

## **Regional Roundtables Focused on Women-owned Businesses**

### Introduction

During the last week in June 2011, the Office of Advocacy hosted a series of roundtable discussions in each of the ten SBA regions. The events, convened by Advocacy's Regional Advocates, brought together women from all walks of life to discuss the status of women-owned businesses, the challenges and successes. The roundtables were held in the states of Maine, New York, Pennsylvania, Georgia, Wisconsin, Louisiana, Iowa, Colorado, California, and Washington. Participants included women business owners and various leaders of women's organizations, as well as government employees. The business owners represented firms of many sizes and industries. In Maine, for example, firms that were represented ranged from sole proprietorships to businesses with more than 30 employees. Included were companies from startups to mature firms. At each event, there was a strong turnout with valuable information being discussed and participants engaged in robust conversations.

The nationwide series of roundtable discussions was timely, as a new Advocacy study focusing on women-owned businesses neared completion. Attendees were presented with a preview of the study's data and had an opportunity to voice their own impressions of the current state of women-owned firms. The Office of Advocacy received good feedback and information of how the concerns of women-owned small businesses throughout the country reflect their regions as well as the nation.

### **Major Issues**

Issues discussed at the roundtables range from SBA lending to access to information. Access to capital remained a concern at all the roundtables. Concerns about

capital access have previously surfaced in other roundtables hosted by Advocacy. During the economic downturn, businesses across the country have faced obstacles in obtaining capital to start or expand their business. Several women voiced concern that the amount of scrutiny by banks has increased to unrealistic levels. Credit rating levels that must be achieved to be approved for capital in many cases were deemed excessive. Although many voiced their appreciation for loan guarantees by the SBA, they also hope that in the future, the program will be expanded to give a wider array of opportunities to access financing, especially with respect to women business owners. Further, it was also felt that when loans are denied, reasons should be given on ways to improve the chance of success in a future application.

Aside from access to capital, another major issue that also resonates across all the regions was government contracting. Over and over again, participants said that they are not receiving enough government contracts. These views were particularly strong in New York, Pennsylvania, Louisiana, Washington, Iowa, and Colorado. During the Colorado roundtable, participants highlighted data indicating that while there was a FY 2010 goal for 5 percent of prime government contracts to be set aside for women, the actual achievement was less—about 4.04%. However, the same 5% goal for subcontracting was actually exceeded by 1.2% (6.2%). Questions were raised as to whether it would be possible for the SBA to enforce these goals or impose penalties on agencies or contracting authorities that fall short, especially with respect to prime contracts. Participants' comments expressed frustration that women-owned businesses are undervalued or lack visibility in the eyes of the contracting agencies. Likewise, many women gave examples where large companies used them to gain access to contracts, but were cut out once the contract was executed. This is believed to happen often, with few or no consequences for the large companies or the agencies. The attendees clearly expressed that serious changes must be made in the procurement process for it to be effective for women-owned businesses.

Access to information remains a concern. As one individual said, “We don't know what we don't know.” Women across the country said that they often lack information about better ways to access loan programs or credit systems that would further the growth of their businesses. In many cases they were unaware of new or existing regulations that

apply to their firms. Often the problem is not knowing where to look. During the roundtables, many spoke highly of the new SBA website and the information that they found. However, in some cases there was a feeling that if there were a new push by the SBA to educate women on how to access the information, many more would be able to take advantage of it. The SBA could begin a marketing campaign devoted to women that would not only raise the profile of their markets, but also allow for the women already in business to see the SBA as a “go-to” resource. Although many women see the SBA as a resource, some have not been able to tap into its full potential. Participants were excited to hear there is an Office of Advocacy whose specific mission is to speak on behalf of small business. As they learned about these resources, they expressed support for a new information campaign.

### **Other Issues**

In Portland, Maine, the participants raised an issue that highlighted a major difference between male businesses owners and women business owners. The conversation focused on “managing it all”—juggling a full-time family life with business ownership. In this roundtable, women spoke of the lack of child care or resources to help them grow their businesses while managing their responsibilities at home. They also spoke about this in relation to access to credit. The point was made that many women starting businesses have experienced a divorce or other hardship that has hurt their credit. On the positive side, one participant said she felt better equipped to handle the stresses of managing a small business because women are particularly qualified for jobs such as crew chiefs, foremen, and supervisors, and she encouraged women to take a closer look at careers in these fields.

In Madison, Wisconsin, the issue of the internet sales tax was discussed. A local retailer said that her business competes online with big box stores. While her customers are required to pay state sales tax, this is not true of her competitors. She believes this gave an unfair advantage and is a hurdle for small businesses trying to compete. The issue is being discussed at the state level; however, she maintained that it is important that it also be addressed at the federal level.

At the roundtable in Los Angeles, California, there was a focus on stronger support groups for women who own businesses. Participants in this roundtable maintained that women business owners have less support than other groups have. The fact that women are becoming more and more successful is not widely recognized or discussed. What is needed is more advocacy and a wider recognition of women as successful and influential business leaders.

## **Conclusion**

Women business owners face many of the same problems that are broadly affecting business owners across the country. During the economic downturn, access to capital has become very difficult. In government contracting, women business owners are feeling underutilized. This issue may not be unique to women; government contracting may be down across the board. However, the roundtable participants said that the government contracting goals set forth by the SBA should be firm and enforced throughout the government.

Although some unique issues were brought up in women's business communities regionally, the issues raised are ones that can be seen as problems nationally, such as the Internet sales tax and the lack of support for child care. In California, women pushed for support networks to highlight the successes women have had in business, an idea which translates easily to other regions. Women make great business owners and their successes should be publicized around the country. This awareness will not only build the support network, but will also encourage future generations of women to start their own businesses.

Overall, the roundtables were a step in the right direction. Many felt this forum gave them a voice they did not know they had. They expressed gratitude toward the Regional Advocates for taking the time to hear about their concerns, as well as their successes. In conclusion, the roundtables were helpful as an important starting point for discussions with small business groups in the future.

## Appendix: New Data on Women in Business

The Office of Advocacy encourages women business owners to use Advocacy's statistics to educate the public about the value and economic contributions of women business owners. For more information, see the Advocacy website at [www.sba.gov/advocacy](http://www.sba.gov/advocacy)

Number and Receipts of All U.S. Firms, Employers, and Nonemployers by Gender of Ownership: 2007, 2002, 1997

Survey Year and Gender of Ownership	All firms (number)	Receipts (\$1,000)	Employer firms (number)	Employer receipts (\$1,000)	Nonemployer firms (number)	Nonemployer receipts (\$1,000)
<b>2007</b>						
All firms	27,110,059	30,176,154,800	5,752,673	29,203,460,510	21,357,386	972,694,290
Women-owned	7,793,364	1,190,057,451	910,761	1,007,762,458	6,882,603	182,294,993
Men-owned	13,909,064	8,507,846,994	3,236,171	7,938,685,794	10,672,894	569,161,200
Equally owned <sup>1</sup>	4,602,097	1,281,838,720	1,050,835	1,098,769,090	3,551,263	183,069,630
Publicly held <sup>2</sup>	805,533	19,196,411,634	554,906	19,158,243,167	250,627	38,168,467
<b>2002</b>						
All firms	22,974,655	22,603,658,904	5,524,784	21,836,249,354	17,449,871	767,409,550
Women-owned	6,489,259	939,538,208	916,657	802,851,495	5,572,602	136,686,713
Men-owned	13,184,033	7,061,026,736	3,524,969	6,564,052,308	9,659,064	496,974,428
Equally owned <sup>1</sup>	2,693,360	731,678,703	717,961	627,202,424	1,975,399	104,476,279
Publicly held <sup>2</sup>	494,399	13,820,117,758	352,720	13,796,996,645	141,679	23,121,113
<b>1997</b>						
All firms	20,821,934	18,553,243,000	5,295,151	17,907,940,321	15,526,783	645,302,679
Women-owned	5,417,034	818,669,000	846,780	717,763,965	4,570,254	100,905,035
Men-owned	11,374,194	6,635,375,000	3,151,000	6,270,252,935	8,223,194	365,122,065
Equally owned <sup>1</sup>	3,641,263	943,881,000	1,029,469	828,389,812	2,611,794	115,491,188
Publicly held <sup>2</sup>	381,519	10,161,242,000	267,902	10,104,057,581	113,617	57,184,419
Source: <i>Developments in Women-owned Businesses</i> , based on U.S. Bureau of the Census, Survey of Business Owners, 1997, 2002 and 2007.						
Notes: Receipts are in nominal dollars, not adjusted for inflation.						
1. Equally men-/women-owned.						
2. Publicly held and other firms not classifiable by gender, Hispanic or Latino origin, and race.						