

USWCC Fact Sheet

Women-Owned Businesses Not Earning Their Fair Share

Background: Despite women owning 9.9 million U.S. firms representing 35.76% of all firms and generate \$1.4 trillion in revenues annually, this revenue only represents 4.23% of ALL U.S. business revenues. Moreover, only 1.74% of women-owned firms have revenues over one million and only 10% have employees. USWCC asserts that these appalling revenue figures clearly prove the stark reality that women business owners are losing out on trillions of dollars because of serious obstacles to growth that need to be fixed.

CALL to ACTION: Political and business leaders need to act to open the doors to opportunity for women-owned businesses!

Furthermore, it is time for economic leaders to stop lauding the number of women-owned businesses as a huge success, but rather start fixing these abysmal financial outcomes and stop ignoring the broader financial reality: women business owners are struggling for revenues and profits.

USWCC's Actions: USWCC has released a detailed statistical report (<http://uswcc.org/wake-up-call>) that highlights the disparity between the number of women business owners in America and their business revenues. This report, derived from the recently released 2012 U.S. Census Survey of Business Owners, details and compares several categories of data and historical trends including receipts, revenues, industry breakouts and reports for every state in the union.

USWCC's Solutions: In this report, as well as the attached publication entitled "USWCC Top Five Priority Issues", the organization offers specific recommendations to lawmakers on solutions in the categories outlined below to help narrow the revenue gap and allow women-owned businesses to prosper and grow as fast as the businesses owned by their male counterparts.

- Access to Capital
- Access to Markets
- Education and Resources
- Affordable Childcare
- Raise American Incomes

Addressing these issues is critical to the economic growth for Women-Owned firms which support their local economies and, ultimately, the U.S. GDP.

The U.S. Women's Chamber of Commerce gives voice to the collective strength of women in the U.S. economy. Using a platform of influence, innovation, and opportunity, we work with and for our members to grow successful businesses and careers.

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Small Business Federal Contracting System Needs to Be Fixed

Background: Small businesses in the United States accounted for 60 percent of net new jobs in 2013, yet their share of federal contracts continues to decline. Women-Owned Small Businesses (WOSBs) and Economically Disadvantaged Women-Owned Small Businesses (EDWOSBs) are being further hurt. The stated goal of set-aside contracts for WOSBs is 5 percent even though women own approximately 36 percent of all U.S. businesses. And even though the legislation removing self-certification from the Women's Procurement Program was signed into law, the U.S. Small Business Administration has failed to implement the law, resulting in a continuation of more than 40 percent of WOSB and EDWOSB awarded contracts going to ineligible firms.

CALL to ACTION: It is time to fix the Small Business Set-Aside Contracting system so that WOSBs & EDWOSBs can compete fairly on a level playing field.

Furthermore, the data reported in the Annual Small Business and Federal Procurement reports contain extremely limited information that provide few insights into the details of how federal acquisitions and small business goals are being met. This leads to serious problems in accounting for how many contracts or subcontracts were actually awarded to small businesses.

USWCC's Solutions: USWCC calls on Congress to enact legislation that comprehensively reforms the Small Business Contracting program so that inherent problems are fixed once and for all. Included in this legislation must be the following:

- Provisions for greater transparency and detailed data into annual small business contracting reports.
- Exclusions to small business contracting goaling should be eliminated.
- Grandfathering a company to continue receiving a small business credit even after it is bought by a large company must be ended.
- More Procurement Center Representatives must be hired and adequately trained, and they must be given the authority to delay acceptance of deficient subcontracting plans.
- The Small Business Administration must restore the goaling and federal procurement report format to include the in-depth data and analysis as was present prior to 2008.

Additionally, Congress must act to hold the SBA Accountable to implement the removal of acceptance of Self-Certification from the Women's Procurement Program.

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Access to Capital for Women-Owned Firms a Priority

Background: Universally, women tell us of the challenges they face in accessing capital (and the right type of capital) to fund their business start-ups and growth. Women are much more likely to fund their businesses with high cost capital sources (such as credit cards) and they start their firms with less capital than male-owned firms.

Despite the vast economic importance of women-owned businesses, in 2012, only 9.3 Small Business Administration (SBA) 7(a) loans were issued per 10,000 women-owned businesses compared with 24.7 for male-owned small businesses. Women account for only 16 percent of conventional small business loans and these loans account for only 4.4 percent of the total dollar value of loans from all sources. Just \$1 of every \$23 in conventional small business loans goes to a women-owned business.

CALL to ACTION: It is time to put good capitalization structures into place and leverage low-cost, flexible capital sources.

USWCC's Solutions: Congress should ensure that the U.S. Small Business Administration do all it can to provide low cost capital to small businesses. Existing practices are not meeting the needs of women-owned firms that are underfunded. Not only is this the right thing to do but it is good for the U.S. Economy.

1. The SBA should help women put good capitalization structures into place and leverage low-cost, flexible capital sources.
2. The SBA should regularly report on the number and amount of loans SBA lenders are placing with women-owned firms and the number and size of loans denied – with data drilled down to individual lenders and region.
3. The SBA should engage in direct lending to ensure loans are secured by women-owned firms. The SBA should place loans with women-owned firms directly and then sell these loans through secondary markets.
4. SBA licensed Small Business Investment Company lenders should be required to report investments in women-owned firms and set target levels for these investments.
5. The SBA should work to improve and increase SBA-backed lending through credit unions and community banks.

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Access to Affordable Healthcare for Women is a Priority

Background: Universally, women tell us of the challenges they face in accessing Affordable Healthcare to support themselves and their families, their employees and their employees' families. Women business owners are much more likely to provide healthcare to their employees than male-owned firms despite the gross disparities in revenues; while women own 36% of all U.S. firms, their revenues are at only 4.23%.

In 2013, 26% of women had to delay or forgo health care in the past year due to costs. A substantial share of women with medical debt report either using up their savings, borrowing money or facing difficulties paying for basic needs.

CALL to ACTION: It is time to call for congress to work together to create access to affordable healthcare for all. While there are shortcomings in the Affordable Care Act, it can be amended to improve its offerings.

USWCC's Solutions: Congress should ensure that they do all they can to provide low cost healthcare to small businesses. Existing practices are not meeting the needs of women-owned firms. Not only is this the right thing to do but it is good for the U.S. Economy, allowing small business owners to hire employees in keeping with competitive offerings.

1. **Affordability:** Incentives should be put in place to drive affordability.
2. **Quality and Equality:** Affordable, quality health care should be available without discrimination for age, gender, ethnicity, economic level, region, and health status.
3. **Accountability and Information:** The American healthcare system must be accountable to the payers. Health outcomes, treatment cost/benefit options, billing, and transparency are essential elements of healthcare reform. Information technology should be employed to easily hold, transport and communicate health records.
4. **Health Insurance Exchanges** should be organized to provide offers that at least meet the minimum, essential standard and provides details of coverage options in clear language with easy to compare features and costs.
5. **Small businesses** should be allowed to obtain coverage at negotiated bulk rates through purchasing pools.
6. **Individuals** who change employers should have the right and flexibility to keep their existing coverage without significant increases in cost.

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