by gender, ethnicity, race, and veteran status" are not taken into account in the current calculations.

- Geography: The 13,495 organizations operate in 159 countries that span six continents. The most prevalent countries are the United States of America (2,888; 21%), Mexico (1,612; 12%), and India (1,255; 9%). The most prevalent continents are North America (5,315; 39%), Africa (3,698; 27%), and South America (2,334; 17%). See Appendix 5 for a full list.

- Enterprise Age20: Nearly three-quarters (9,626; 74.2%) of the organizations were founded in the past five years. About one-fifth (2,648; 20.4%) were founded six to 10 years ago. Another 3.2% (411) were founded 11-15 years ago, 1.2% (150) were founded 16-20 years ago, and 1.1% (142) were founded more than 20 years ago. A small percentage (518; 3.8%) were unknown.

- Number of founders/owners: Almost half (5,887; 44%) of the entities are founded/owned by three individuals. About one-third (4,538; 34%) have two founders/owners, and less than one-quarter (2,986; 22%) are solely owned. A small percentage, 0.1% (84) are not known.

20 As of June 2018, when quantitative data was analyzed.

- Sex of founders/owners[1]2: The entities are owned (or majority owned) as follows: 21% by women (2,854), 64% by men (8,591); and 13% are equally owned by women and men (1,736). An additional 2% (314) did not disclose the sex of their founders.

- Legal status: Among the enterprises, 80% (10,804) are for-profits, 10% (1,364) are nonprofits, 6% (807) indicated "other" legal sector, 4% (502) are undecided, and 0.1% (18) did not state a legal sector.

- Social motive: Among the organizations, 87% (11,801) have a social motive; 13% do not have a social motive, and very few (0.1%; 8) were unknown.

The organizations' primary operational sectors and models [2]are listed in Tables 3.1 and 3.2, respectively, from high to low frequency:

[1] This study distinguishes women- and men-owned social enterprises by the sex of the majority of founders/owners (e.g., 1 of 1, or 2 of 3), similar to the Survey of Business Owners, which defines women- and men- owned businesses as entities with majority (51% or more) female or male ownership, respectivel
[2]Firms could select more than one operational model, thus percentages exceed 100.

Table 3.1: Operational sectors (full data-set)		
Primary sector (industry)	**Number of firms**	**Percentage of firms**
Other	2,451	18.2%
Education	2,050	15.2%
Agriculture	1,729	12.8%
Health	1,475	10.9%
Info and comm. Tech	1,321	9.8%
Financial Services	1,102	8.2%
Energy	695	5.2%
Environment	685	5.1%
Tourism	382	2.8%
Artisanal	300	2.2%
Supply chain services	246	1.8%
Water	230	1.7%
Culture	229	1.7%
Housing development	183	1.4%
Infrastructure/facilities dev	165	1.2%
Technical asst. services	149	1.1%
Not stated	103	0.8%

Table 3.2: Operational models (full dataset)		
Operational models	**Number of firms**	**Percentage of firms**
Services	8,724	64.6%
Production/manufacturing	4,037	29.9%
Distribution	3,064	22.7%
Wholesale/retail	2,789	20.7%
Processing/packaging	1,864	13.8%
Financial services	1,563	11.6%
Unsure	489	3.6%

Table 3.3 provides the firms' areas of social impact, from most prevalent to least[23].

Table 3.3: Social impact areas (full data-set)

Areas of social impact	Number of firms	Percentage of firms
Employment generation	3,749	27.8%
Income/productivity growth	2,994	22.2%
Community development	2,760	20.5%
Access to education	2,418	17.9%
Health improvement	2,170	16.1%
Equality and empowerment	2,032	15.1%
Access to information	1,772	13.1%
Agriculture productivity	1,761	13.0%
Capacity-building	1,542	11.4%
Other	1,536	11.4%
Access to financial services	1,442	10.7%
Food security	1,252	9.3%
Pollution prevention and waste management	1,119	8.3%
Support for women and girls	1,099	8.1%
Access to energy	718	5.3%
Sustainable land use	707	5.2%
Sustainable energy	583	4.3%
Generate funds for charitable giving	546	4.0%
Energy and fuel efficiency	517	3.8%
Disease-specific prevention and mitigation	450	3.3%
Access to clean water	446	3.3%
Efficiency	313	2.3%
[23]Affordable housing	295	2.2%
Biodiversity conservation	280	2.1%
High impact	225	1.7%
Water resources management	225	1.7%
Natural resources conservation	223	1.7%
Conflict resolution	208	1.5%
Human rights protection or expansion	207	1.5%

Table 3.4 describes the degree to which the enterprises target certain demographic groups, from most prevalent to least.

Table 3.4: Beneficiaries (full data-set)		
Beneficiaries Impacted	**Number of firms**	**Percentage of firms**
Other	5,146	38.1%
Children and adolescents	1,865	13.8%
Women	1,588	11.8%
Minorities	1,338	9.9%
Disabled	249	1.8%
Not stated	3,309	24.5%

Exclusion Criteria

Our study focuses on U.S.-based for-profit social enterprises from a gender perspective. Therefore, 11,869 observations were excluded from the full dataset (described above) based on the following criteria:

- Enterprises that do not operate in the United States. The data contains the variable "Country of Operations," which indicates each entity's country of main operations. Of the 13,495 initial observations, I dropped 10,607 that operate outside the U.S. This yielded 2,888 entities that operate in the U.S.
- Enterprises that are not socially motivated. The data contains the variable "Has Social Motives – Y/N," which indicates whether the entity has a social motive; 1 for yes, and 0 for

no. Excluded observations (those that reported "0") totaled 271. An additional 90 were not stated. This decreased the total to 2,527 U.S.-based social enterprises.

- Enterprises that do not have a for-profit legal status. The data contains the variable "Legal Status," which indicates whether the entity operates as a for-profit or another type. Exclusions included observations whose legal status was nonprofit (379), other (164), or undecided (83). This yielded 1,901 U.S.-based for-profit social enterprises.
- Enterprises that are not founded/owned by women *or* men.[3] The data contains three variables, "Fndr 1 Gender," "Fndr 2 Gender," and "Fndr 3 Gender," which indicate the biological sex of up to three founders/owners of each entity. The variables are coded F for female and M for male. From these data, I created a new variable called "Gender of Ownership" that reports the majority-sex of each enterprise's founders/owners[24]. Two hundred thirty-one entities equally owned by one man and one woman were excluded, as were 44 that did not provide ownership information. This yielded a final sample of 1,626 U.S.-based for-profit social enterprises founded/owned by women (433; 26.6%) or by men (1,193; 73.4%).

Summary of the Quantitative Sample

Among the 1,626 U.S.-based for-profit social enterprises that are founded/owned by women or men, most (75.9%) are founded/owned by more than one person. The enterprises range from one to 58 years of age, but most (75.8%) are one to five years old. The average age is about four and a half years. The entities operate in a variety of sectors; most prevalent are Education (18.6%), Health (17.8%), and Other (17.1%), and their most frequent operational models are

[3] This method of determining the sex of founders/owners is used by the U.S. Census Survey of Business Owners and the Annual Survey of Entrepreneurs.

Analysis

Research Question 1, the distribution of women- and men-owned social enterprises, is answered through descriptive statistics analyzed in Excel and Stata. They include simple statistics (e.g., mean, median, etc.), cross-tabulations, and tests for statistically significant differences between social enterprises founded/owned by women and by men in four areas: demographics (ownership and age), operations (sectors and models), financial performance (revenue, profit margin, and size), and social impact (areas of impact, beneficiaries, and rates of impact measurement).

Research Question 2, whether gender matters to the financial performance of social enterprise, is answered through quantitative and qualitative analysis. Following is an overview of the quantitative portion. Tables 3.5 to 3.8 list each hypothesis (described in Chapter 2), related sub-questions, components of each sub-question, applicable variables, and methods of analysis.

Table 3.5: Hypothesis 1, Sub-question A, Components of Sub-Question A, Variables, and Analysis

H1: Women- and men-owned social enterprises operate in different industries.		
Sub-Q A: To what extent do women- and men-owned social enterprises operate in different industries?		
Components of Sub-Q A	**Variables**	**Analysis**
A1. What operational sectors and models[25] are most prevalent among women-owned social enterprises?	GALI data:[4] • Gender of Ownership • Sector of Operations • Operational Model	Cross-tabulation of operational sectors and models by sex of founders/owners. Report the 3 most frequent operational sectors and models for women-owned.
A2. What operational sectors and models are most prevalent among men-owned social enterprises?	GALI data: • Gender of Ownership • Sector of Operations • Operational Model	Cross-tabulation of operational sectors and models by sex of founders/ owners. Report the 3 most frequent operational sectors and models for men-owned.
A3. To what extent do women- and men-owned social enterprises operate in different sectors?	GALI data: • Gender of Ownership • Sector of Operations	Report which sex has the greater level of participation in each operational sector. T-test results for statistically significant differences.
A4. To what extent do women- and men-owned social enterprises use different operational models?	GALI data: • Gender of Ownership • Operational Model	Report which sex has the greater level of participation in each operational model. T-test results for statistically significant differences.

[4] The GALI data contains two variables that signify "industry": operational sector and operational model. Both variables are used in analysis because the U.S. Department of Labor classifies many of the data's operational sectors (e.g., education, health) and operational models (e.g., manufacturing, wholesale trade) as industries.

le 3.6: Hypothesis 2, Sub-question B, Components of Sub-Question B, Variables, and Analysis

H2: Women-owned social enterprises are less likely than men-owned social enterprises to operate in high-revenue industries.		
Sub-Q B: To what extent do women- and men-owned social enterprises operate in high-revenue industries?		
Components of Sub-Q B	**Variables**	**Analysis**
B1: How do women- and men-owned social enterprises' top 3 industries compare to high-revenue industries?	GALI data: • Gender of Ownership • Sector of Operations • Operational Model • Average Annual Revenue SBO data[5] • Industries by receipts	Compare the top 3 women's and men's social enterprise operational sectors and models to the SBO data, by annual receipts. Alternative 1: Calculate and report the top 3 social enterprise operational sectors and models by low and high revenue[6]. Then, compare the percentage of women- and men-owned social enterprises that operate in each of these high-revenue sectors and models. Alternative 2: Report the 3 most prevalent operational sectors and models among women- and men-owned. Then, calculate and report the percentage of high-revenue firms contained within these sectors and models.

[5] As describe in Chapter 1, SBO data is the 2012 U.S. Census Survey of Business Owners and Self-employed Persons. SBO data informed two methods of comparison: The "Industry Differences by Gender: Top Five Industries by Average Receipts 2012" report issued by the National Women's Business Council in March 2016, and the "Data from the 2012 Survey of Business Owners: Top 20 Industries by Sales" report issued by the U.S. Small Business Administration's Office of Advocacy on May 31, 2017.

[6] "$1 million plus" is the highest revenue category tracked by the Census Survey of Business Owners. Thus, I defined high revenue as average annual revenue of at least $1 million, and low revenue as average annual revenue less than $1 million.

B2: To what extent are women-owned social enterprises less likely than men-owned social enterprises to operate in a high-revenue sector?	GALI data: • Gender • 3 "high-revenue"[7] operational sectors • Team Average Job Tenure	Logit regression to determine the odds that operating in a high-revenue sector depends on gender (being woman-owned), while controlling for variables related to founders/owners' competency.
	• High Ed – Bachelor's degree or higher • Team Any type of start-up Y/N • Team FP Experience – Y/N • Team NP Experience – Y/N	
B3: To what extent are women-owned social enterprises less likely than men-owned social enterprises to use a high-revenue operational model?	GALI data: • Gender • 3 "high-revenue" models[8] • Team Average Job Tenure • High Ed – Bachelors or Higher • Team: Any type of start-up Y/N • Team: FP Experience – Y/N • Team NP Experience – Y/N	Logit regression to determine the odds that using a high-revenue operational model depends on gender (being woman-owned), while controlling for variables related to founders/owners' competency.

Table 3.7: Hypothesis 3, Sub-question C, Components of Sub-Question C, Variables, and Analysis

H3: Women-owned social enterprises have lower financial expectations and preferences than those owned by men.		
Sub-Q C: To what extent do the financial expectations and preferences of social enterprises differ by sex of founders/owners?		
Components of Sub-Q C	**Variables**	**Analysis**
C1. To what extent do women- and men-owned social enterprises have profit margin expectations?	GALI data: • Gender of Ownership • Has profit margin expectation – Y/N	Cross tabulation of "Has profit margin expectation" by sex of founders/owners. T-test for significance.
C2. To what extent do the profit margin preferences of women- and men-owned social enterprises differ?	GALI data: • Gender of Ownership • Profit margin preference – Range	Cross tabulation of "Profit margin preferences" by sex of founders/owners. T-test for significance.
C3. To what extent are women-owned social enterprises less likely than men-owned social enterprises to prefer high profit margin[9]?	GALI data: • Gender • Profit Margin Preference > 20 • Team Average Job Tenure • Team Any type of start-up Y/N • Team FP Experience – Y/N • Team NP Experience – Y/N	Logit regression to determine the odds that preferring a high profit margin depends on gender (being woman-owned), while controlling for variables related to founders/owners' competency.

[9] [2]GALI survey respondents selected from five choices: 0-5%, 6-10%, 11-15%, 16-20%, and more than 20%, as described in Table 3.11. Thus, I defined "high" profit margin preference as the highest category: more than 20%.

Table 3.8: Hypothesis 4, Sub-question D, Components of Sub-Question D, Variables, and Analysis

H4: The financial performance (revenue, profits, and size) of women-owned social enterprises is lower than men's.		
Sub-Q D: To what extent does the financial performance of social enterprises differ by sex of founders/owners?		
Components of Sub-Q D	**Variables**	**Analysis**
D1. To what extent does the revenue of women-owned social enterprises differ from men's?	GALI data: • Gender of Ownership • Average annual revenue	Cross tabulation of average annual revenue by sex of founders/owners. T-tests for statistical significance.
D2. To what extent do the profits of women-owned social enterprises differ from men's?	GALI data: • Gender of Ownership • Profit margin in Year t-1	Cross tabulation of profit margin in the previous year by sex of founders/owners. T-tests for statistical significance.
D3. To what extent does the size (number of employees) of women-owned social enterprises differ from men's?	GALI data: • Gender of Ownership • Full-time employees in Year t-1 • Part-time employees in Year t-1	Cross tabulation of full-time and part-time employees by sex of founders/owners. T-tests for statistical significance.

Dependent Variables

Sub-question B analyzes the odds that operating in a high-revenue industry (dependent variable) depends on sex of the founders/owners. As mentioned, scholars report that women are more likely to incorporate in industries that are less profitable (Allen and Minniti 2007), slower growing and more competitive than industries favored by men (Hisrich and Brush 1983, Miskin and Rose 1990). More recently, the U.S. Small Business Administration (2017) reported that among the top 20 commercial industries by sales, women own a lower percentage of firms than men do in every industry. Conversely, 12 of the bottom 20 industries by sales are owned by more women

than by men. "High" revenue varies by industry. However, "$1 million plus" is the highest category tracked by the Census Survey of Business Owners[29]. Thus, I defined high revenue as average annual revenue of at least $1 million, and categorized the enterprises as low revenue (below $1 million average annual revenue) and high revenue (at/above $1 million average annual revenue) for each operational sector and model, as described in Tables 3.9 and 3.10, respectively.

Table 3.9: Operational sectors by high and low average annual revenue

	Low Revenue Firms	High Revenue Firms	Proportion of High Revenue Firms
Agriculture	142	3	2.1%
Artisanal	16	0	0%
Culture	25	1	3.8%
Education	301	2	0.7%
Energy	86	1	1.1%
Environment	47	0	0%
Financial Services	206	1	0.5%
Health	289	1	0.3%
Housing development	18	0	0%
Info and comm. Tech	138	2	1.4%
Infrastructure/facilities dev	18	0	0%
Other	276	2	0.7%
Supply chain services	24	0	0%
Technical assistance services	9	0	0%
Tourism	16	1	5.9%

Table 3.10: Operational models by high and low average annual revenue

	Low Revenue Firms	High Revenue Firms	Proportion of High Revenue Firms
Production/manufacturing	519	5	1.0%
Processing/packaging	267	4	1.5%
Distribution	418	7	1.6%
Wholesale/Retail	373	1	0.3%
Services	1,071	9	0.8%
Financial Services	207	1	0.5%

Sub-question C analyzes the odds that having a high-profit-margin preference (dependent variable) depends on the sex of founders/owners. Manolova et al. (2012) suggest that growth intentions and desired outcomes from the entrepreneurial process differ between women and men because women do not focus solely on financial performance, but seek to fulfill many goals (e.g., self-realization, recognition) simultaneously.

The GALI data contains the variable "Profit Margin Preference – Range." The corresponding survey question asks: "What annual profit margin[30] would you be happy achieving on average?" Respondents selected from five choices: 0-5%, 6-10%, 11-15%, 16-20%, and more than 20%, as described in Table 3.11. Thus, I defined "high" profit margin preference as the highest category: More than 20%.

Table 3.11: Profit Margin Preference

	Women-owned				**Men-owned**				**All social enterprises**	
	N	% at each level	% among women		N	% at each level	% among men		N	% among all social enterprises
0 - 5%	1	100.0%	0.3%		0	0.0%	0.0%		1	0.1%
6 - 10%*	7	100.0%	1.9%		0	0.0%	0.0%		7	0.7%
11 - 15%*	77	57.0%	21.4%		58	43.0%	9.7%		135	14.1%
16 - 20%*	2	1.2%	0.6%		159	98.8%	26.6%		161	16.8%
More than 20%*	273	41.7%	75.8%		381	58.3%	63.7%		654	68.3%
	360				598				958	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

Independent Variable

The biological sex of enterprises' founders/owners (labeled "Gender") is the independent variable of interest in this study. Previous research (U.S. Small Business Administration 2017, National Women's Business Council 2016, U.S. Census Survey of Business Owners 2012) indicates that women- and men-owned businesses in the commercial sector have different financial performances (i.e., prevalence, revenue, size). This study investigates whether similar patterns hold for social enterprise. Thus, "gender" was included as an independent variable in the Logit regression models of sub-questions B and C.

Control Variables

Scholars suggest that founders/owners' competency, such as knowledge, social roles, and skills, influence venture creation, growth, and success (Mitchelmore & Rowley 2010, Bird 1995). Thus, founders/owners who are more educated and have more experience (e.g., professional, start-up) may achieve greater financial success than those who are less educated and experienced. Control variables that represent founders/owners' competency are:

- Education: The GALI data reported the highest level of education completed by each founder/owner. Enterprises can have 1, 2, or 3 founders/owners. Thus, I created a new dummy variable titled, "High Ed - Bachelors or Higher" that indicated whether at least one founder/owner of each enterprise had a bachelor's degree or higher. Among all social enterprises, more than half (53.9%) are led by at least one social entrepreneur who possesses a bachelor's degree. The same is true among women-owned (53.8%) and men-owned (54.0%). And, among all social enterprises, about one third (31.9%) are led by at least one social entrepreneur who possesses a master's degree. The same is true among

women-owned (34.2%) and men-owned (31.0%).

Table 3.12: Highest level of education completed by one or more founder/owner of each social enterprise

	Women-owned				Men-owned				All social enterprises	
	N	% of each response	% among women-owned		N	% of each response	% among men-owned		N	% among all social enterprises
None**	0	0.0%	0.0%		9	100.0%	0.8%		9	0.6%
Primary School	3	30.0%	0.7%		7	70.0%	0.6%		10	0.6%
Middle School	8	22.9%	1.8%		27	77.1%	2.3%		35	2.2%
9th Grade	7	17.1%	1.6%		34	82.9%	2.8%		41	2.5%
High School	39	22.7%	9.0%		133	77.3%	11.1%		172	10.6%
Associates Degree**	17	38.6%	3.9%		27	61.4%	2.3%		44	2.7%
Technical/Vocational	69	30.3%	15.9%		159	69.7%	13.3%		228	14.0%
Bachelors' Degree	233	26.6%	53.8%		644	73.4%	54.0%		877	53.9%
Some Grad School	42	22.1%	9.7%		148	77.9%	12.4%		190	11.7%
Master's Degree	148	28.6%	34.2%		370	71.4%	31.0%		518	31.9%
PhD*	12	12.8%	2.8%		82	87.2%	6.9%		94	5.8%

- Previous start-up experience: The GALI data reports whether each founder/owner has started any previous enterprises. I created a new dummy variable titled, "Team: Any type of start-up; Y/N" that indicates whether at least one founder/owner of each enterprise has previously started any type of entity (for-profit, nonprofit, or other). Among all social enterprises, nearly two-thirds (62.8%) are founded/owned by at least one social entrepreneur with previous start-up experience. The same is true among men-owned (65.0%) and greater than half among women-owned (56.6%).

Table 3.13: Previous Start-up Experience: Start-ups of any type by at least one founder/owner of each social enterprise

	Women-owned				**Men-owned**				**All social enterprises**	
	N	% of each response	% among women-owned		N	% of each response	% among men-owned		N	% among all social enterprises
Yes*	245	24.0%	56.6%		776	76.0%	65.0%		1,021	62.8%
No*	188	31.1%	43.4%		417	68.9%	35.0%		605	37.2%
	433				1,193				1,626	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

- Length of work experience: The GALI data reports the length of work experience for all founders/owners. I summed these values for each enterprise and divided by the number of founders/owners to create a new variable titled, "Team Average Job Tenure." The data indicates that more than half (59.7%) of all social enterprises are founded/owned by those who average one to 11 years of work experience. The same is true among women-owned (61.2%) and men-owned (59.2%) entities.

Table 3.14: Length of Work Experience: Average work experience (in years) for each enterprise's founders/owners

	Women-owned				Men-owned				All social enterprises	
	N	% of each response	% among women		N	% of each response	% among men		N	% among all social enterprises
0-<1 year	69	26.3%	15.9%		193	73.7%	16.2%		262	16.1%
1-<11 years	265	27.3%	61.2%		706	72.7%	59.2%		971	59.7%
11-<21 Years	66	24.8%	15.2%		200	75.2%	16.8%		266	16.4%
21-<31 Years	18	28.1%	4.2%		46	71.9%	3.9%		64	3.9%
31-<41 Years	10	27.0%	2.3%		27	73.0%	2.3%		37	2.3%
41+ years	5	20.0%	1.2%		20	80.0%	1.7%		25	1.5%
	433				1,192				1,625	

- Type of work experience: The GALI data indicates the sectors in which founders/owners have worked professionally. I created two new dummy variables titled, "Team FP Experience – Y/N" and "Team NP Experience – Y/N" that indicate whether at least one founder/owner has worked in the for-profit or nonprofit sector, respectively. Among all social enterprises, most (87.8%) are founded/owned by at least one social entrepreneur who has worked in the for-profit sector. The same is true among women-owned (87.3%) and men-owned (88.0%). Among all social enterprises, nonprofit is the second most frequent (38.3%) sector of work experience. The same is true among women-owned (40.9%) and men-owned (37.4%).

Table 3.16: Work experience: Legal sector of one or more founder/owner of each social enterprise

	Women-owned[40]				Men-owned[41]				All social enterprises[42]	
	N	% of each type	% among women-owned		N	% of each type	% among men-owned		N	% among all social enterprises
For-profit	378	26.5%	87.3%		1,050	73.5%	88.0%		1,428	87.8%
Nonprofit	177	28.4%	40.9%		446	71.6%	37.4%		623	38.3%
Government	93	30.1%	21.5%		216	69.9%	18.1%		309	19.0%
Other	52	28.6%	12.0%		130	71.4%	10.9%		182	11.2%

This section provides the study's quantitative analysis and findings in three parts. First, I present descriptive statistics to answer Research Question 1. Then, I address four hypotheses and related sub-questions to answer the quantitative portion of Research Question 2. Last, I summarize the findings.

Descriptive Statistics

Research Question 1 asks: What is the distribution of women- and men-owned social enterprises? This question is answered through descriptive statistics analyzed in Excel and Stata. Analysis includes simple statistics (e.g., mean, median, etc.), cross-tabulations, and tests for statistically significant differences between social enterprises founded/owned by women and by men. Analysis and findings of descriptive statistics are presented in four sections: demographics, operations, financial performance, and social impact.

Demographics

In the U.S., men own nearly three times (73.4%) as many social enterprises as women own (26.6%). Women-owned social enterprises average 2.1 founders/owners and men-owned average 2.4 founders/owners. Yet, more than one third (36.0%) of women's entities are solely owned, while less than one-fifth (19.8%) of men's entities are solely owned. This difference is statistically

significant. Conversely, men-owned social enterprises are run by two (24.4%) or three (55.8%) individuals more often than women-owned entities (16.2% and 47.8%, respectively). There is a statistically significant difference between the rates at which women- and men-owned social enterprises have two or three founders/owners.

Table 4.1: Frequency of women- and men-owned social enterprises (by majority ownership)

	Women-owned		Men-owned		All social enterprises
N	433		1,193		1,626
Percentage	26.6%		73.4%		100.0%

Table 4.2: Number of Founders/Owners of each Social Enterprise - Statistics

	Women-owned		Men-owned		All social enterprises
Mean	2.1		2.4		2.3
Median	2		3		3
Min	1		1		1
Max	3		3		3

Table 4.3: Number of Founders/Owners of each Social Enterprise – by levels

	Women-owned				Men-owned				All social enterprises	
	N	% at each level	% among women-owned		N	% at each level	% among men-owned		N	% among all social enterprises
1 founder/ owner*	156	39.8%	36.0%		236	60.2%	19.8%		392	24.1%
2 founders/ owners*	70	19.4%	16.2%		291	80.6%	24.4%		361	22.2%
3 founders/ owners*	207	23.7%	47.8%		666	76.3%	55.8%		873	53.7%
	433				1,193				1,626	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

Social enterprises are typically young, averaging almost four and a half years for both groups. The majority (75.8%) of social enterprises are five years old or less. This is true among women-owned (77.0%) and men-owned (75.3%). Among all observations, the youngest enterprise is one year old for women- and men-owned. The oldest, which is owned by men, is 58 years; women's oldest firm is 34 years.

Table 4.4: Age of Social Enterprises - Statistics

	Women-owned		Men-owned		All social enterprises
Mean	4.41		4.49		4.47
Median	4		4		4
Min	1		1		1
Max	34		58		58

Table 4.5: Age of Social Enterprises - Percentages by levels

	Women-owned				Men-owned				All social enterprises	
	N	% at each level	% among women-owned		N	% at each level	% among men-owned		N	% among all social enterprises
1-5 years	324	27.0%	77.0%		877	73.0%	75.3%		1,201	75.8%
6-10 years	91	26.6%	21.6%		251	73.4%	21.6%		342	21.6%
11-15 years*	3	10.3%	0.7%		26	89.7%	2.2%		29	1.8%
16-20 years	0	0.0%	0.0%		5	100.0%	0.4%		5	0.3%
> 20 years	3	37.5%	0.7%		5	62.5%	0.4%		8	0.5%
	421				1,164				1,585	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

Operations

Education (18.6%), Health (17.8%), and "Other" (17.1%) are the most prevalent operational sectors among all social enterprises. The same is true among men-owned (18.5% each for Health and Education, Other 16.3%). Among women-owned, "Other" (19.4%) was most prevalent, followed by Education (18.9%) and Health (15.9%). Statistically significant differences (at the .05 level) between women- and men-owned social enterprises exist in Housing Development and Supply Chain Services, as well as (at the .10 level) in Information/Communication Technology and Tourism. No such differences exist in other operational sectors.

Table 4.6: Operational Sectors

	Women-owned				**Men-owned**				**All social enterprises**	
	N	% of each sector	% among women-owned		N	% of each sector	% among men-owned		N	% of all social enterprises
Agriculture	43	29.7%	9.9%		102	70.3%	8.6%		145	8.9%
Artisanal	5	31.3%	1.2%		11	68.8%	0.9%		16	1.0%
Culture	5	19.2%	1.2%		21	80.8%	1.8%		26	1.6%
Education	82	27.1%	18.9%		221	72.9%	18.5%		303	18.6%
Energy	18	20.7%	4.2%		69	79.3%	5.8%		87	5.4%
Environment	9	19.1%	2.1%		38	80.9%	3.2%		47	2.9%
Financial Services	60	29.0%	13.9%		147	71.0%	12.3%		207	12.7%
Health	69	23.8%	15.9%		221	76.2%	18.5%		290	17.8%
Housing Development*	9	50.0%	2.1%		9	50.0%	0.8%		18	1.1%
Information and Communication Technologies**	29	20.7%	6.7%		111	79.3%	9.3%		140	8.6%
Infrastructure/facilities Development	5	27.8%	1.2%		13	72.2%	1.1%		18	1.1%
Supply Chain Services*	11	45.8%	2.5%		13	54.2%	1.1%		24	1.5%
Technical Assistance Services	3	33.3%	0.7%		6	66.7%	0.5%		9	0.6%
Tourism**	1	5.9%	0.2%		16	94.1%	1.3%		17	1.0%
Other	84	30.2%	19.4%		194	69.8%	16.3%		278	17.1%
	433				1,192				1,625	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.
** Weak statistically significant difference at the .10 level between women- and men-owned social enterprises.

Services (66.4%) is the most prevalent operational model among all social enterprises, including those founded/owned by women (60.7%) and by men (68.5%). Financial Services (12.8%) is the least prevalent operational model overall, and among those founded/owned by women (7.2%) and by men (14.8%). There is a statistically significant difference (.05 level) between women- and men-owned social enterprises' use of many operational models: Processing/Packaging, Wholesale/Retail, Services, and Financial Services. No such differences exist in Production/Manufacturing or Distribution.

Table 4.7: Operational Models

	Women-owned				Men-owned				All social enterprises	
	N	% of each model	% among women-owned[53]		N	% of each model	% among men-owned[54]		N	% of all social enterprises[55]
Production/Mfg.	135	25.8%	31.2%		389	74.2%	32.6%		524	32.2%
Processing/Pkg.*	91	33.6%	21.0%		180	66.4%	15.1%		271	16.7%
Distribution	112	26.4%	25.9%		313	73.6%	26.2%		425	26.1%
Wholesale/Retail*	128	34.2%	29.6%		246	65.8%	20.6%		374	23.0%
Services*	263	24.4%	60.7%		817	75.6%	68.5%		1,080	66.4%
Financial Services*	31	14.9%	7.2%		177	85.1%	14.8%		208	12.8%

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

Financial Performance

Overall, the social enterprises' average annual revenue ranges from $0 to $1.3 billion. The overall annual mean is $1.4 million. Women average almost $2.2 million annually and men average almost $1.2 million. Yet, the majority of both groups earn very little. Nearly three-quarters (73.5%) earn less than $5,000 annually. The same is true among women (74.1%) and men (73.3%). And less than one percent (0.9%) of all social enterprises earn $1 million or more per year. The same is true for women-owned (0.9%) and men-owned (0.8%) entities.

Table 4.8: Average annual revenue - Statistics

	Women-owned		Men-owned		All social enterprises
Mean	$2,194,483		$1,166,125		$1,460,608
Median	$0		$12		$25
Min	$0		$0		$0
Max	$900,000,000		$1,314,971,181		$1,314,971,181

Table 4.9: Average annual revenue – by levels

	Women-owned				Men-owned				All social enterprises	
	N	% of each response	% among women		N	% of each response	% among men		N	% among all social enterprises
$0 - 4,999	321	26.9%	74.1%		874	73.1%	73.3%		1,195	73.5%
$5,000 - 9,999**	31	34.1%	7.2%		60	65.9%	5.0%		91	5.6%
$10,000 - 24,999	23	21.7%	5.3%		83	78.3%	7.0%		106	6.5%
$25,000 - 49,999	14	26.9%	3.2%		38	73.1%	3.2%		52	3.2%
$50,000 - 99,999	9	22.0%	2.1%		32	78.0%	2.7%		41	2.5%
$100,000 - 249,999	11	21.6%	2.5%		40	78.4%	3.4%		51	3.1%
$250,000 - 499,999	4	18.2%	0.9%		18	81.8%	1.5%		22	1.4%
$500,000 - 999,999	4	30.8%	0.9%		9	69.2%	0.8%		13	0.8%
$1 million +	4	28.6%	0.9%		10	71.4%	0.8%		14	0.9%
	421				1,164				1,585	

** Weak statistically significant difference at the .10 level between women- and men-owned social enterprises.

The GALI survey data reported rates of enterprises' previous-year profit margin in increments of five percent, up to 20, and negative return on investment (ROI)[58]. The most frequent rate of previous-year profit margin was 0-5% among women (37.5%) and men (31.8%), followed by

negative ROI. Nearly one-third of both groups experienced losses; 30.5% among women and 37.9% among men.

Table 4.10: Profit margin[59] in the previous year

	Women-owned				Men-owned				All social enterprises	
	N	% of each response	% among women-owned		N	% of each response	% among men-owned		N	% among all social enterprise
0 - 5%**	122	30.0%	37.5%		285	70.0%	31.8%		407	33.4%
6 - 10%	22	24.4%	6.8%		68	75.6%	7.6%		90	7.4%
11 - 15%	17	25.0%	5.2%		51	75.0%	5.7%		68	5.6%
16 - 20%	29	29.9%	8.9%		68	70.1%	7.6%		97	8.0%
More than 20%	36	30.0%	11.1%		84	70.0%	9.4%		120	9.8%
Negative ROI*	99	22.6%	30.5%		339	77.4%	37.9%		438	35.9%
	325				895				1,220	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.
** Weak statistically significant difference at the .10 level between women- and men-owned social enterprises.

Last, the social enterprises' number of full-time employees ranges from zero to over 1,000, and part-time staff ranges from zero to 25,000. Yet, nearly half of all social enterprises do not employee full- or part-time staff. Among employer firms, most employ 1-19 workers.

Table 4.11: Size - Number of full-time employees - Statistics

	Women-owned		Men-owned		All social enterprises
Mean	5.87		3.63		4.23
Median	0		1		1
Min	0		0		0
Max	1,090		450		1,090

Table 4.12: Size - Number of full-time employees – by levels[62]

	Women-owned				Men-owned				All social enterprises	
	N	% at each level	% among women		N	% at each level	% among men		N	% among all social enterprises
0 employees (besides fndrs/owners)	199	25.3%	46.0%		588	74.7%	49.3%		787	48.4%
1-19 employees	217	27.2%	50.1%		582	72.8%	48.8%		799	49.1%
20-99 employees*	14	42.4%	3.2%		19	57.6%	1.6%		33	2.0%
100-499 Employees	3	50.0%	0.7%		3	50.0%	0.3%		6	0.4%
500+ employees	0	0.0%	0.0%		1	100.0%	0.1%		1	0.1%
	433				1,193				1,626	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

Table 4.13: Size - Number of part-time employees - Statistics[63]	Women-owned		Men-owned		All social enterprises
Mean	5.18		23.44		18.57
Median	0		0		0
Min	0		0		0
Max	700		25,000		25,000

Table 4.14: Size - Number of part-time employees – by levels

	Women-owned				Men-owned				All social enterprises	
	N	% at each Level	% among women		N	% at each level	% among men		N	% among all social enterprises
0 employees (besides fndrs/owners)*	221	24.6%	51.0%		677	75.4%	56.7%		898	55.2%
1-19 employees*	205	29.9%	47.3%		481	70.1%	40.3%		686	42.2%
20-99 employees	6	15.4%	1.4%		33	84.6%	2.8%		39	2.4%
100-499 Employees	0	0.0%	0.0%		0	0.0%	0.0%		0	0.0%
500+ employees	1	33.3%	0.2%		2	66.7%	0.2%		3	0.2%
	433				1,193				1,626	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

Social Impact

Overall, the three most prevalent social impact areas among women- and men-owned social enterprises are Employment Generation (27.6%), Income/Productivity Growth (23.6%), and Community Development (18.6%). Least prevalent impact areas are Natural Resources/Biodiversity (0.9%), Affordable Housing (1.2%), and Water Resources Management (1.2%). Among women-owned social enterprises, the most frequent impact areas are Employment Generation (25.4%), Income/Productivity Growth (24.0%), and Health Improvement (18.0%). Women's least frequent impact areas are Natural Resources/Biodiversity (0.5%) and Affordable Housing (0.7%). Among men-owned social enterprise, the most prevalent impact areas are Employment Generation (28.3%), Income/Productivity Growth (23.5%), and Community Development (19.7%). Men's least frequent impact areas are Water Resources Management (0.9%) and Natural Resources/Biodiversity (1.1%). Weak statistically significant differences between women- and men-owned social enterprises' impact areas exist (at the .10 level) in Access to Clean Water and Community Development. No other statistically significant differences exist.

Table 4.15: Social impact areas

	Women-owned				Men-owned				All social enterprises	
	N	% of each area	% among women[66]		N	% of each area	% among men[67]		N	% of all social enterprises[68]
Access to clean water**	16	39.0%	3.7%		25	61.0%	2.1%		41	2.5%
Access to education	64	24.9%	14.8%		193	75.1%	16.2%		257	15.8%
Access to energy	20	24.4%	4.6%		62	75.6%	5.2%		82	5.0%
Access to financial Services	43	25.0%	9.9%		129	75.0%	10.8%		172	10.6%
Access to information	62	28.3%	14.3%		157	71.7%	13.2%		219	13.5%
Affordable housing	3	15.8%	0.7%		16	84.2%	1.3%		19	1.2%
Agriculture Productivity	48	23.8%	11.1%		154	76.2%	12.9%		202	12.4%
Biodiversity conservation	10	31.3%	2.3%		22	68.8%	1.8%		32	2.0%
Capacity building	46	24.5%	10.6%		142	75.5%	11.9%		188	11.6%

Community development**	68	22.4%	15.7%		235	77.6%	19.7%	303	18.6%
Conflict resolution	5	17.2%	1.2%		24	82.8%	2.0%	29	1.8%
Disease-specific prevention and Mitigation	10	19.2%	2.3%		42	80.8%	3.5%	52	3.2%
Employment generation	110	24.6%	25.4%		338	75.4%	28.3%	448	27.6%
Equality and empowerment	67	26.8%	15.5%		183	73.2%	15.3%	250	15.4%
Food security	32	21.2%	7.4%		119	78.8%	10.0%	151	9.3%
Generate funds for charitable giving	15	21.7%	3.5%		54	78.3%	4.5%	69	4.2%
.Health improvement	78	29.5%	18.0%		186	70.5%	15.6%	264	16.2%
Human rights protection or Expansion	8	29.6%	1.8%		19	70.4%	1.6%	27	1.7%
Income/productivity Growth	104	27.1%	24.0%		280	72.9%	23.5%	384	23.6%
Natural resources/biodiversity	2	13.3%	0.5%		13	86.7%	1.1%	15	0.9%
Other	60	31.4%	13.9%		131	68.6%	11.0%	191	11.7%
Pollution prevention and waste management	31	25.0%	7.2%		93	75.0%	7.8%	124	7.6%
Sustainable energy and fuel efficiency[69]	41	29.1%	9.5%		100	70.9%	8.4%	141	8.7%
Sustainable land use	15	23.8%	3.5%		48	76.2%	4.0%	63	3.9%
Support for high-impact entrepreneurs	9	25.7%	2.1%		26	74.3%	2.2%	35	2.2%
Support for women and girls	37	27.2%	8.5%		99	72.8%	8.3%	136	8.4%
Water resources management	8	42.1%	1.8%		11	57.9%	0.9%	19	1.2%

** Weak statistically significant difference at the .10 level between women- and men-owned social enterprises.

The most prevalent beneficiary group among all social enterprises is “Other” (54.3%), which includes the general population, youth, farmers, students, millennials, families, women and men, the elderly, and entrepreneurs[70]. “Other” is the most prevalent beneficiary among women-owned (55.3%) and men-owned (53.9%). Overall, the least prevalent beneficiary is the disabled (2.2%). The same is true among women-owned (3.4%) and men-owned (1.7%). There is a weak statistically significant difference (at the .10 level) between women- and men-owned social enterprises

regarding benefiting the disabled. No other statistically significant differences exist.

Table 4.16: Beneficiaries[71]

	Women-owned				Men-owned				All social enterprises	
	N	% of each type	% among women-owned		N	% of each type	% among men-owned		N	% of all social enterprises
Children and Adolescents	50	25.9%	15.6%		143	74.1%	16.4%		193	16.2%
Disabled**	11	42.3%	3.4%		15	57.7%	1.7%		26	2.2%
Minorities	30	22.7%	9.4%		102	77.3%	11.7%		132	11.1%
Other	177	27.4%	55.3%		470	72.6%	53.9%		647	54.3%
Women	52	26.8%	16.3%		142	73.2%	16.3%		194	16.3%
	320				872				1,192	

** Weak statistically significant difference at the .10 level between women- and men-owned social enterprises.

Among all social enterprises, about one-third (31.5%) measure social impact. The same is true among women-owned (34.2%) and men-owned (30.6%) social enterprises. No statistically significant differences exist between the rates at which women and men measure social impact.

Table 4.17: Rates of Social Impact Measurement

	Women-owned				Men-owned				All social enterprises	
	N	% of each response	% among women-owned		N	% of each response	% among men-owned		N	% of all social enterprises
Yes	148	28.8%	34.2%		365	71.2%	30.6%		513	31.5%
No	285	25.6%	65.8%		828	74.4%	69.4%		1,113	68.5%
	433				1,193				1,626	

Hypotheses and Sub-questions

Research Question 2 asks: Does gender matter to the financial performance of social enterprise? Four hypotheses, introduced in Chapter 2, are tested by answering four sub-questions as described in Table 4.18. Next, I present analyses and findings.

Table 4.18: Hypotheses and related sub-questions

Hypotheses	Related Sub-questions
1: Women- and men-owned social enterprises operate in different industries.	A. To what extent do women- and men-owned social enterprises operate in different industries?
2: Women-owned social enterprises are less likely than men-owned social enterprises to operate in high-revenue industries.	B. To what extent do women- and men-owned social enterprises operate in high-revenue industries?
3: Women-owned social enterprises have lower financial expectations and preferences than those owned by men.	C. To what extent do the financial expectations and preferences of social enterprises differ by sex of founders/owners?
4: The financial performance (revenue, profits, and size) of women-owned social enterprises is lower than men's.	D. To what extent does the financial performance of social enterprises differ by sex of founders/owners?

Hypothesis 1 and Sub-question A

H1: Women- and men-owned social enterprises operate in different industries.

Sub-question A: To what extent do women- and men-owned social enterprises operate in different industries?

Sub-question A is answered in 4 parts:

- A1. What operational sectors and models are most prevalent among women-owned social enterprises?
- A2. What operational sectors and models are most prevalent among men-owned social enterprises?
- A3. To what extent do women- and men-owned social enterprises operate in different sectors?
- A4. To what extent do women- and men-owned social enterprises use different operational models?

A1 asks: What operational sectors and models are most prevalent among women-owned social enterprises? I conducted two cross-tabulations; one for operational sectors and one for operational models, by women-owned entities. Then, I ordered results from most to least frequent and reported the three most prevalent of each.

A1 Findings: Per Table 4.19, the three most prevalent operational sectors among women-owned social enterprises are Other (19.4%), Education (18.9%), and Health (15.9%). Per Table 4.20, the three most prevalent operational models among women-owned social enterprises are Services (60.7%), Production/Manufacturing (31.2%), and Wholesale/Retail (29.6%).

Table 4.19: Most to least prevalent operational sectors among women-owned social enterprises

	N	% among women-owned
Other	84	19.4%
Education	82	18.9%
Health	69	15.9%
Financial Services	60	13.9%
Agriculture	43	9.9%
Information and Communication Technologies	29	6.7%
Energy	18	4.2%
Supply Chain Services	11	2.5%
Environment	9	2.1%
Housing Development	9	2.1%
Artisanal	5	1.2%
Culture	5	1.2%
Infrastructure/facilities Development	5	1.2%
Technical Assistance Services	3	0.7%

Tourism	1	0.2%
	433	

Table 4.20: Most to least prevalent operational models among women-owned social enterprises

	N	% among women-owned[73]
Services	263	60.7%
Production/Mfg.	135	31.2%
Wholesale/Retail	128	29.6%
Distribution	112	25.9%
Processing/Pkg.	91	21.0%
Financial Services	31	7.2%

A2 asks: What operational sectors and models are most prevalent among men-owned social enterprises? Like the previous analysis (A1), I analyzed the distribution of operational sectors and models – this time by men-owned entities – then ordered results from most to least frequent and reported the three most prevalent of each.

A2 Findings: Per Table 4.21, the three most prevalent sectors among men-owned social enterprises are Education (18.5%), Health (18.5%), and Other (16.3%). Per Table 4.22, the three most prevalent operational models among men-owned social enterprises are Services (68.5%), Production/Manufacturing (32.6%), and Distribution (26.2%).

Table 4.21: Most to least prevalent operational sectors among men-owned social enterprises

	N	% among men-owned
Education	221	18.5%
Health	221	18.5%
Other	194	16.3%
Financial Services	147	12.3%
Information and Communication Technologies	111	9.3%
Agriculture	102	8.6%
Energy	69	5.8%
Environment	38	3.2%
Culture	21	1.8%

Tourism	16	1.3%
Infrastructure/facilities Development	13	1.1%
Supply Chain Services	13	1.1%
Artisanal	11	0.9%
Housing Development	9	0.8%
Technical Assistance Services	6	0.5%
	1,192	

Table 4.22: Most to least prevalent operational models among men-owned social enterprises

	N	% among men-owned[74]
Services	817	68.5%
Production/Mfg.	389	32.6%
Distribution	313	26.2%
Wholesale/Retail	246	20.6%
Processing/Pkg.	180	15.1%
Financial Services	177	14.8%

A3 asks: To what extent do women- and men-owned social enterprises operate in different sectors? First, I ordered the operational sectors from least to greatest difference between women- and men-owned social enterprises. Then, I reported which group has the greater proportion in each operational sector (W for women; M for men). Last, I conducted t-tests and reported statistically significant differences between women- and men-owned enterprises for each operational sector.

A3 Findings: Per Table 4.23, statistically significant differences exist between the operational sectors of women- and men-owned social enterprises at the .05 level in Housing Development and Supply Chain Services; and at the .10 level in Tourism and Information/Communication Technologies.

Table 4.23: Operational sectors of women- and men-owned social enterprises: Least to greatest difference

	N	% among women-owned		N	% among men-owned		Sex of greater proportion		Statistically significant difference

Infrastructure/facilities Development	5	1.2%		13	1.1%		W		No
Technical Assistance Services	3	0.7%		6	0.5%		W		No
Artisanal	5	1.2%		11	0.9%		W		No
Education	82	18.9%		221	18.5%		W		No
Culture	5	1.2%		21	1.8%		M		No
Tourism**	1	0.2%		16	1.3%		M		**Yes**
Environment	9	2.1%		38	3.2%		M		No
Housing Development*	9	2.1%		9	0.8%		W		**Yes**
Supply Chain Services*	11	2.5%		13	1.1%		W		**Yes**
Agriculture	43	9.9%		102	8.6%		W		No
Financial Services	60	13.9%		147	12.3%		W		No
Energy	18	4.2%		69	5.8%		M		No
Information and Communication Technologies**	29	6.7%		111	9.3%		M		**Yes**
Health	69	15.9%		221	18.5%		M		No
Other	84	19.4%		194	16.3%		W		No
	433			1,192					

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.
** Weak statistically significant difference at the .10 level between women- and men-owned social enterprises.

A4 asks: To what extent do women- and men-owned social enterprises use different operational models? Similar to the previous analysis (A3), I ordered the operational models from least to greatest difference between women- and men-owned social enterprises. Then, I reported which group has the greater proportion in each operational model (W for women; M for men). Last, I conducted t-tests and reported statistically significant differences between women- and men-owned enterprises for each operational model.

A4 Findings: Per Table 4.24, statistically significant differences exist between women- and men-owned social enterprises at the .05 level in Processing/Packaging, Financial Services, Services, and Wholesale/Retail.

Table 4.24: Operational models of women- and men-owned social enterprises: Least to greatest difference

	N	% among women-owned		N	% among men-owned		Sex of greater proportion		Statistically significant difference
Distribution	112	25.9%		313	26.2%		M		No
Production/Mfg.	135	31.2%		389	32.6%		M		No
Processing/Pkg.*	91	21.0%		180	15.1%		W		**Yes**
Financial Services*	31	7.2%		177	14.8%		M		**Yes**
Services*	263	60.7%		817	68.5%		M		**Yes**
Wholesale/Retail*	128	29.6%		246	20.6%		W		**Yes**

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

H1 Results: Overall, I found partial support for Hypothesis 1: Women- and men-owned social enterprises operate in different industries.

Women- and men-owned social enterprises' three most prevalent sectors are the same: Education, Health and Other. However, statistically significant differences exist in four sectors. Women's participation rate in Housing Development (.05 level) and Supply Chain Management (.05 level) outpaces that of men. And, men's participation rate in Tourism (.10 level) and Information/Communication Technology (.10 level) exceeds that of women. Further, two of the three most prevalent operational models of women- and men-owned social enterprises are the same: Services and Production/Manufacturing. However, statistically significant differences exist in four operational models. Women's participation rate in Processing/Packaging (.05 level) and Wholesale/Retail (.05 level) outpaces that of men. And, men's participation rate in Financial Services (.05 level) and Services (.05 level) exceeds that of women.

Hypothesis 2 and Sub-question B

H2: Women-owned social enterprises are less likely than men-owned social enterprises to operate in high-revenue industries.

Sub-question B: To what extent do women- and men-owned social enterprises operate in high-revenue industries?

Sub-question B is answered in 3 parts:

- B1. How do women- and men-owned social enterprises' top 3 industries compare to high-revenue industries?
- B2. To what extent are women-owned social enterprises less likely than men-owned social enterprises to operate in a high-revenue sector?
- B3. To what extent are women-owned social enterprises less likely than men-owned social enterprises to use a high-revenue operational model?

B1 asks: How do women- and men-owned social enterprises' top 3 industries compare to high-revenue industries? My intention was to discover potential overlaps between high-revenue industries in the commercial sector and social enterprise operational sectors and models. Tables 4.25 and 4.26 compare the three top-revenue commercial industries of women- and men-owned businesses (respectively) to the three most prevalent operational sectors and models of women- and men-owned social enterprises.

B1 Findings: Analysis indicates no overlap between commercial industries and social enterprise operational sectors. However, overlaps exist between commercial industries and social enterprise operational models of Manufacturing (for women- and men owned) and Wholesale (for women-owned). However, I did not feel that these comparisons adequately answered the question because of differences in how each data source categorizes industries, sectors, and models. Thus, I conducted two alternative comparisons, labeled Alternative Analysis 1 and 2, below.

Table 4.25: Comparison of women's top commercial industries to most prevalent social enterprise operational sectors and models

Women-owned			
	Top 3 commercial industries by receipts[75]	**Top 3 operational sectors by prevalence[76]**	**Top 3 operational models by prevalence[77]**
1	Management of Companies and Enterprises	Other	Services
2	Wholesale Trade	Education	Production/Manufacturing

3	Manufacturing	Health	Wholesale/Retail

Table 4.26: Comparison of men's top commercial industries to most prevalent social enterprise operational sectors and models

Men-owned			
	Top 3 commercial industries by receipts[78]	**Top 3 operational sectors by prevalence[79]**	**Top 3 operational models by prevalence[80]**
1	Wholesale Trade	Education	Services
2	Management of Companies and Enterprises	Health	Production/Manufacturing
3	Manufacturing	Other	Distribution

B1 - Alternative Analysis 1

Alternative analysis 1 investigates the rates at which women- and men- owned social enterprises operate in high-revenue industries. I defined high-revenue industries as the operational sectors and models that possess the greatest proportion of firms that earn at least $1 million in average annual revenue[81]. To determine high-revenue industries, I categorized the enterprises of each operational sector and model into two groups by the variable Average Annual Revenue: Low ($0 - $999,999) and High ($1 million +). Then, I reported the proportion of high-revenue firms for each. Per Table 4.27, the three operational sectors with the greatest proportion of high-revenue firms are Tourism (5.9%), Culture (3.8%), and Agriculture (2.1%). Per Table 4.28, the three operational models with the greatest proportion of high-revenue firms are Distribution (1.6%), Processing/Packaging (1.5%), and Production/Manufacturing (1.0%). Last, I analyzed the rates at which women- and men-owned social enterprises operate in and through these "high-revenue" operational sectors and models.

Table 4.27: Operational sectors by low and high revenue firms

	Low Revenue Firms	High Revenue Firms	Proportion of High Revenue firms
Agriculture	142	3	2.1%
Artisanal	16	0	0%
Culture	25	1	3.8%
Education	301	2	0.7%

Energy	86	1	1.1%
Environment	47	0	0%
Financial Services	206	1	0.5%
Health	289	1	0.3%
Housing development	18	0	0%
Info and comm. Tech	138	2	1.4%
Infrastructure/facilities dev	18	0	0%
Other	276	2	0.7%
Supply chain services	24	0	0%
Technical assistance services	9	0	0%
Tourism	16	1	5.9%

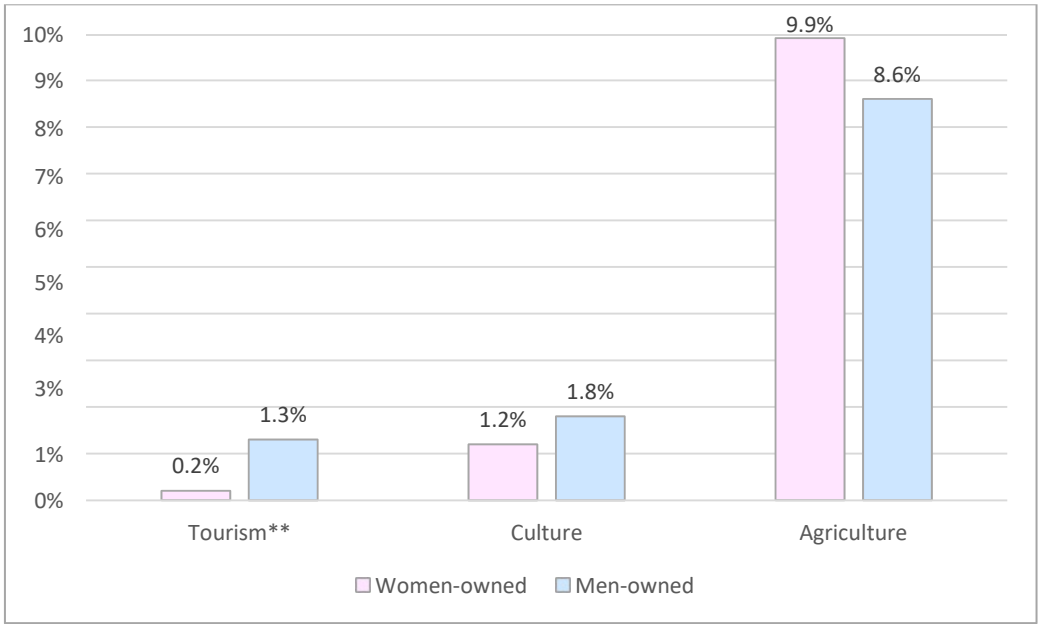
Table 4.28: Operational models by low and high revenue firms

	Low Revenue Firms	High Revenue Firms	Proportion of High Revenue firms
Distribution	418	7	1.6%
Processing/packaging	267	4	1.5%
Production/manufacturing	519	5	1.0%
Services	1071	9	0.8%
Financial Services	207	1	0.5%
Wholesale/Retail	373	1	0.3%

Findings: Figures 4.1 and 4.2 report the proportion of women- and men-owned social enterprises that operate in/through high-revenue sectors and models, respectively. Among high-revenue sectors (Tourism, Culture, and Agriculture), women-owned social enterprises' rate of participation[82] lags men-owned in Tourism (weak statistically significant difference) and Culture (not statistically significant), but exceeds men's participation in Agriculture (not statistically significant).

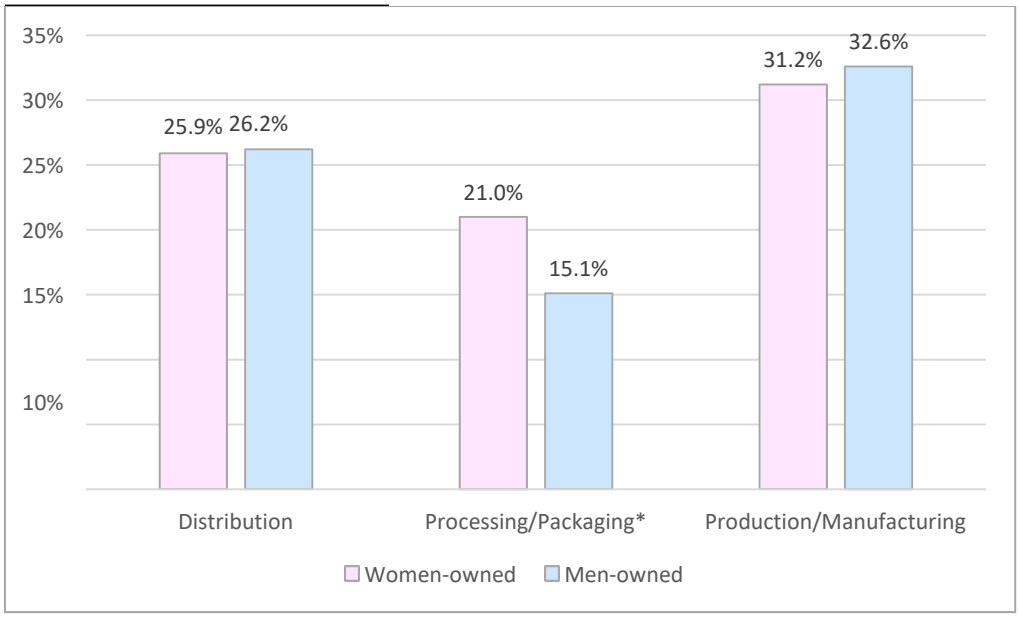
Among high-revenue operational models (Distribution, Processing/Packaging, and Production/Manufacturing), women-owned social enterprises' use[83] of Processing/Packaging exceeds men's (statistically significant at .05). Women's enterprises lag men's use of Distribution and Production/Manufacturing, but the differences are not statistically significant.

Figure 4.1: Rate of women- and men-owned social enterprises in high-revenue sectors



** Weak statistically significant difference at the .10 level between women- and men-owned social enterprises.

Figure 4.2: Women- and men-owned social enterprises' use of high-revenue operational models



* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

B1 - Alternative Analysis 2

Alternative Analysis 2 examines the degree to which *most* social enterprises operate in/use high-revenue sectors and models. As discussed, the three most prevalent operational sectors

among women- and men-owned social enterprises are the same: Education, Health, and Other. Table 4.29 describes the participation of women- and men-owned social enterprises in each of these sectors.

Table 4.29: Three most prevalent operational sectors among women- and men-owned social enterprises

Women-owned top 3 operational sectors[84]	% among women-owned social enterprises		Men-owned top 3 operational sectors[85]	% among men-owned social enterprises
1. Other	19.4%		1. Education (tie)	18.5%
2. Education	18.9%		1. Health (tie)	18.5%
3. Health	15.9%		3. Other	16.3%

As previously stated, the three most prevalent operational models among women-owned social enterprises are Services, Production/Manufacturing, and Wholesale/Retail. Among men-owned, they are Services, Production/Manufacturing, and Distribution. Table 4.30 details the percentage of women- and men-owned social enterprises that use each of these operational models.

Table 4.30: Three most prevalent operational models among women- and men-owned social enterprises

Women-owned top 3 operational models[86]	% among women-owned social enterprises		Men-owned top 3 operational models[87]	% among men-owned social enterprises
1. Services	60.7%		1. Services	68.5%
2. Production/Manufacturing	31.2%		2. Production/Manufacturing	32.2%
3. Wholesale/Retail	29.6%		3. Distribution	26.2%

Findings: The operational sectors of greatest prevalence among women and men possess the following proportion of high-revenue firms[88]: Education 0.7%, Health 0.3%, and Other 0.7%. The operational models of greatest prevalence among women- and men-owned social enterprises possess the following proportion of high-revenue firms[89]: Services 0.8%, Production/Manufacturing 1.0%, Wholesale/Retail 0.3%, and Distribution 1.6%. This analysis reveals that the sectors and models where women and men operate most contain a low percentage of high-revenue firms.

B2 asks: To what extent are women-owned social enterprises less likely than men-owned social enterprises to operate in a high-revenue sector? To answer this question, I specified a Logit regression model to analyze the odds that operating in each high-revenue sector depends on gender (being woman-owned) and control variables related to the competency of the founders/owners, including: their average length of work history[90], level of education[91], previous start-up experience[92], and previous job type[93]. The three high-revenue operational sectors are Tourism, Culture, and Agriculture, as previously described.

Figure 4.3: Odds that operating in high-revenue sector Tourism depends on owner's biological sex

```
. logistic SectorTourism Gender TeamAverageJobTenure HighEdBachelorsorHigher TeamAnytyp
> eofstartupYN TeamFPExperienceYN TeamNPExperienceYN

Logistic regression                             Number of obs     =      1,439
                                                LR chi2(6)        =       6.14
                                                Prob > chi2       =     0.4076
Log likelihood = -84.825956                     Pseudo R2         =     0.0349

------------------------------------------------------------------------------
       SectorTourism | Odds Ratio   Std. Err.      z    P>|z|     [95% Conf. Interval]
---------------------+--------------------------------------------------------------
              Gender |   .1689221   .1755329    -1.71   0.087      .022038    1.294792
TeamAverageJobTenure |   .9658045   .0375146    -0.90   0.370     .8950064    1.042203
HighEdBachelorsorH~r |   1.378775    .896193     0.49   0.621     .3856727    4.929102
TeamAnytypeofstart~N |    .815546   .4297484    -0.39   0.699     .2903431    2.290791
  TeamFPExperienceYN |   1.574936   1.671082     0.43   0.669      .196833    12.60167
  TeamNPExperienceYN |   1.176995    .611298     0.31   0.754      .425289    3.257352
               _cons |   .0099727   .0122241    -3.76   0.000     .0009025     .110198
------------------------------------------------------------------------------
```

Figure 4.4: Odds that operating in high-revenue sector Culture depends on owner's biological sex

```
. logistic SectorCulture Gender TeamAverageJobTenure HighEdBachelorsorHigher
TeamAnytypeofstartupYN TeamFPExperienceYN TeamNPExperienceYN


Logistic regression                             Number of obs     =      1,439
                                                LR chi2(6)        =       5.07
                                                Prob > chi2       =     0.5349
Log likelihood = -119.51156                     Pseudo R2         =     0.0208

------------------------------------------------------------------------------
       SectorCulture | Odds Ratio   Std. Err.      z    P>|z|     [95% Conf. Interval]
---------------------+--------------------------------------------------------------
              Gender |   .7063396   .3648837    -0.67   0.501      .2566235    1.944154
 TeamAverageJobTenure |   .9771082   .0276668    -0.82   0.413      .9243595    1.032867
 HighEdBachelorsorH~r |   1.056792   .5494578     0.11   0.915      .3814384     2.92789
 TeamAnytypeofstart~N |   .6555313   .2780641    -1.00   0.319      .2854498    1.505418
   TeamFPExperienceYN |   .8324248   .6410668    -0.24   0.812          .184    3.765929
   TeamNPExperienceYN |   .4471385   .2187126    -1.65   0.100       .17143    1.166265
                _cons |   .0416094    .036787    -3.60   0.000      .007356    .2353645
------------------------------------------------------------------------------
```

Figure 4.5: Odds that operating in high-revenue sector Agriculture depends on owner's biological sex

```
. logistic SectorAgriculture Gender TeamAverageJobTenure HighEdBachelorsorHigher TeamAn
> ytypeofstartupYN TeamFPExperienceYN TeamNPExperienceYN

Logistic regression                             Number of obs     =      1,439
                                                LR chi2(6)        =       1.78
                                                Prob > chi2       =     0.9391
Log likelihood = -444.76734                     Pseudo R2         =     0.0020

------------------------------------------------------------------------------
   SectorAgriculture | Odds Ratio   Std. Err.      z    P>|z|     [95% Conf. Interval]
---------------------+--------------------------------------------------------------
              Gender |   1.211921   .2449959     0.95   0.342      .8154539    1.801146
TeamAverageJobTenure |   .9914418   .0107678    -0.79   0.429      .9705603    1.012772
HighEdBachelorsorH~r |   1.009166   .2374338     0.04   0.969      .6363475    1.600409
TeamAnytypeofstart~N |   1.051429   .2054567     0.26   0.797      .7168846    1.542094
  TeamFPExperienceYN |   .9671519   .3158142    -0.10   0.919      .5099681    1.834199
  TeamNPExperienceYN |   1.020639   .1928258     0.11   0.914      .7047865    1.478042
               _cons |   .1017713   .0407057    -5.71   0.000      .0464695    .2228858
------------------------------------------------------------------------------
```

B3 asks: To what extent are women-owned social enterprises less likely than men-owned social enterprises to use a high-revenue operational model? Similar to Question B2, I regressed each high-revenue operational model against gender (being woman-owned) and control variables related to the competency of the founders/owners, as previously described: their average length of work history, level of education, previous start-up experience, and previous job type. The three high-revenue operational models are Distribution, Processing/Packaging, and Production/Manufacturing.

Figure 4.6: Odds that operating through high-revenue model Distribution depends on owner's biological sex

```
. logistic OperModelDistribution Gender TeamAverageJobTenure HighEdBachelorsorHigher Te

> amAnytypeofstartupYN TeamFPExperienceYN TeamNPExperienceYN

Logistic regression                             Number of obs     =      1,440
                                                LR chi2(6)        =       6.67
                                                Prob > chi2       =     0.3528
Log likelihood = -828.69359                     Pseudo R2         =     0.0040

------------------------------------------------------------------------------
OperModelDistribut~n | Odds Ratio   Std. Err.      z    P>|z|     [95% Conf. Interval]
---------------------+--------------------------------------------------------------
              Gender |    .8858113   .1224535    -0.88   0.380      .6755727    1.161476
TeamAverageJobTenure |    1.007912   .0063287     1.26   0.209      .9955837    1.020392
HighEdBachelorsorH~r |    1.397175   .2229302     2.10   0.036      1.021963    1.910147
TeamAnytypeofstart~N |    1.025635   .1313289     0.20   0.843      .7979937    1.318214
  TeamFPExperienceYN |    .9450072   .2059552    -0.26   0.795      .6164871    1.448593
  TeamNPExperienceYN |    .9279462    .115952    -0.60   0.550      .7263742    1.185455
               _cons |    .2843437   .0765166    -4.67   0.000      .1677978     .481838
------------------------------------------------------------------------------
```

Figure 4.7: Odds that operating through high-revenue model Processing/Packaging depends on owner's biological sex

```
. logistic OperModelProcessingPkg Gender TeamAverageJobTenure HighEdBachelorsorHigher T

> eamAnytypeofstartupYN TeamFPExperienceYN TeamNPExperienceYN

Logistic regression                             Number of obs     =      1,440
                                                LR chi2(6)        =      11.64
                                                Prob > chi2       =     0.0705
Log likelihood = -636.51107                     Pseudo R2         =     0.0091

------------------------------------------------------------------------------
OperModelProcessin~g | Odds Ratio   Std. Err.      z    P>|z|     [95% Conf. Interval]
---------------------+--------------------------------------------------------
              Gender |   1.515537   .2352503     2.68   0.007      1.11799     2.054447
TeamAverageJobTenure |    1.00735    .007403     1.00   0.319     .9929447     1.021965
HighEdBachelorsorH~r |   1.230073   .2387831     1.07   0.286     .8408038     1.799563
TeamAnytypeofstart~N |   .9580227   .1456677    -0.28   0.778     .7111321     1.290629
  TeamFPExperienceYN |   .8479987   .2152377    -0.65   0.516     .5156376     1.394588
  TeamNPExperienceYN |   .8595949   .1290605    -1.01   0.314     .6404622     1.153703
               _cons |   .1752574   .0555787    -5.49   0.000     .0941322     .3262983
------------------------------------------------------------------------------
```

Figure 4.8: Odds that operating through high-revenue model Production/Manufacturing depends on owner's biological sex

```
. logistic OperModelProductionMfg Gender TeamAverageJobTenure HighEdBachelorsorHigher T

> eamAnytypeofstartupYN TeamFPExperienceYN TeamNPExperienceYN

Logistic regression                             Number of obs     =      1,440
                                                LR chi2(6)        =       9.29
                                                Prob > chi2       =     0.1580
Log likelihood = -906.29092                     Pseudo R2         =     0.0051

------------------------------------------------------------------------------
OperModelProductio~g | Odds Ratio   Std. Err.      z    P>|z|     [95% Conf. Interval]
---------------------+--------------------------------------------------------------
              Gender |    .8225394   .1073758    -1.50   0.135      .6368531     1.062366
TeamAverageJobTenure |    1.002617   .0060943     0.43   0.667      .9907434     1.014633
HighEdBachelorsorH~r |    1.451639   .2157553     2.51   0.012      1.084789     1.942547
TeamAnytypeofstart~N |    .8999967   .1076188    -0.88   0.378      .7119622     1.137693
  TeamFPExperienceYN |     1.10365   .2285318     0.48   0.634      .7354847     1.656109
  TeamNPExperienceYN |     1.11267   .1299389     0.91   0.361      .8850378     1.398848
               _cons |    .3487417   .0884563    -4.15   0.000      .2121298     .5733321
------------------------------------------------------------------------------
```

H2 results: Partial support was found for Hypothesis 2: Women-owned social enterprises are less likely than men-owned social enterprises to operate in high-revenue industries.

Among the top three high-revenue operational sectors (Tourism, Culture, and Agriculture), women's participation in Tourism and Culture lags men's, but exceeds men's in Agriculture. Logit regression reveals a weak statistically significant difference (.10 level) in the odds that women are less likely than men to operate in Tourism. Among the top three high-revenue operational models (Distribution, Processing/Packaging, and Production/Manufacturing), women's use of Distribution

and Production/Manufacturing are less than men's. Yet, women are significantly more likely than men to use Processing/Packaging (.05 level).

Hypothesis 3 and Sub-question C

H3: Women-owned social enterprises have lower financial expectations and preferences than those owned by men.

Sub-question C: To what extent do the financial expectations and preferences of social enterprises differ by sex of founders/owners?

Sub-question C is answered in 3 parts:

- C1. To what extent do women- and men-owned social enterprises have profit-margin expectations?
- C2. To what extent do the profit-margin preference of women- and men-owned social enterprises differ?
- C3. To what extent are women-owned social enterprises less likely than men-owned social enterprises to prefer high profit margin?

C1 asks: To what extent do women- and men-owned social enterprises have profit-margin expectations? This question is answered through cross-tabulations of the variable "Has Profit Margin Expectation" by "Gender of Ownership". T-tests were performed for statistically significant differences.

C1 Findings: Per Table 4.31, 100% of the women-owned social enterprises have a profit-margin expectation, while approximately two-thirds (67.2%) of the men-owned social enterprises have a profit-margin expectation. This difference is statistically significant at the .05 level.

Table 4.31: Profit margin expectations[94]

	Women-owned				Men-owned				All social enterprises	
	N	% of each response	% among women-owned		N	% of each response	% among men-owned		N	% among all social enterprises
No specific target margin*	0	0.0%	0.0%		348	100.0%	32.8%		348	24.5%
Has a specific target margin*	360	33.6%	100.0%		712	66.4%	67.2%		1,072	75.5%
	360				1,060				1,420	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

C2 asks: To what extent do the profit-margin preferences of women- and men-owned social enterprises differ? This question is answered through cross-tabulation of the variable "Profit Margin Preference" by "Gender of Ownership." T-tests were performed for statistically significant differences.

C2 Findings: Per Table 4.32, statistically significant differences exist between women- and men-owned social enterprises at all levels except 0-5%. Profit margin preferences among women-owned social enterprises are greater than men's at the levels of 6-10%, 11-15%, and more than 20%. Men's profit margin preferences are greater than women's at the level of 16-20%.

Table 4.32: Profit margin preference[95]

	Women-owned				Men-owned				All social enterprises	
	N	% at each level	% among women		N	% at each level	% among men		N	% among all social enterprises
0 - 5%	1	100.0%	0.3%		0	0.0%	0.0%		1	0.1%
6 - 10%*	7	100.0%	1.9%		0	0.0%	0.0%		7	0.7%
11 - 15%*	77	57.0%	21.4%		58	43.0%	9.7%		135	14.1%
16 - 20%*	2	1.2%	0.6%		159	98.8%	26.6%		161	16.8%
More than 20%*	273	41.7%	75.8%		381	58.3%	63.7%		654	68.3%
	360				598				958	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

C3 asks: To what extent are women-owned social enterprises less likely than men-owned social enterprises to prefer a high profit margin? I answered this question by creating a dummy variable called “Profit Mgn Pref > 20%” from the “Profit Margin Preference” variable. “Profit Mgn Pref > 20%” includes observations that did (1) and did not (0) indicate a profit margin preference of more than 20%. Then, I specified a Logit regression model to analyze the odds that women-owned entities are less likely than men-owned enterprises to prefer a high profit margin (i.e., more than 20%). The model regresses high profit margin preference against gender (being woman-owned) and control variables related to the competency of the founders/owners, as previously described[96]: their average length of work history, previous start-up experience, and previous job type.

Figure 4.9: Odds that high profit margin preference depends on owner's biological sex

```
. logistic ProfitMgnPref20 Gender TeamAverageJobTenure HighEdBachelorsorHigher
TeamAnytypeofstartupYN TeamFPExperienceYN TeamNPExperienceYN

note: HighEdBachelorsorHigher omitted because of collinearity


Logistic regression                             Number of obs     =        872
                                                LR chi2(5)        =      26.76
                                                Prob > chi2       =     0.0001
Log likelihood = -532.46314                     Pseudo R2         =     0.0245

------------------------------------------------------------------------------
        ProfitMgnPref20 | Odds Ratio   Std. Err.      z    P>|z|     [95% Conf. Interval]
------------------------+-----------------------------------------------------------------
                 Gender |   1.745305   .2750571     3.53   0.000     1.281514    2.376945
   TeamAverageJobTenure |   1.020818   .0108375     1.94   0.052     .9997964    1.042282
HighEdBachelorsorHigher |          1  (omitted)
 TeamAnytypeofstartupYN |   .6398174   .1096882    -2.60   0.009     .4572239    .8953301
     TeamFPExperienceYN |   .8489373   .2394692    -0.58   0.562     .4883911    1.475651
     TeamNPExperienceYN |   .8464358   .1295815    -1.09   0.276     .6270223    1.142629
                  _cons |   2.643492   .8751626     2.94   0.003     1.381582    5.058007
------------------------------------------------------------------------------
```

H3 results: No support was found for Hypothesis 3: Women-owned social enterprises have lower financial expectations and preferences than those owned by men.

A greater proportion of women-owned than men-owned social enterprises have a profit-margin expectation (significant at .05 level). Women-owned firms' profit-margin preferences are greater than men's, and statistically significant (.05 level) at 6-10%, 11-15%, and more than 20%. Further, the odds of preferring a high profit margin (more than 20%) is 75% greater among women-owned social enterprises than those owned by men. This result is statistically significant (.05 level).

Hypothesis 4 and Sub-question D

H4: The financial performance (revenue, profits, and size) of women-owned social enterprises is lower than men's.

Sub-question D: To what extent does the financial performance of social enterprises differ by sex of founders/owners?

Sub-question D is answered in 3 parts:

- D1. To what extent does the revenue of women-owned social enterprises differ from men's?
- D2. To what extent do the profit margins of women-owned social enterprises differ from men's?
- D3. To what extent does the size (number of employees) of women-owned social enterprises differ from men's?

D1 asks: To what extent does the revenue of women-owned social enterprises differ from men's?

The question is answered through statistics (mean, median, etc.) and cross-tabulations of the average annual revenue of women- and men-owned social enterprises. T-tests were performed at each level to reveal any statistically significant differences.

D1 Findings: Overall, the average annual revenue of women-owned social enterprises exceeds men's (see Table 4.33). However, Table 4.34 indicates that women- and men-owned firms earn revenue at similar rates, except for a weak statistically significant difference at the $5,000-9,999 level. Of note, nearly three-quarters of both groups average less than $5,000 annually.

Table 4.33: Average annual revenue - Statistics

	Women-owned		Men-owned		All social enterprises
Mean	$2,194,483		$1,166,125		$1,460,608
Median	$0		$12		$25
Min	$0		$0		$0
Max	$900,000,000		$1,314,971,181		$1,314,971,181

Table 4.34: Average annual revenue – by levels[98]

	Women-owned				Men-owned				All social enterprises	
	N	% of each response	% among women		N	% of each response	% among men		N	% among all social enterprises
$0 - 4,999	321	26.9%	74.1%		874	73.1%	73.3%		1,195	73.5%
$5,000 - 9,999**	31	34.1%	7.2%		60	65.9%	5.0%		91	5.6%
$10,000 - 24,999	23	21.7%	5.3%		83	78.3%	7.0%		106	6.5%
$25,000 - 49,999	14	26.9%	3.2%		38	73.1%	3.2%		52	3.2%
$50,000 - 99,999	9	22.0%	2.1%		32	78.0%	2.7%		41	2.5%
$100,000 - 249,999	11	21.6%	2.5%		40	78.4%	3.4%		51	3.1%
$250,000 - 499,999	4	18.2%	0.9%		18	81.8%	1.5%		22	1.4%
$500,000 - 999,999	4	30.8%	0.9%		9	69.2%	0.8%		13	0.8%
$1 million +	4	28.6%	0.9%		10	71.4%	0.8%		14	0.9%
	421				1,164				1,585	

** Weak statistically significant difference at the .10 level between women- and men-owned social enterprises.

The average annual revenue data contains outliers: 797 amounts that equal $0 (women: 211; men: 586) and 13 amounts that exceed $1,000,000[99] (women: 3; men: 10). Without these outliers, all social enterprises average about $40,000 in annual revenue. The same is true among women-owned ($39,256) and men-owned entities ($40,828). See Table 4.35.

Table 4.35: Average annual revenue without outliers - Statistics

	Women-owned		Men-owned		All social enterprises
Mean	$39,256		$40,828		$40,419
Median	$4,444		$4,000		$4,058
Min	$1		$2		$1
Max	$1,000,000		$833,333		$1,000,000

D2 asks: To what extent do the profit margins of women-owned social enterprises differ from men's? This question is answered through cross-tabulations of the variable "Profit Margin in Year t-1" for women- and men-owned social enterprises. T-tests were performed at each level for statistically significant differences.

D2 Findings: Per Table 4.36, approximately one-third of women's and men's firms earned a profit

margin of 5% or less in the previous year; women-owned have a higher rate at this level than men-owned, weakly significant at the .10 level. Yet, men have a higher rate of negative ROI in the previous year which is statistically significant at the .05 level.

Table 4.36: Profit margin in the previous year

	Women-owned				Men-owned				All social enterprises	
	N	% of each response	% among women-owned		N	% of each response	% among men-owned		N	% among all social enterprise
0 - 5%**	122	30.0%	37.5%		285	70.0%	31.8%		407	33.4%
6 - 10%	22	24.4%	6.8%		68	75.6%	7.6%		90	7.4%
11 - 15%	17	25.0%	5.2%		51	75.0%	5.7%		68	5.6%
16 - 20%	29	29.9%	8.9%		68	70.1%	7.6%		97	8.0%
More than 20%	36	30.0%	11.1%		84	70.0%	9.4%		120	9.8%
Negative ROI*	99	22.6%	30.5%		339	77.4%	37.9%		438	35.9%
	325				895				1,220	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.
** Weak statistically significant difference at the .10 level between women- and men-owned social enterprises.

D3 asks: To what extent does the size (number of employees) of women-owned social enterprises differ from men's? This question is answered through statistics (e.g., mean, median, etc.) and cross-tabulations of the number of full- and part-time employees of women- and men-owned social enterprises. T-tests were performed at each level for statistically significant differences.

D3 Findings: Per Table 4.37, on average, women-owned enterprises employ more full-time staff than men do. Yet, men-owned firms (per Table 4.39) average more part-time staff than women do. Rates of full- and part-time employment are similar at many levels among women and men. Of note, women have a statistically significant higher rate of 20-99 full-time employees than men do. Among part-time employment, men's rate of zero employees is significantly higher than women's, while women's rate of employing 1-19 part-time employees exceeds men's at a statistically

significant rate.

Table 4.37: Size - Number of full-time employees - Statistics

	Women-owned		Men-owned		All social enterprises
Mean	5.87		3.63		4.23
Median	0		1		1
Min	0		0		0
Max	1,090		450		1,090

Table 4.38: Size - Number of full-time employees – by levels

	Women-owned				Men-owned				All social enterprises	
	N	% at each level	% among women		N	% at each level	% among men		N	% among all social enterprises
0 employees (besides fndrs/owners)	199	25.3%	46.0%		588	74.7%	49.3%		787	48.4%
1-19 employees	217	27.2%	50.1%		582	72.8%	48.8%		799	49.1%
20-99 employees*	14	42.4%	3.2%		19	57.6%	1.6%		33	2.0%
100-499 employees	3	50.0%	0.7%		3	50.0%	0.3%		6	0.4%
500+ employees	0	0.0%	0.0%		1	100.0%	0.1%		1	0.1%
	433				1,193				1,626	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

Table 4.39: Size - Number of part-time employees - Statistics

	Women-owned		Men-owned		All social enterprises
Mean	5.18		23.44		18.57
Median	0		0		0
Min	0		0		0
Max	700		25,000		25,000

Table 4.40: Size - Number of part-time employees – by levels

	Women-owned				Men-owned				All social enterprises	
	N	% at each level	% among women		N	% at each level	% among men		N	% among all social enterprises
0 employees (besides fndrs/owners)*	221	24.6%	51.0%		677	75.4%	56.7%		898	55.2%
1-19 employees*	205	29.9%	47.3%		481	70.1%	40.3%		686	42.2%
20-99 employees	6	15.4%	1.4%		33	84.6%	2.8%		39	2.4%
100-499 employees	0	0.0%	0.0%		0	0.0%	0.0%		0	0.0%
500+ employees	1	33.3%	0.2%		2	66.7%	0.2%		3	0.2%
	433				1,193				1,626	

* Statistically significant difference at the .05 level between women- and men-owned social enterprises.

As discussed in Chapter 1: Introduction, the U.S. government tracks employer firms (businesses with paid employees besides the founder/owner) separately from all businesses (which are primarily sole proprietorships) through the Annual Survey of Entrepreneurs (ASE). The 2015 ASE (most recent study available) reveals that women-owned employer firms average eight employees, while men-owned employer firms average 12 employees. For comparison to social enterprises, I removed amounts equal to zero and above 500[106] from the GALI data (see Tables 4.41 and 4.42). Without these outliers, all social enterprises average about seven full-time employees (6.91). The same is true among women-owned (6.94) and men-owned (6.89). For part-time employees, all social enterprises average about 5 ½ (5.46) when the outliers are removed. The same is true among women-owned (5.40) and men-owned (5.49) entities.

Table 4.41: Size - Number of full-time employees without outliers - Statistics

	Women-owned		Men-owned		All social enterprises
Mean	6.94		6.89		6.91
Median	3		3		3
Min	1		1		1
Max	356		450		450

Table 4.42: Size - Number of part-time employees without outliers - Statistics[108]	Women-owned		Men-owned		All social enterprises
Mean	5.40		5.49		5.46
Median	3		3		3
Min	1		1		1
Max	40		90		90

H4 results: I found partial support for Hypothesis 4: The financial performance (revenue, profits, and size) of women-owned social enterprises is lower than men's.

The average annual revenue of women-owned social enterprises exceeds that of men, but when outliers ($0's and > $1 million) are removed, women's average annual revenue is similar to men's. Women- and men-owned social enterprises earn revenue at similar rates, with only a weak statistically significant difference in women's enterprises leading men's at the $5,000 - $9,999 level. Regarding profits, women- and men-owned entities earned profit at similar rates in the previous year. However, women, more often than men, earned a low rate of 0-5% (weak statistically significant difference); and women, less often than men, saw a negative return on investment (statistically significant at .05). Finally, women employ more full-time workers but less part-time workers, on average, than men do. But among employer firms (those with paid employees besides the founders/owners), both groups' average number of full- and part-time employees are about the same.

Conclusion

Overall, the quantitative findings reveal many similarities in the distribution of women- and men-owned social enterprises, including age, sectors of operation, social impact areas, and beneficiaries they serve. However, women own fewer social enterprises than men do, and women

tend to solely own their enterprises while men often form partnerships. Also, statistically significant differences between women- and men-owned social enterprises exist in the use of most operational models.

Partial support was found for Hypothesis 1. While the most prevalent operational sectors among women- and men-owned social enterprises are the same, women's participation rate in Housing Development (.05 level) and Supply Chain Services (.05 level) are significantly higher than men's. And, men's participation rate in Tourism (.10 level) and Information/Communication Technology (.10 level) weakly exceed that of women. Statistically significant differences also exist in four operational models. Women's use of Processing/Packaging (.05 level) and Wholesale/Retail (.05 level) outpace that of men. And men's use of Financial Services (.05 level) and Services (.05 level) exceed that of women.

We found partial support for Hypothesis 2. Odds that women are less likely than men to operate in the high-revenue operational sector of Tourism is weakly significant (.10 level). Yet, women are significantly more likely than men to use high-revenue operational models Wholesale/Retail (.05 level) and Processing/packaging (.05 level).

No support was found for Hypothesis 3. A greater proportion of women-owned than men-owned firms have a profit-margin expectation (significant at .05 level), and women-owned firms' profit-margin preferences are greater than men's; statistically significant (.05 level) at several levels. Of note, the odds of preferring a high profit margin (greater than 20%) is 75% higher (and statistically significant) for women-owned social enterprises than those owned by men.

Partial support was found for Hypothesis 4. The average annual revenue of women-owned social enterprises exceeds that of men, but when outliers ($0's and > $1 million) are removed, women's average annual revenue is similar to men's. Women- and men-owned entities earned

similar rates of profit in the previous year. However, women, more often than men, earned a low rate of 0-5% (weak statistical difference); and women, less often than men, saw a negative return on investment (statistically significant). Women employ more full-time workers but less part-time workers, on average, than men do. But among employer firms (those with paid employees besides the owners/founders), the average number of full- and part-time employees of both groups are about the same.