

Worldwide, One in 11 Women Involved in Entrepreneurial Activity

NWBC Analysis Summarizes GEM Findings

Women business owners are continuing to demonstrate extraordinary economic prowess worldwide, with one in 11 (8.9%) women involved in entrepreneurship across the globe, according to the Global Entrepreneurship Monitor (GEM). Among the 37 countries studied by GEM, there exists a wide range of women's entrepreneurial activity, with women's entrepreneurship rates in the U.S. (at 8.1%, or 1 in 12) being outpaced by nine other countries of the 37 included in the study.

These findings are included in a new Issue in Brief from the National Women's Business Council, "Women's Entrepreneurship Around the Globe," which highlights the major findings related to women's entrepreneurship from four studies conducted by GEM. The GEM research program is an annual worldwide assessment of entrepreneurial activity. Initiated in 1999 with 10 countries, it expanded to 21 in 2000, 29 in 2001 and 37 countries in 2002. GEM has closely examined the link between the demographic make-up of a country and the achieved level of entrepreneurial activity and has found a very strong causal relationship. Several critical demographic dimensions have emerged including: the age structure of a population, the level of participation by women in the entrepreneurial process, and anticipated population growth.

Worldwide, women are much more likely than men to cite necessity as a reason for starting their business. Fully 69% of men cite opportunity as their motivation for starting a business, with 31% citing necessity. In comparison, just 56% of women cite opportunity, while 44% cite necessity as their motivation for starting a business. Thus, nearly half of

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Did You Know?

In recognition of **Native American History Month** (November), the NWBC has compiled the following facts about Native American women business owners:

- As of 2002, there are an estimated 77,483 majority-owned, privately-held firms owned by Native American and Alaska Native women in the U.S., employing nearly 88,000 people and generating \$8.7 billion in sales.¹
- Between 1997 and 2002, the number of Native American and Alaska Native women-owned firms increased by 45%, employment grew by 18%, and sales rose by 29%.¹
- Six percent (6%) of minority women-owned firms are owned by Native American and Alaska Natives.¹
- Among women-owned firms with employees, Native American and Alaska Native firms employ an average of 8.5 workers, compared to 8.1 employees among African American, 6.0 employees among Hispanic, and 5.4 employees among Asian and Pacific Islander women-owned employer firms. Overall, women-owned employer firms employ an average of 8.4 workers.²

¹ From Center for Women's Business Research (www.womensbusinessresearch.org/MinorityReports.html)

² Calculated using data from the U.S. Census Bureau (www.census.gov/csd/mwb/American.htm)

Message from the Chair



As I look back over this past year, I am filled with pride at what we in the National Women's Business Council have achieved. Not only have we found new and innovative ways to bring critical facts and research to policy discussions but, most importantly, we have achieved our mission of engaging more and more women business owners in those discussions.

During the past year, the National Women's Business Council has published a number of research studies, Issue in Brief papers, and other publications on topics of significance to the women's business community. We have expanded our communications outreach activities and launched initiatives to help further connect the women's business community to current public policy debate. Of special note are the following:

- The publication of a background research report and proceedings from a roundtable discussion held on Capitol Hill focusing on access to affordable health care for small business owners;
- The publication of an analysis of the availability and common characteristics of mentoring programs available for women business owners;
- A summary of the findings related to women's entrepreneurship contained in the Global Entrepreneurship Monitor research reports from 1999 to 2002;
- A summary and analysis of Federal procurement from women-owned small businesses from FY1997 to FY2002;
- Fact sheets pulling together information on several populations of women-owned businesses (including African-American, Asian American, Native American and Latina) from multiple sources;
- The establishment of a monthly toll-free issues conference call, "Women's Business Connection," which provides a platform for dialogue between policy experts and women business owners; and
- A summary of the state economic networks that exist to promote women's enterprise development and provide policy guidance, including a resource guide with contact information.

And we have only just begun. Research is a vitally important tool for both program development and public policy action and in the coming months, the Council will publish several important studies, including:

- Analysis of the growth the number and economic clout of women-owned employer establishments from 1997 to 2000, based on tabulations received from an exclusive agreement with the Census Bureau;
- A summary and analysis of loans and loan guarantees made by the U.S. Small Business Administration to women-owned businesses over the past five years;
- A distillation and summary of the best practices in the public and private sectors of the United States for women's enterprise development, updating a similar report published in 1999 by the Council in advance of an international women's business conference; and
- An analysis of the correlates of success of the SBA's women's business center program, based on an analysis of the information submitted to the SBA by these centers, plus macroeconomic and other data.

I look forward to continuing this adventure in the year ahead and I thank you for your continued dedication and support for our mission to promote bold initiatives, policies and programs for women's business enterprises.

A handwritten signature in cursive script that reads "Marilyn Carlson Nelson". The ink is dark and the signature is fluid and elegant.

Marilyn Carlson Nelson

Comprehensive Information on State Women's Business Councils, Networks Now Available

Women business owners, public policy officials and other members of the women's business community now have access to a comprehensive and resourceful guide on the many state-level organizations that foster and support women's entrepreneurship policy development.

This new *Issue in Brief*, "State Economic Networks for Women Business Owners," produced by the National Women's Business Council, provides information about publicly-funded organizations, as well as similarly-focused organizations which do not receive state funding. It pays particular attention to those organizations which might be considered equivalent to the National Women's Business Council on a state level.

The study found that 43 states have some sort of state or private commission, council, coalition, or economic network focused on women. Of the 56 organizations identified, however, nearly two-thirds (35 organizations) are women's commissions with no stated focus on women's entrepreneurship. The remaining 21 organizations, covering 16 states, have either a total or partial focus on women business owners.

Just one state has a state-funded council specifically dedicated to women's entrepreneurship policy development - Colorado (Women's Economic Development Council, part of the Colorado Office of Economic Development and International Trade). The council's board members are appointed by the governor and part of its statute is to make regulatory and policy recommendations to encourage the growth of women-owned businesses.

The NWBC recommends that the organizations that are focused on women's entrepreneurship - especially those in which there is a mandate for policy action - be used as models in the 34 states lacking such organizations. In particular, the Council suggests that the development of state-funded, citizen-driven entities would be most beneficial.

The National Women's Business Council wishes to extend its gratitude for the help and support received in compiling this document. In particular, we'd like to
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Women's Business Connection... a monthly business issues conference call brought to you by the National Women's Business Council

November Topic: An update on recent policy activity related to access to affordable health care coverage

Moderator/Speakers: **Karen Kerrigan**, President and CEO of Women Entrepreneurs, Inc., **Terry Neese**, President of Women Impacting Public Policy, both members of the National Women's Business Council

Date: Tuesday, November 25, 2003,
3:00 PM - 4:00 PM EST

How to Join: Participants may join the call by dialing **1-877-326-2337** (toll free) and entering code **#3687613**.

Previous "**Women's Business Connection**" conference calls are available to those who were not able to join them live. Visit the "**Women's Business Connection**" section of the NWBC's web site (www.nwbc.gov) to find out how you can hear past calls.

NOTE: There will not be a call in December, but please rejoin us on January 27, 2004!

"**Women's Business Connection**" is always on the fourth Tuesday of each month at 3:00 PM ET; we encourage you to join us.

The NWBC would like to express our gratitude to the following publications for including our "Women's Business Connection" advertisement in their print edition. We continue to attract new participants to the call each month; but much of our success would not be possible without the support and generosity of these publications:

- ★ **Enterprising Women**
- ★ **Minorities and Women in Business**
- ★ **Minority Business Entrepreneur**
- ★ **Onyx Woman Magazine**
- ★ **Professional Woman's Magazine**

One in 11 Women Involved in Entrepreneurial Activity, cont.

women say that they became entrepreneurs because there were no other options available.

Despite relatively high levels of women's entrepreneurship in a number of countries, women are still much less likely to start a business than are men. Across 37 countries studied in 2002, men are about 50% more likely than women to be involved in entrepreneurial activity and nearly one in seven men (13.9%) is an entrepreneur, compared to one in eleven women (8.9%).

"Increasing the participation of women in entrepreneurship worldwide is imperative to creating a healthy global economy," said Marilyn Carlson Nelson, Chairman and CEO of Carlson Companies and Chair of the National Women's Business Council. "And the more we know about the state of women's entrepreneurship worldwide, the better equipped we will be to foster the growth of women-owned businesses everywhere. We are highly encouraged as we take our first steps towards this goal, in working with the Global Entrepreneurship Monitor to produce this informative and insightful report."

The economic development level of a country appears to have a significant impact on the motivations for entrepreneurship among women. Within highly developed countries, opportunity entrepreneurship is more common and a higher level of participation of women in the labor force is associated with greater female entrepreneurship. In these countries, entrepreneurship is one career choice among many for women. In developing countries, however, entrepreneurship among women is more likely to be a result of necessity. In these countries, the more job opportunities that exist for women, the lower their levels of entrepreneurship, as the need for it is reduced.

The GEM countries with the highest levels of entrepreneurship among women in 2002 are, in descending order:

- Thailand (18.5%);
- India (14.1%);
- Argentina (11.5%);
- Brazil (11.1%);
- China (11.0%);
- New Zealand (10.6%);
- Mexico (10.3%);
- Chile (9.5%);
- Korea (8.6%); and
- the United States (8.1%).

The countries with the lowest rates of female entrepreneurship are, in ascending order:

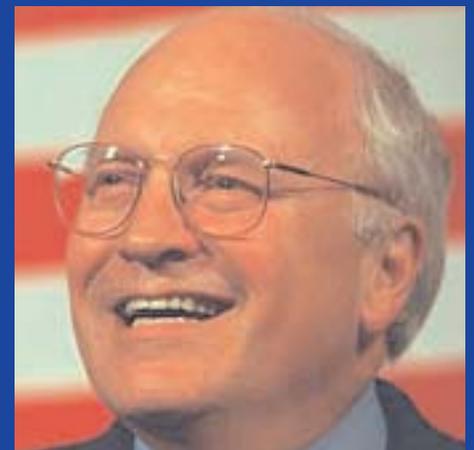
- Japan (0.6%);
- Belgium (1.5%);
- Russia (1.6%);
- Croatia (1.8%);
- France (2.1%);
- Hong Kong (2.3%);
- Spain (2.6%);
- Sweden (2.6%);
- Singapore (2.7%); and
- Slovenia (2.9%).

GEM was spearheaded by Babson College, the Ewing Marion Kauffman Foundation, and the London School of Economics, with independent research teams in each of the 37 countries. More information about GEM may be found at www.gemconsortium.org. The complete Issue in Brief, containing links to the GEM reports, may be found at the NWBC's web site, www.nwbc.gov.

Quote of the Month

"As we help the people of Iraq and Afghanistan to rebuild their countries, America and our allies have made a commitment. We will make sure that women have a place at the table in those societies. Working with new leaders, we are making sure that girls can be educated, that women have a voice in government and a chance to work and build businesses of their own."

Vice President Richard B. Cheney at the "Celebrating Women in Business" Breakfast, part of the SBA's 50th Anniversary Celebration, September 18, 2003



U.S. Chamber Releases New Study at Women's Health Summit

Women business owners list rising health care costs as a top concern for their companies and expect to see premium increases between 18 and 20 percent for 2004. They expect to absorb up to two-thirds of the increases, but many are concerned that they will have to pass higher costs on to their employees, or reduce and possibly eliminate coverage.

This information is from a survey commissioned by Access America, a U.S. Chamber of Commerce initiative that opens doors to networks and capital markets, and fosters strategic alliances and investments for women and minority business leaders and entrepreneurs. The survey, entitled "Women Business Leaders' Outlook on Healthcare in 2003," interviewed a nationally-representative sample of over 300 women business owners, predominantly those with fewer than 21 employees, and investigated their outlook on health care issues for the upcoming year. It was released at the Chamber's National Businesswomen's Health Care Summit on September 17, 2003, which was held in collaboration with the National Women's Business Council (NWBC).

The study also covered other women's health topics, including work-life balance issues, providing care for elderly relatives, and women's health issues. To learn more about the study "Women Business Leaders' Outlook on Healthcare 2003," visit the Access America web site at www.accessamerica.org/access/press/0310_execsummary.htm. To view the archived web cast of the Chamber's National Businesswomen's Health Care Summit, visit www.uschamber.com/ViewEvent.asp?eventID=176.

Upcoming NWBC Research

- Trends in the Growth of Women-Owned Employer Establishments, *December 2003*
- SBA Loan Performance to Women-Owned Businesses, *Early 2004*
- Correlates of Success for Women's Business Centers, *Mid 2004*

To learn more about these projects and previous NWBC research, visit our web site at www.nwbc.gov/research/research.html

NASE Women's Advisory Council Gathers in Washington, DC

The National Association for the Self-Employed's (NASE) Women's Advisory Council recently came together in Washington, DC to meet with policy makers and legislators and to finalize their work plan suggestions for growing the association. The 10-member Council, which was chosen in May, spent the time relaying their ideas and experiences as micro-business owners. They channeled their positive energy into the finishing touches of their work plans, which were to be presented to the NASE Board of Directors in late October. Focused on Advocacy, Benefits and Visibility, the work plans develop proposals to better equip the association to meet the unique challenges facing women micro-business owners today.

The Council also met with representatives from the Department of Labor's Office of the 21st Century Workforce, National Women's Business Council and National Association of Women Business Owners (NAWBO) at a policy roundtable. There the Council members voiced their ideas and perspectives on the issues that are most pressing for women business owners.

Learn more about the NASE by visiting their web site at www.nase.org.

Hill Democrats Track Small Business Progress

Minority members of the House Small Business Committee, led by Rep. Nydia Velazquez (D-NY), have recently released the first version of a quarterly index of small business performance. The Small Business Index includes a basket of measures that assess job growth, business starts and failures, business operating costs, and the like. While this is the first published version of the index, the report includes index measures going back to 1998. This historical look-back shows that the index is now at a five year low—largely due to high unemployment, high electricity prices, and the trade deficit. The report also calls for health care reforms and a national energy policy to help reduce costs for small businesses in two critical areas. It is available at: www.house.gov/smbiz/democrats/Reports/SBI_Report.pdf

State Women's Business Councils, cont.

thank the Women's Business Centers and the Small Business Development Centers for their assistance in identifying many organizations that may have otherwise been overlooked.

The full *Issue in Brief* and the companion resource guide may be found www.nwbc.gov. This document was created by the NWBC as a first step in gathering information on state economic networks for women business owners. Despite intensive research, there may be existing organizations that have not been identified. The NWBC welcomes information on any such organizations that may have been inadvertently missed.

Featured Organization

Colorado Office of Economic Development and International Trade: Women's Economic Development Council

The Colorado Office of Economic Development and International Trade's Women's Economic Development Council is the only state-funded council specifically dedicated to women's entrepreneurship policy development. The Council's mission is to support women in business with resources and information to enhance their development and success and to inform women-owned businesses of the current state of Colorado economic development programs, initiatives and policies. Council Members are appointed by the Governor of Colorado to represent the concerns of the state of women-owned businesses.

The Council's responsibilities include:

- Providing a public forum at which the perspective of women-owned businesses can be brought to the attention of the State;
- Serving as a resource to the Office of Economic Development on statewide women business issues;
- Identifying any unique problems confronting women-owned businesses in Colorado that can be remedied by executive agencies; and
- Making recommendations for regulatory changes needed at all levels of government to encourage the initiation, stability and growth of women-owned businesses in Colorado.

To learn more about Colorado's Women's Economic Development Council, visit www.wedccolorado.org or e-mail them at otrwl@aol.com.

Council Members

Chair

Marilyn Carlson Nelson, Chairman and CEO
Carlson Companies, Inc.

Jean Johnson, President and CEO
LegalWATCH

Laurie McDonald Jonsson, President and CEO
Stellar International

Karen Kerrigan, President and CEO
Women Entrepreneurs, Inc.

Claudia Laird, Vice President, Ability Center,
and an owner of LIDCO, Inc.

Terry Neese, President
Terry Neese Personnel Services

Sheri Orlowitz, Founder, Chairman and CEO,
Shan Industries, LLC; Founder and Owner,
OrloVon, LLC

Annie Presley, Principal and Owner
The McKellar Group, Inc.

Women's Business Organizations

Association of Women's Business Centers

National Association of Women Business Owners

U.S. Hispanic Chamber of Commerce

Dr. Marsha Firestone, Founder and President
Women Presidents' Organization

Women's Business Enterprise National Council

Upcoming Events in the Women's Business Community

United States Association for Small Businesses and Entrepreneurship (USASBE) 2004 Conference

January 15 - 18, 2004
Dallas, TX

www.usasbe.org

Policy and Action 2004: The Business and Professional Women/USA National Policy Conference

February 4 - 7, 2004
Washington, DC

www.bpwusa.org

Women in Leadership Summit, Hosted by Linkage, Inc.

February 10 - 12, 2004
San Francisco, CA

www.linkageinc.com

Women Work! 2004 National Conference

February 18 - 20, 2004
Washington, DC

www.womenwork.org

Office Depot's "Success Strategies for Businesswomen" 2004 Conference

February 22 - 24, 2004
Boca Raton, FL

www.officedepotsuccess.com

Women Presidents' Organization 2004 Conference, "Leading From the Edge"

February 26 - 28, 2004
San Francisco, CA

www.womenpresidentsorg.com

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Council Mission

The National Women's Business Council is a bi-partisan Federal advisory council created to serve as an independent source of advice and policy recommendations to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners.

The Council's mission is to promote bold initiatives, policies and programs designed to support women's business enterprises at all stages of development in the public and private sector marketplaces, from start-up to success to significance.