



1994 Annual Report  
to  
The President of the United States  
and  
The Congress of the United States



THE CURRENT ECONOMIC TURNAROUND IS  
WOMAN-DRIVEN...

FEMALE ENTREPRENEURS ARE THE HEROES OF  
THE CURRENT ECONOMIC RECOVERY IN THE  
U.S....

THEY ARE PROVIDING TRAINING GROUNDS FOR  
THEIR FEMALE EMPLOYEES TO LEAVE AND  
LAUNCH THEIR OWN BUSINESSES, WHICH  
CREATES AN EVER-WIDENING CIRCLE OF  
WOMEN HIRING WOMEN TO SOLVE PROBLEMS  
THAT AFFECT WOMEN.

A. DAVID SILVER

Author of "Enterprising Women"

Quote excerpted from

May 9, 1994 Wall Street Journal article

The New American Hero

★ **NWBC**  
*National Women's Business Council*

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**MR. PRESIDENT AND MEMBERS OF CONGRESS:**

The National Women's Business Council began 1994 with an ambitious strategic plan -- a plan whose end goal was to effect significant changes in public policy that more appropriately reflected the interests of women business owners. Six years of research, dialogue and discovery have demonstrated to the Council that women business owners are poised to reap great commercial success -- if only the doors of opportunity would open wider to them.

The Council's 1994 agenda focused on changes in procurement opportunities, access to capital and data collection as key public policy issues where changes could enhance opportunities for women business owners. We are proud to announce the successes we achieved this year in implementing our plan and to emphasize the importance of the role played by the coalition of women's business advocacy organizations. This coalition was responsible in large measure for these triumphs.

1994 was the year in which women finally began to receive the recognition they deserve for their contributions to the new economic order. More than half of the three million businesses formed in the U.S. in each of the past five years were started by women. The receipts of the women-owned businesses have increased four-fold during that time -- and estimated to exceed \$1 trillion by 2000. As we know from Labor Department statistics, new job creation in the U.S. is being generated by small entrepreneurial companies. Women-owned businesses account for 11 million of those new jobs and, typically, their workforce is two-thirds female.

Public and private sector leaders recognize the growing importance of the women's business sector. Institutional lenders, federal government procurement officials, Fortune 500 companies and venture capitalists all have begun to initiate programs to attract and promote women business owners.

Increasingly, business and professional women's organizations have played a more active role in advancing the interests of women entrepreneurs. From an initial coterie of 12 women's business advocates, the National Women's Business Council has expanded the circle of influence to include many of the 400 women's business advocacy organizations identified in a new publication, The Business Women's Network Directory.

The coalition that was born at the National Women's Business Council's strategic planning session in mid-1993 was instrumental in the ultimate success of the National Women's Business Council. Together we have made great strides in achieving fair and free competition for women business owners.



In 1994, major breakthroughs were achieved in the three critical areas that the Council has focused on throughout its tenure:

★ **PROCUREMENT OPPORTUNITIES**

A separate 5% goal for federal contract awards to women was enacted as part of the President's Reinventing Government initiative.

A survey of Fortune 500 companies conducted by the Council revealed that women continue to be underrepresented as suppliers of goods and services to major corporations. The survey also noted that while the private sector recognizes the potential and value of women-owned businesses, efforts to tap that potential have been thwarted by the absence of a national clearinghouse on women business enterprises.

★ **ACCESS TO CAPITAL**

In comments to the four Federal banking regulatory agencies, the Council proposed reinforcing and improving Community Reinvestment Act regulations to encourage greater investment in small, minority and women-owned businesses by including gender identification and establishing creative new lending criteria.

Congress enacted legislation that created a new framework for the securitization of small business loans and leases. The NWBC has endorsed the creation of a secondary market vehicle for small business loans which could stimulate the flow of needed funds to women-owned businesses. We are pleased to see that action is finally being taken on this issue of vital importance.

The dialogue between lenders, investors, policy makers, government officials and women business owners continued with expert policy workshops co-sponsored by the NWBC and the Federal Reserve Board. Since women business owners seldom receive venture capital funds, the workshops focused on sources and uses of equity capital, particularly public and private pension funds. Following these workshops, the Council prepared an action plan of recommendations to increase investment in women-owned businesses by pension funds, in secondary markets and through Small Business Administration programs.

★ DATA COLLECTION

The NWBC compiled for the first time in a single document all major statistical information known to date about women-owned businesses. The Compendium of National Statistics on Women-Owned Businesses in the U.S. analyzes and integrates data to highlight trends in women's entrepreneurship, identifies gaps in the data and recommends improvements in data collection to enhance what is known about this important economic sector.

With the Department of Commerce as the lead, seven Federal departments and agencies committed to supporting a Mid-Term Women's Business Survey with data available in 1996. The data collected by the U.S. Census Bureau will supplement the 1987 and 1992 census surveys and provide a more timely profile of women businesses and the significant impact they have on the U.S. economy.



As an advisor to the President and to Congress, the National Women's Business Council is in a unique position to identify and promote public and private sector policies and programs that have been successful in encouraging women entrepreneurs.

In 1994, the Council worked actively to identify and nurture coalition relationships with other women's groups, and to develop collaborative relationships with advocacy organizations that represent, support and study women business ownership. The NWBC also initiated discussions with traditional business advocacy groups and industry leaders to break down barriers that have inhibited women entrepreneurs in realizing their dreams.

We are confident we have established within the federal system a solid foundation for advocacy for women entrepreneurs. As the NWBC evolves into its new and expanded role, this powerful voice for women entrepreneurs will continue to be heard as the economic policies of the government begin to reflect the interests and spirit of these dynamic women.

**THE NATIONAL WOMEN'S BUSINESS COUNCIL  
SHALL ENSURE THE FULL PARTICIPATION OF  
WOMEN BUSINESS OWNERS IN THE FREE  
ENTERPRISE SYSTEM BY IDENTIFYING AND  
VIGOROUSLY PROMOTING THEIR INTERESTS IN  
WAYS THAT CAN BE MEASURED.**

**Mission Statement  
National Women's Business Council**

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★★ IMPLEMENTATION ★★  
OF THE  
NWBC STRATEGIC PLAN

*We at the NWBC have documented in testimony presented at our hearings and workshops that barriers exist to free and fair competition for women business owners and that they are all but invisible to policy makers...The NWBC has positioned itself as a catalyst for change on the part of these entrepreneurs in the areas of procurement reform, access to capital and the kind of meaningful data collection which will ensure that the contributions of these business owners are counted.*

Mary Ann Campbell, CFP  
Chair, NWBC

Testimony before the U.S. House of Representatives Committee on Small Business  
MAY 1994

# ★ ENRICHING THE STATISTICAL PROFILE

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## ★★ A COMPENDIUM OF NATIONAL STATISTICS ★★ ON WOMEN-OWNED BUSINESSES IN THE U.S.

One objective of the National Women's Business Council (NWBC) has been to promote the interests and highlight the contributions of women entrepreneurs by identifying the trends and demographics of this dynamic business sector.

While our library is rich in anecdotal evidence and qualitative analysis, missing from the literature is a comprehensive statistical profile of the status of women's business ownership in the U.S. In 1994, the NWBC issued a Compendium of National Statistics on Women-Owned Businesses in the U.S. which provides documentation of the growth, economic contributions and critical barriers that still exist for the women's business sector.

This Compendium incorporates all the statistical information known to date about women's business ownership in the United States. Reports and studies were collected from all federal agencies that prepare information on America's businesses as well as selected private sources. The document also analyzes and integrates data to highlight trends in women's entrepreneurship, identifies gaps in the data and recommends improvements in data collection to enhance what is known about women's businesses.

*The completion of a statistical compendium providing an overview of the status of women-owned businesses coupled with a new U.S. Census survey that will provide updated information on women-owned businesses will go a long way in highlighting and reinforcing the growing economic force and impact made by women business owners.*

Ronald H. Brown  
Secretary, U.S. Department of Commerce  
Vice Chair, NWBC

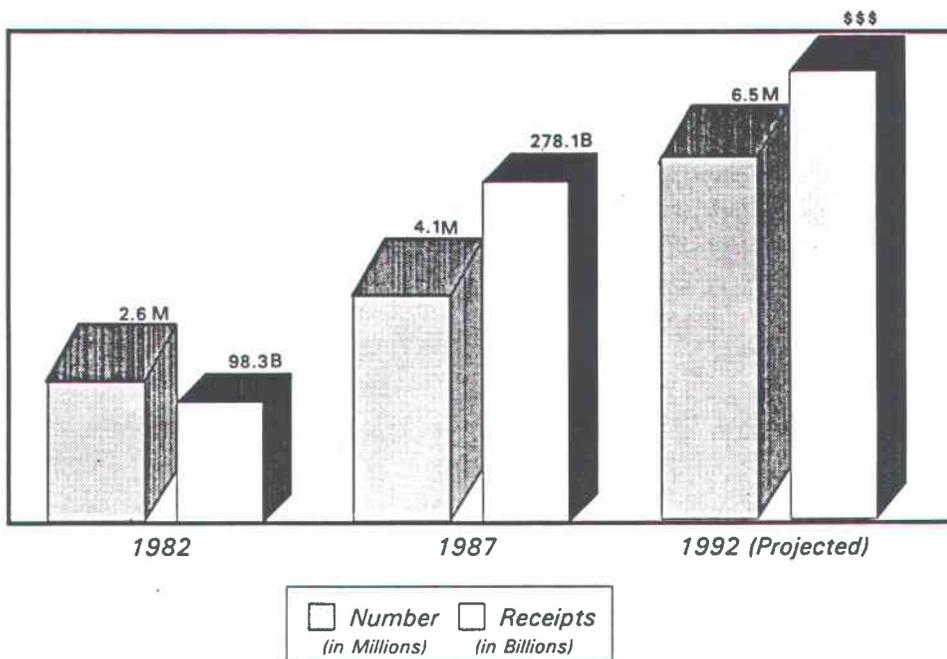
The National Women's Business Council prepared this report, with the assistance of the National Foundation for Women Business Owners, to stimulate further research and discussion. We have endeavored to improve the scope and quality of official economic data to promote changes in policy and legislation that will support women entrepreneurs as they launch and grow their businesses.

The Council's Compendium includes statistics on:

- ★ the number, size and economic strength of women-owned businesses,
- ★ recent growth trends, and
- ★ information on two key issues for women business owners: access to financial resources and procurement opportunities.

Our Compendium reveals that women-owned businesses have shown phenomenal growth in both numbers and economic initiative over the past 15 years. Growth in the number, sales and employment of women-owned businesses has exceeded the rate of growth of small business in general; today women-owned businesses are well represented in all industry sectors and continue to be a growing source of employment opportunities, particularly for women and minority workers.

## Women-Owned Firms Have Grown Dramatically In The Past Decade



Source: Bureau of the Census

Here are some of the highlights from the Compendium's findings:

★ **WOMEN-OWNED FIRMS: 40 PERCENT OF ALL BUSINESSES BY 2000**

In 1982, there were 2.6 million women-owned businesses identified. That number rose to 4.1 million in 1987 and is projected to exceed 6.5 million this decade. Given this pattern of growth, it is a conservative estimate that women-owned firms will comprise 40% of all businesses by 2000.

★ **WOMEN BUSINESS OWNER RECEIPTS WILL EXCEED \$1 TRILLION**

Receipts from women-owned businesses were documented to be \$98.3 billion in 1982 and \$224 billion in 1987. They are projected to exceed \$1 trillion by 2000.

★ **WOMEN-OWNED FIRMS ARE PROVEN JOB CREATORS**

Women business owners employ more than 11 million people.

★ **WOMEN AWARDED LESS THAN 1 PERCENT OF FEDERAL CONTRACTS**

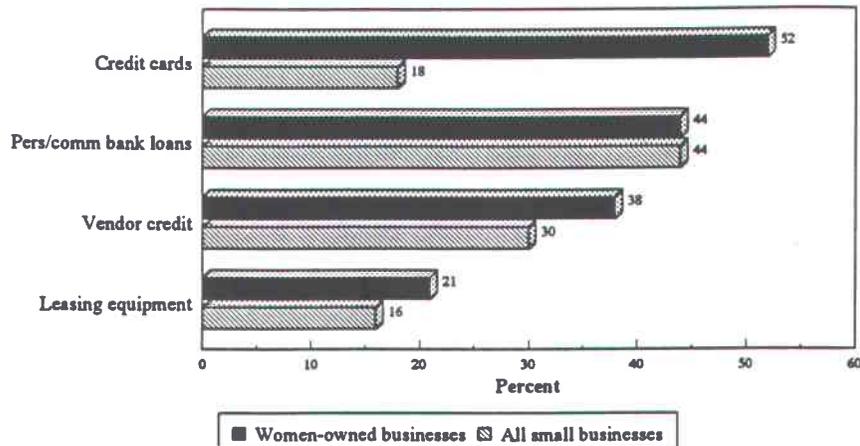
The share of federal procurement dollars going to women-owned businesses has not changed significantly in the last 10 years. In 1980, women-owned firms received 0.8% of federal contract awards over \$25,000 and in 1991 awards to women had barely increased to 0.9%.

★ **MORE WOMEN USE CREDIT CARDS TO FINANCE THEIR BUSINESSES**

What the existing data also tells us is that despite the tremendous growth in numbers and in economic power, barriers to increased economic growth remain. Women find it more difficult to obtain the capital necessary to start and grow their businesses.

According to the U.S. Census Bureau, among women who used borrowed capital to start their businesses (27.3%), the share obtaining start-up capital from commercial lending sources declined from 42% to 34% from 1982 to 1987, while the share acquiring financing from other sources (credit cards, refinanced homes, non-commercial loans) tripled from 6% to 18% during that same time.

## Comparison of Types of Short Term Financing Used



Source: NFWBO and NSBU  
Note: Multiple responses allowed



### THE PROFILE OF WOMEN-OWNED BUSINESSES REMAINS INCOMPLETE

While these statistics suggest impressive growth and highlight serious obstacles remaining for women business owners, many gaps remain in our profile. Without a full accounting of the demographics and economic performance of women-owned businesses, their contributions to the economy will continue to go unrecognized and their fullest potential unrealized.

We also have found that national economic data collected under various regulations and statutes are left unanalyzed or are too limited in scope. Furthermore, analysis is made more difficult through inconsistent application of standards and criteria employed by the many federal agencies and departments undertaking the collection, tabulation and analysis of the information.

### NWBC RECOMMENDS A COMMITMENT FROM THE FEDERAL GOVERNMENT TO INCLUDE GENDER-BASED RESEARCH AND INQUIRIES

In the next two years, there will be a bounty of official surveys and statistics released by the Federal Government that will capture new trends and record data on those women-owned businesses whose successes have previously been uncharted.

The NWBC makes the following recommendations regarding the analysis of this information and to guide future research:

**RECOMMENDATION:** *Encourage states to collect data and information on women-owned businesses at the state and local level and to collaborate in collecting regional data. State-based data is vital for developing programs and infrastructure that will have the most immediate and measurable impact on women business owners.*

**RECOMMENDATION:** *Improve the quality of national economic statistics on women-owned businesses throughout the Federal government.*

- ★ Require that all business statistics collected by the Federal government include gender of owner(s) so that comparisons between women- and men-owned businesses can be made.
- ★ Develop a consistent definition of woman-owned business to be used by all parts of the Federal government.
- ★ Increase the comprehensiveness of data collected on women-owned businesses by including C corporations in the Economic Census.
- ★ Work to ensure collaboration and consistency in research and data collection activities on women business owners.

**RECOMMENDATION:** *Encourage public/private partnerships to address data collection and research on women business owners.*

Areas to be studied should include:

- ★ Economic contributions made by women-owned businesses in job creation and revenues.
- ★ Barriers to growth, including access to capital, public and private sector business opportunities and availability of technical assistance.
- ★ Social impact of women-owned businesses on employees and the community.
- ★ Innovation, quality and productivity of women-owned businesses.

★★ THE NEW MID-TERM CENSUS ON WOMEN BUSINESS OWNERS ★★

Much has been said about the importance of the women's vote in shaping the outcome of Presidential, federal, state and local elections of 1992. Over 7.2 million more women than men voted in that election and significant gains were made in the numbers of women elected to office. 1992 also was the year the National Foundation for Women Business Owners released its study revealing that women were starting businesses at more than twice the rate of their male counterparts. These women business owners were employing more workers than the Fortune 500 and their receipts tripled since the last business census was conducted.

While this phenomenal growth was taking place, official documentation was not keeping pace with the changes and was inadequate to track growth patterns and development -- not to mention trends -- in the women's business sector. More information and data needs to be known about the women who are creating the jobs and building the assets that are reinforcing the foundation of our economy. More needs to be known about the singular growth of women entrepreneurs during the last decade and the contributions they have made -- and have the potential to make -- to the U.S. economy throughout this decade and into the 21st century.

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*Over sixty-four percent of women aged 18-34 want to become business owners. Women entrepreneurs are no longer a rarity in the present or in the dreams of young women.*

Betsy Myers  
Director  
Office of Women's Business Ownership

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In its 1993 annual report to Congress and the President, the National Women's Business Council recommended a coordinated federal effort to collect and prepare more timely statistics on women-owned businesses separate and apart from the five-year business census. The Clinton Administration has addressed our concerns by announcing that seven federal departments and agencies will contribute funds for a mid-term census on women business enterprise to augment the data from the 1982, 1987 and 1992 Census surveys. This survey, to be conducted by the U.S. Census Bureau, will track women-owned companies (including C corporations) and collect characteristic information, such as revenues, geographic distribution, growth industries and number of jobs created.

This survey will provide critical information for government, business, industry and the general public to aid in policy-making and marketing decisions that will benefit the women's business sector and ultimately, our economy.

## ★ *COALITION BUILDING AND CONSTITUENCY DEVELOPMENT*

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In 1993, the National Women's Business Council adopted a strategic plan that repositioned the panel to serve as both advisor and advocate. Thus, the Council became not only a source of information for policy makers but a catalyst for change on behalf of women business owners and their advocates. The plan called for the Council to develop and maintain strong relationships with national women's advocacy organizations and to seek their input on policies that would have an impact on their businesses and their lives.

In May 1994, the NWBC convened a meeting of over 15 nationally recognized women's business organizations representing more than 500,000 women business owners in the United States. This core group organized into an ad hoc coalition that played a pivotal role in the implementation of the NWBC's strategic plan and many of its policy recommendations. They attended and participated in Congressional hearings, offered their guidance in planing and developing presentations for our policy recommendations, financing workshops and statistical reports.

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### **WOMEN'S ADVOCACY ORGANIZATIONS**

### **REPRESENTATION**

National Association of Women's Business Yellow Pages	1,000,000
National Association of Female Executive	250,000
Soroptomist International of the Americas	95,000
American Business Women's Association	90,000
Natl Federation of Business & Professional Women's Clubs	80,000
Zonta International	36,000
American Women's Economic Development Corporation	8,000
Coalition of 100 Black Women	7,000
National Association of Women Business Owners	5,000
International Alliance	5,000
National Association of Black Women Entrepreneurs	5,000
National Federation of Black Women Business Owners	3,200

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Among the coalition's most notable achievements was the enactment of legislation, signed by President Clinton on October 13, 1994, to establish a separate 5% federal procurement goal for women-owned businesses. Women's advocacy organizations such as the **National Association of Women Business Owners**, the **National Federation of Black Women Business Owners**, **Women Construction Owners and Executives** and the **National Women's Law Center** worked together with the members of the **Congressional Caucus for Women's Issues** to ensure passage of the women's procurement goal. As a result, women can look forward to greater opportunities to compete for and win federal government prime and sub-contracts.

*The leading organizations across the country representing women business interests, have joined together to urge you to insist that any procurement reform legislation contain provisions to assist women-owned businesses to gain access to federally funded government procurement prime and sub-contracts, a vital market for our constituents.*

**THE COALITION FOR ACCESS TO  
FEDERAL PROCUREMENT  
OPPORTUNITIES FOR WOMEN-OWNED  
BUSINESSES**

The group also united to secure a continuing voice within the Federal government on behalf of women business owners. A budgetary decision to sunset the National Women's Business Council and severely cut back the SBA's Office of Women's Business Ownership was reconsidered due to the valuable input received by Members of Congress from this coalition and others from the over 400 women's business organizations identified in The Business Women's Network Directory. The result of their advocacy will be a newly expanded and enhanced women's economic advocacy effort within the Federal government and a greater appreciation for the role and contributions of women entrepreneurs.

*We have the strong support from women business owners and advocates who recognize the importance of having a national voice. This support has never been more critical and our role never more important.*

**NWBC Testimony before the  
U.S. House of Representatives Committee on Small Business  
MAY 1994**

**★★ STATE WOMEN'S BUSINESS COUNCILS AND ADVOCATES PLACE PRIORITY ON WOMEN'S BUSINESS DEVELOPMENT ★★**

In 1994, the Illinois State Assembly followed the examples set by their counterparts in California and Colorado and passed legislation that created a women's business council. The **Illinois Women's Business Council** is charged with examining the status of the over 200,000 women business owners in the state. The Council will be responsible for holding hearings, collecting testimony from women business owners and making annual policy recommendations to the legislature and governor. The nine member Council, including National Women's Business Council member Marilu Meyer, held its first meeting on October 24, 1994.

The **California Council to Promote Business Ownership by Women (CWBC)** held hearings this year covering access to capital, certification and government procurement. The CWBC also developed a questionnaire addressing these issues which was distributed to women's business organizations and women entrepreneurs throughout the state. The results will be reported in the Council's annual report to the Governor.

The **Colorado Women's Economic Development Council** worked with private sector leaders to establish public/private sector partnerships that would fund and support their programs. They were instrumental in the passage of legislation that established procurement goals for women, held their first Camp Entrepreneur for high school girls and sponsored a gala to honor the top 100 women business owners in Colorado. The Council also invited 150 influential women throughout the state to attend the first Women's Business Agenda conference and began work on a five-year plan of action to support women's business entrepreneurship in the state.

The **National Association of Women Business Advocates (NAWBA)**, a national organization of women's business advocates operating at the state and local government level, has expanded its membership to include advocates from 20 states and the Providence of British Columbia. To date, five states (Michigan, Wisconsin, Illinois, Utah and Ohio) and British Columbia have conducted, or are in the process of conducting, extensive surveys of their women business owner constituents. At its March 1994 meeting, held in Washington, DC, advocates met with members of the Congressional Caucus for Women's Issues and representatives of national women-in-business membership organizations to begin the process of developing a coordinated women's business enterprise advocacy strategy.

# ★ ENSURING GREATER ACCESS TO BUSINESS OPPORTUNITIES

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## ★★ PUBLIC SECTOR INITIATIVES ★★

### ENACTMENT OF A SEPARATE 5% FEDERAL PROCUREMENT GOAL FOR WOMEN

By far the greatest single achievement of the NWBC in 1994 was the enactment of a separate 5% women's goal for federal prime and sub-contracts. Since its inception, the National Women's Business Council has identified the need for meaningful change in the federal procurement contracting system to provide opportunities for women-owned businesses. Recognizing that the success of a small business in securing federal government contracts greatly increases the chances for that firm's survival and marketability in the private sector, NWBC resolved to increase competitive opportunities for women within the federal marketplace.

In 1993, the U.S. Small Business Administration (SBA) estimated that nearly one-third of all small businesses were owned by women. During the same year, women-owned businesses received less than one percent of prime contracts over \$25,000.

Clearly the current voluntary goaling system, which had succeeded in creating a competitive system among so-called "disadvantaged businesses" for a relatively small percentage of the \$200 billion federal procurement pie, was simply not working for women.

*After more than a decade of voluntary Executive Branch goal-setting...only where there have been legislated preferences, have women-owned businesses made substantial gains.*

Amy Millman  
Executive Director, NWBC  
Testimony before the  
U.S. House of Representatives  
Committee on Small Business  
FEBRUARY 1994

Since 1989, the NWBC's annual recommendations to the President and Congress addressed inequities in the system and called for the enactment of legislation that would:

- ★ expand access to federal procurement opportunities for all small businesses, including women-owned businesses, by streamlining the process;
- ★ establish mandatory government-wide prime and subcontracting goals for women-owned businesses, separate and apart from goals already established for disadvantaged businesses;
- ★ establish pilot programs within the federal government for aggressive outreach/contract initiatives to identify women contractors to bid on contracts; and
- ★ adopt a uniform definition of women-owned businesses for procurement purposes.

The Clinton Administration also recognized the need for change in the manner in which the government conducts its business. The President outlined a progressive policy regarding small business, emphasizing his strong commitment to promoting small, minority and women-owned business development. In 1994, the Administration moved swiftly to propose legislation that would reform the process by which the federal government contracts for goods and services.

In February 1994 Congressional hearings, the House Small Business Committee's Subcommittee on Procurement, Taxation and Tourism examined the impact of the Administration's proposals on small business. In testimony before that committee, the NWBC recommended that Congress incorporate the Council's priority procurement recommendations into the new procurement reform legislation. A broad-based coalition of women's organizations working together with members of Congress determined that this was the time to address the issue of women business owner's access to federal procurement opportunities.

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*One of the major obstacles faced by women business owners is the lack of access to federal procurement contracts and subcontracts. Our amendment attempts to rectify this underrepresentation. Both government and small business win by setting this goal.*

*As women members of Congress we request your support for providing greater access to federal procurement opportunities for women-owned businesses.*

Senator Carol Moseley-Braun  
Senator Kay Bailey-Hutchison  
Representative Marjorie Margolies-Mezvinsky  
Representative Jan Meyers

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The outcome of this advocacy effort was the inclusion of a number of provisions for women-owned businesses in the Federal Acquisition Streamlining Act of 1994 [PL 103-355], signed by the President on October 13, 1994.

Among these provisions:

- ★ A government-wide 5% goal of the total value of all federal prime contract and subcontract awards each fiscal year.
- ★ A new requirement that large government prime contractors adopt and implement subcontracting plans designed to increase subcontracts going to women-owned businesses.
- ★ Direction to the Administrator of the Office of Federal Procurement Policy (OFPP) to develop a uniform definition of women-owned businesses and uniform certification standards and procedures for use in all federal procurements and all procurements by other entities funded in whole or part by federal financial assistance.
- ★ Direction to the Administrators of the OFPP and the SBA to ensure that women-owned businesses, along with small and disadvantaged businesses, are given the "maximum practicable opportunities to participate in contracts below the simplified threshold and to develop policies to promote achievement of goals."
- ★ A requirement that government personnel receive training in ways to increase procurement for women-owned businesses.

The NWBC is pleased to report that during 1994, both Congress and the Administration have created the tools to make meaningful change in procurement awards for women-owned businesses a real possibility. The Council also reports that it has played a pivotal role in bringing about the creation of these tools. The challenge that remains for the federal government and the women's business community is to utilize these tools and other "best effort" strategies to increase women's involvement in the bidding process until such time as women will be able to compete freely and fairly in the public marketplace.

★★ PRIVATE SECTOR INITIATIVES ★★

**SURVEY OF FORTUNE 500 SPOTLIGHTS WIDESPREAD COMMITMENT TO INCREASE BUSINESS OPPORTUNITIES FOR WOMEN BUSINESS OWNERS**

Women-owned businesses also have been underrepresented as suppliers and vendors for major U.S. corporations. Women's advocacy groups such as Catalyst and the National Women's Economic Alliance Foundation have concentrated on increasing the numbers of women on corporate boards and have achieved great successes. A similar effort is needed to promote opportunities for women business owners as business partners with these same corporate leaders.

In 1994, the National Women's Business Council conducted a survey of private sector business opportunities available to women business owners. The mail survey polled the FORTUNE 500 industrial and service corporations on programs they have initiated to attract women as vendors of goods and services. The overwhelming response clearly indicates that the private sector has recognized the potential and value of women business owners and has made a strong commitment to targeting women as part of their purchasing strategies.

Seventy percent of respondents reported that within the last five to ten years they had established vendor/supplier programs for women business enterprises. Of those companies, 50% characterize women as disadvantaged businesses (DBE). Several of the respondents acknowledged that the federal government's initiatives to increase contract awards to minorities and women served as a model for their programs. Many of those polled have acknowledged their success in receiving government contract awards in part due to the strength of their subcontracting relationships with women and minority-owned businesses.

*Several years ago [our company] established its "Women Business Development Program" to ensure that qualified women business enterprises are given an opportunity to do business with our company. Our goal is to increase purchases by 10% annually up to the year 2000.*

**ANHEUSER-BUSCH COMPANIES**

The message derived from this survey was that there is a great interest and substantiation for a public/private sector effort to:

- ★ establish uniform, nationwide certification criteria for women contractors; and
- ★ develop an on-line database for the identification and sourcing of qualified women-owned firms.

A collaboration between women business organizations, the private sector and the public sector is needed to study current models, existing databases and resources and to establish the necessary certification and business development programs.

## ★ *FINANCING WOMEN-OWNED BUSINESSES*

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Five years of investigation by the National Women's Business Council into the status of women-owned businesses has identified access to capital and credit as the foremost barrier to the success of these entrepreneurs.

Despite the phenomenal growth and success of women-owned businesses in the U.S. in the past decade, these entrepreneurs still face significant obstacles to obtaining the financing they need to start or expand their businesses.

The NWBC recognizes that traditional lending sources are not meeting the needs of women entrepreneurs. Many women business owners don't fit the standard profile needed to meet banks' fiduciary obligations -- they tend to be concentrated in industries that don't require traditional collateral investments. Women also start their businesses with no credit or insufficient credit history. Additionally, the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989 has had a dampening effect on the financial institutions' ability to grant small business or "character-based" loans.

The NWBC decided to take a hard look at the realities of the capitalization picture for women entrepreneurs. This led to a series of access to capital and credit symposiums co-sponsored by the Federal Reserve.

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*We are no longer at the stage of trying to decide whether there is a problem, or what the problem is. We know the answers to those questions. The question now is: what can be done to expand access to capital, and more specifically, what changes in federal policy are needed.*

The Honorable Mary Ellen Withrow  
U.S. Treasurer

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★★ THE FEDERAL RESERVE BANK WORKSHOPS ★★

In September 1992, the NWBC, in conjunction with the U.S. Small Business Administration and the Federal Reserve, sponsored its first policy discussion on access to capital in Washington, D.C. Symposium participants examined the current environment for financing women-owned businesses and explored non-traditional financing options. Among the recommendations to emerge from that expert policy workshop was that direct interaction between women business owners, lenders, the government and private sector advocates must be encouraged. The Board of Governors of the Federal Reserve agreed to co-sponsor additional symposia on access to capital.

In September 1993, the Federal Reserve Bank of Richmond hosted a second workshop. Participants, including women business owners and experts in the areas of banking and microlending, addressed the need for technical assistance and training, the frustration with government loan program paperwork and regulatory requirements, limitations on and responsibilities of traditional lenders, and the need for a comprehensive review of funding options outside traditional sources.

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*70% of women business owners bankrolled the start-up and the expansion phases of their businesses with personal credit cards or loans from family or friends because they couldn't get a bank loan.*

**Betsy Myers**  
Director  
Office of Women's Business Ownership

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On June 3, 1994, the Council and the Federal Reserve Bank of Chicago hosted the third workshop which addressed the opportunities for increasing the flow of investment capital to women. Investment practices by public and private pension funds were examined and presentations heard from state and city treasurers, venture capitalists, investment bankers and government officials. We learned that as one of the principal sources of financial assets, pension funds can play a major role in the growth and success of small and women-owned businesses. However, reviews of investments made by major venture funds and institutional investors reveal virtually none of this money going to women entrepreneurs.

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*How do we balance concerns about the economic viability of venture capital investment in "special" groups with a concern that these groups not be overlooked?*

**The Honorable Susan Phillips**  
Board of Governors  
Federal Reserve Board

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## EXPERT POLICY WORKSHOP RECOMMENDATIONS

A series of recommendations intended to reorient investor behavior was included in the NWBC's *Access to Equity Capital Expert Policy Workshop Report* issued in August 1994. A number of our recommendations have been addressed recently through regulatory or legislative action. We are pleased with these new developments and the potential they have to change the experience of women in accessing financial resources.

### ★ INCREASING PENSION FUND INVESTMENTS TO WOMEN-OWNED BUSINESSES

**RECOMMENDATION:** *Classify women-owned businesses as Economically Targeted Investments (ETIs) and include this sector in the Department of Labor's ETI clearinghouse.*

Investors and policy makers alike recognize the vast and virtually untapped potential of pension funds, with assets of \$4.4 trillion, to stimulate economic activity. The NWBC and policy makers have suggested creating incentives that will encourage large institutional funds to invest in economically targeted enterprises and undercapitalized sectors of the economy.

In June 1994, the Department of Labor identified ETIs as viable pension fund investment alternatives. ETIs are investment strategies that include any prudent investment filling a capital gap in an underfinanced area of the economy and earn a risk-adjusted market rate of return. The Department of Labor is creating a clearinghouse that will gather and examine information about the investment performance and attributes of ETIs. They will provide this information to the pension fund community to aid investment decisions. Initiatives such as this one should facilitate investments in those sectors that have been overlooked by lenders and investors -- including women-owned businesses.

### ★ INCREASING INVESTING AND LENDING OPPORTUNITIES WITH THE SECURITIZATION OF SMALL BUSINESS LOANS AND THE CREATION OF A SECONDARY MARKET

**RECOMMENDATION:** *Create mechanisms that facilitate the building of a secondary market to secure small business loans that would expand opportunities for participation by financial institutions and intermediaries.*

Support for the mechanisms to facilitate and create a secondary market were recommendations of both the 1980 and 1986 White House Conference on Small Business and the NWBC in its 1992 and 1993 Annual Reports. A secondary market for loans granted to small and women-owned businesses will provide the momentum for the businesses to reach acceptance in investor, venture capital, regional and national banking spheres.

On September 23, 1994, President Clinton signed PL 103-325, designed to increase small business access to capital by removing impediments in existing law to the securitization of small business loans and leases with the goal of stimulating a flow of funds to small businesses.

As banks endeavor to meet the lending needs of their individual communities, they will be better able to provide longer term commitments to developing businesses through the securitization of small business loans. The subsequent sale of these loans to institutional investors creates liquidity in the market, freeing up bank capital. The benefits of small business loan securitization will accrue to all small businesses -- including women-owned businesses -- and thus, to the economy as a whole.

★ **INCREASING ACCESS TO EQUITY INVESTMENTS AND DEBT FINANCING THROUGH THE SMALL BUSINESS ADMINISTRATION'S SMALL BUSINESS INVESTMENT CORPORATIONS (SBICs) and SPECIALIZED SBIC (SSBICs) PROGRAMS**

***RECOMMENDATION: The SBA should initiate a more comprehensive review of investment practices of the SBIC and SSBIC programs to determine the level of investments made to women-owned firms.***

SBICs and SSBICs are profit-motivated businesses that independently make either loans or equity investments. They are licensed by the SBA to stimulate the flow of equity capital and long-term loan funds into small businesses, so that they can grow and develop. The Council's analysis of the experience of women in accessing SBIC and SSBIC financing has been hampered because little data is collected on gender. The SBA does not require SBICs to collect gender-based data on the investments they make, nor are SSBICs required to include gender as part of their documentation for eligibility profiles.

Specifically, the NWBC recommends that:

*Data collection requirements on each investment made by every SBIC and SSBIC should be expanded to include gender, race, type and size of organization, collateral offered and/or used. The turn-down rate and a checklist of reasons for denials of investments should be included within the fund's annual financial statement.*

*These data are essential to determine investment patterns, identify any disparities in service to groups such as women and minorities which have alleged discriminatory practices in the past, and evaluate the cause of any disparities and develop solutions such as outlined in the Equal Credit Opportunity Act.*

*Based on findings that may be revealed through the review process and data analysis, the NWBC recommends:*

- (a) Establishment of a task force on measures to increase the flow of investment dollars to women-owned firms, to study and make recommendations to the SBA within one year.*
- (b) Creation of a Women's Specialized Small Business Investment Company (WSSBIC) pilot which would specifically target investments to women's business enterprises.*
- (c) Creation by the SBA of incentives for SBICs to invest in women-owned businesses, designing ways to assist SBIC and SSBIC programs in assessing and meeting the financing needs of women-owned businesses.*
- (d) Licensing investment companies that are reaching out to women as SBICs, separate and distinct from SSBICs or WSSBICs. A regular SBIC license would give these funds more latitude in their investment decisions and allow a wider variety of investments.*

**★★ PUBLIC SECTOR INITIATIVES ★★**

**★ NWBC CALLS FOR CREATIVE NEW LENDING CRITERIA AND GENDER-BASED DATA COLLECTION IN CRA REGULATION REVISION**

In response to a request by the four federal banking regulatory agencies, the NWBC reviewed and commented on the proposed changes to the regulations that implement the Community Reinvestment Act (CRA). The CRA requires socially responsible lending practices by depository institutions. Of particular interest to the National Women's Business Council is how the changes would affect the financial interests of women business owners and if in fact changes would help bankers to be more responsive to women in their lending patterns.

The NWBC recommended that the federal government replace heavy-handed regulatory requirements with incentives and more creative bank lending practices needed to serve the lending needs of women-owned businesses. The Council urged strongly that data collection requirements on loans, made by both large and small retail banks, be expanded to include gender, race and income levels of borrowers.

The Council is particularly gratified that data on loans approved and declined to women and minorities by large retail banks is called for in the most recent version of the CRA regulatory revision. This is critical for raising questions about disparate treatment and possible discrimination. We also applaud the improvements in the provisions under which banks may adopt a strategic plan with measurable goals as an alternative to the standard lending, investment and service tests. Although much more refinement needs to be done, the progress made to date in updating these influential regulatory guidelines is promising and we urge the federal financial regulatory agencies to move quickly and expeditiously in finalizing this rulemaking.

★ **SBA INITIATIVES TO EASE THE CREDIT CRUNCH**

An important goal of the Clinton Administration is to address and remove the formidable regulatory and financial burdens which fall disproportionately on small businesses. An initial review of the Small Business Administration's loan guarantee programs revealed that women were only receiving between 8 and 10% of these loans. As part of the restructuring of the agency, SBA made a commitment to double the number of loans made to minorities and women by 1996. This commitment led to an 86% increase in the number of loan guarantees to women business owners in fiscal year 1994, totaling \$1.17 billion.

Following are the programs that were instituted to assist SBA and its participating lending institutions in meeting and exceeding loan goals for women:

**SBA'S WOMEN'S  
PREQUALIFICATION LOAN  
PROGRAM**

The Women's Prequalification Pilot Loan Program was launched in June 1994 in eleven states giving women a key to unlock the bank vaults. This program assists women business owners by providing them with a letter of prequalification that they may present to a bank to add weight to their loan application.

The Women's Prequalification program streamlines the application process and provides a quick response to loan requests of \$250,000 or less to women business owners. The criteria for eligibility stresses the character, credit, experience and reliability of the applicant rather than collateral requirements. By the end of FY 1994, just four months into the program, more than 100 loans worth \$10.5 million had been approved.

*As Administrator of the SBA, I promise you that our agency and this Administration plans to make every effort to level the playing field; to give every woman an equal opportunity to live the American dream of business ownership.*

The Honorable Erskine Bowles  
SBA Administrator  
NAWBO Economic Summit  
MARCH 1994

## **LowDoc**

At the Richmond Federal Reserve workshop, participants complained about the burdensome amount of paperwork required for the Small Business Administration loan guarantee application process. Banks indicated that the paperwork burden has discouraged most of them from participating in SBA's programs; borrowers said it had deterred many of them from applying.

SBA's response to this criticism has been to reduce the paperwork to one page. Entrepreneurs starting a business and small business owners looking to grow their businesses can qualify for loans of \$100,000 or less and get the answer in three days or less. Currently, 26% of LowDoc loans are going to women-owned businesses and the SBA expects to process approximately \$1 billion in LowDoc loans in 1994.

## **SBA MICROLOAN PROGRAM**

At every hearing, symposium and workshop held by the NWBC on the issue of capital and credit for women entrepreneurs, we heard a rallying cry for a program to provide loans to businesses needing less than \$50,000. Banks traditionally shy away from approving loans at that level, considering them too risky or unprofitable. The fact is that two-thirds of the businesses in this country are started with less than \$10,000 and half are launched with less than \$5,000. Most of these businesses are started by women.

The Microloan Demonstration Program was established in 1991 and updated in 1994 to assist those entrepreneurs who have small-scale, start-up or new businesses with credit needs below the bank threshold. The program provides for direct loans to intermediary lenders who will use the proceeds to make microloans up to \$25,000 to these micro-enterprises. SBA also makes grants to community groups and technical assistance providers, such as the Women's Business Initiative Corporation in Milwaukee, Wisconsin, to provide marketing, management and technical assistance to their borrowers. To date, over 43% of all microloans go to women-owned businesses, with a default rate of only 3%.

## THE SMALL BUSINESS INVESTMENT COMPANY PROGRAM

Small Business Investment Companies (SBICs) are private investment firms, licensed by the SBA that make loans or equity investments in small businesses. These businesses benefit because of the increase in availability of scarce investment capital and because it carries a government guarantee.

Women-owned businesses have been underrepresented as recipients of venture and investment capital and, although the SBIC program has made some progress in addressing the capital needs of minority-owned businesses, we believe that women-owned businesses have not received their fair share of SBIC funds. The actual analysis of the experience of women in accessing SBIC financing has been limited because data on the gender of applicants and recipients are not required by SBA to be collected.

*Investing in women-owned businesses creates the nationwide growth that leads to long-term, sustainable growth in the national economy.*

Linda Tarr-Whelan  
President and Executive Director  
Center for Policy Alternatives  
JUNE 1994

A recommendation of the NWBC in its 1994 Access to Capital Workshop report was to begin collecting gender-based data on both actual investments and rejections by SBICs. The SBA is currently reviewing this recommendation. The data would be helpful to the SBA in determining who is actually benefitting from the SBIC program, just as the analysis of gender and minority-based data from the SBA's 7(a) loan program has been instrumental in identifying the need to place more emphasis on increasing the number of loans to women and minorities.

★★ PRIVATE SECTOR INITIATIVES ★★

★ CAPITAL CIRCLE HOSTS FIRST WOMEN'S VENTURE FAIR

The Capital Circle, established in 1993, is a non-profit association of leading investors whose goal is to increase dramatically the flow of capital to women-led businesses. In September 1994, the Circle sponsored its first women's venture capital fair in Austin, Texas. Ten women-led companies were showcased at the fair and 55 investors from across the country seeking to invest in women-led companies attended. The women-led companies included high-tech computer software firms and a film production company. The Circle has plans to conduct these fairs bi-annually.

Another successful Capital Circle initiative has been the Emerging Investor Program. In 1994, the Circle held several workshops for "angel" investors and plans to hold several more in 1995 for other prospective investors in women-led firms. Experts from the Capital Circle Board gave presentations on asset allocation, legal aspects of venture investing, financial analysis for venture investing, the due diligence process and the process of monitoring a venture investment once made.

★ NEW FUND TARGETS COLLATERAL NEEDS OF WOMEN BUSINESS OWNERS

Women's Collateral Funding, Inc. of Philadelphia, Pennsylvania was created, in November 1993, to provide alternative funding for qualified women entrepreneurs through a new funding instrument -- Venture Collateral. The vision of the company is to change the national economy by unlocking access to capital across the country for expanding women-owned businesses who are denied small loan requests because they lack sufficient collateral. Revenue for The Venture Collateral Fund comes from the publication of The Women's Directory, a business and purchasing resource guide, and individual and corporate investments.



INITIATIVES AND ACCOMPLISHMENTS



OF THE

National WOMEN'S BUSINESS Council

1988-1994

*The Council has just begun to shape a structure that can bring about real change in the areas of procurement, access to capital and the kind of meaningful data collection that will ensure that the contributions of these business owners are counted. Together these efforts should enable contributions of women business owners to flourish – benefitting our entrepreneurial businesses, their owners, their employees and the economy as a whole.*

NATIONAL WOMEN'S BUSINESS COUNCIL

## ★ *THE NWBC: SIX YEARS OF ACHIEVEMENT*

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The Women's Business Ownership Act of 1988 [PL100-533], which established the National Women's Business Council (NWBC), was signed into law by President Ronald Reagan on October 25, 1988. This landmark legislation resulted from a series of hearings, initiated by women business owners and presided over by U.S. House Small Business Committee Chairman John LaFalce earlier that year. The hearings, which were incorporated into a document entitled "NEW REALITIES, The Rise of Women Entrepreneurs," told the story of women guided by entrepreneurial spirit, but frustrated by obstacles that restricted their ability to compete fairly and equally with their male counterparts. Testimony during the hearings underscored the need for a greater recognition of women business owners through a more accurate profile of their contributions to our nation's economy.

The National Women's Business Council was charged with assessing the growth of women's entrepreneurship nationwide and to identify the barriers that remain. The Council was directed to report its findings to the President and Congress annually with recommendations to remedy inequities and to remove discriminatory policies and practices.



In 1989 and 1990, under the leadership of its first Chair, Susan S. Engeleiter, former Administrator of the U.S. Small Business Administration, the NWBC conducted research on a range of critical issues identified during the 1988 hearings. What emerged from this review was an agenda that would guide NWBC activities over the next four years. That agenda included:

- ★ access to financing and procurement awards,
- ★ the collection of statistical information,
- ★ export opportunities, and
- ★ network development.



In 1991, U.S. Department of Commerce Secretary and NWBC member Robert Mosbacher proclaimed, "America cannot succeed in today's world without the skills, wisdom, and talents of the overlooked majority -- women." The Council, chaired by Pat Saiki, Administrator of the SBA, held hearings in Little Rock, Arkansas, and Arlington, Texas. Further refinement of the NWBC policy recommendations emerged from these hearings.

The year 1991 also saw the creation of the National Association of Women's Business Advocates (NAWBA) -- a network of women involved in promoting and providing services for women entrepreneurs at the state level. The NWBC collaborated with NAWBA to collect and compile information on services and programs offered by Federal, state and local governments to assist women business owners.

The major themes of the Council's 1991 annual report provided a focus for future inquiries and recommendations.

- ★ The adoption of a single definition of what constituted a woman-owned business.
- ★ The need for a uniform, nationwide certification process for women contractors.
- ★ The need for a review of federal regulatory policies to ensure greater access to financial resources for women starting or expanding their businesses.

The Council also tackled the challenge presented by the lack of data and research available on the women's business sector. The need to augment anecdotal evidence with statistical information led to the development of a model for state, local and private sector research into the women's business sector. Since the first pilot was conducted in Missouri, the methodology has been employed by many states to develop comprehensive profiles of women entrepreneurs.



The debates during the 1992 Presidential campaign redefined economic issues as women's issues. Dubbed "the year of the woman", a record number of women were elected to Congress. The results of the 1987 census, which were published that year, revealed that women were starting businesses at a faster rate than their male counterparts. An analysis of the census data prepared for the NWBC, showed that the number of women-owned businesses increased by 57.4 percent between 1982 and 1987. This rate of growth was more than four times the rate for all businesses.

The total receipts of women-owned businesses nearly tripled over this same time period. As of 1987, roughly 30 percent of all U.S. businesses were owned by women. However, of the total U.S. business receipts reported that year, women-owned businesses accounted for just 13.9 percent. The NWBC concluded that if the women's business sector continued to grow at such a phenomenal rate, serious attention needed to be given to the reasons for the lackluster earnings record.

The Council knew from its investigations that access to capital is vital if a business is to sustain a healthy rate of growth. The NWBC had documented capital market discrimination against women and the barriers women experience as borrowers. If lending discrimination was indeed a factor in the profitability of women-owned businesses, the Council needed to take a hard look at the realities of the capitalization picture for women-owned businesses, and at the same time stimulate creative thinking by policy experts on solutions to the problem.

The first of the NWBC's access to capital workshops was held that year. Co-sponsored by the Federal Reserve, the NWBC brought together experts in banking, venture capital, microloan programs, and government and private programs with Council members, SBA representatives and selected women business owners, in a discussion designed to develop proposals for ensuring greater access to capital for women business owners.



1993 was to be the final year of the Council's original five-year mandate. However, with new leadership in the White House and a renewed commitment to enact policy and regulatory changes to increase opportunities for small business, the NWBC took the opportunity to plot a strategy for future implementation of the Council's recommendations.

Under the leadership of the Council's first private sector chair, Mary Ann Campbell, the NWBC and a network of women's business advocates crafted a strategic plan that redefined the mission of the Council.

*The National Women's Business Council shall ensure the full participation of women business owners in the free enterprise system by identifying and vigorously promoting their interests in ways that can be measured.*

**NATIONAL WOMEN'S BUSINESS COUNCIL MISSION STATEMENT**

The plan recognized the Council's unique role as an advisor to the President and Congress on issues of importance to women business owners. The plan proposed to take advantage of that role, to bring together public and private constituents to develop and implement programs designed to increase the contributions of women business owners to the nation's economy.

The NWBC moved quickly to ensure that women entrepreneurs played a role in the debate on key public policy issues such as health care reform, streamlining of the federal procurement system, reform of banking laws, and passage of the North American Free Trade Agreement (NAFTA).

Congress reviewed the strategic plan, recognized that the time was ripe for action on the women's business agenda and granted the Council an additional year of funding to complete its mission.



The Council's 1994 agenda focused on changes in procurement opportunities, access to capital and data collection as key public policy issues where changes could enhance opportunities for women business owners.

The Council also worked actively to identify and nurture coalition relationships with other women's groups, and to develop collaborative relationships with advocacy organizations that represent, support and study women business ownership. The NWBC also initiated discussions with traditional business advocacy groups and

★★ THE NATIONAL WOMEN'S BUSINESS COUNCIL ★★

*Programs and Initiatives*

- ★ COMPILATION OF COMPENDIUM OF STATISTICS ON WOMEN-OWNED BUSINESS
- ★ CREATION OF A NATIONAL COALITION OF WOMEN IN BUSINESS ORGANIZATIONS
- ★ PASSAGE OF LEGISLATION CREATING SEPARATE 5% FEDERAL PROCUREMENT GOAL FOR WOMEN
- ★ SPONSORSHIP OF FEDERAL RESERVE EXPERT WORKSHOPS ON ACCESS TO CAPITAL AND CREDIT
- ★ CATALYST FOR NEW MID-TERM CENSUS OF WOMEN BUSINESS ENTERPRISES
- ★ FORMATION OF A PILOT METHODOLOGY FOR THE COLLECTION OF DATA ON WOMEN-OWNED BUSINESS
- ★ INCLUSION OF WOMEN-OWNED C-CORPORATIONS IN THE QUINQUENNIAL BUSINESS CENSUS
- ★ SUCCESSFUL ADVOCACY FOR AN ENHANCED AND EXPANDED VOICE FOR WOMEN BUSINESS OWNERS WITHIN THE FEDERAL GOVERNMENT AS EVIDENCED BY THE PASSAGE OF LEGISLATION TO CREATE AN INTERAGENCY COMMITTEE ON WOMEN'S BUSINESS ENTERPRISE AND A RENEWED COMMITMENT FOR THE NATIONAL WOMEN'S BUSINESS COUNCIL

*Meetings, Conferences and Workshops*

<u>DATE</u>	<u>LOCATION</u>	<u>TOPIC</u>
January 23, 1990	Washington, DC	Survey of Resources
July 9-10, 1990	Los Angeles, CA	Credit and Export Opportunities
September 10, 1990	Chicago, IL	Procurement and Certification
April 30, 1991	Little Rock, AR	Access to Capital
December 5-7, 1991	Arlington, TX	High Technology
March 16-17, 1992	Denver, CO	Telecommunications
Sept. 10-11, 1992	Washington, DC	Access to Capital
March 24-26, 1993	San Diego, CA	International Trade
September 28, 1993	Richmond, VA	Access to Capital
June 3, 1994	Chicago, IL	Access to Capital: Equity Investments
September 29, 1994	The White House	Briefing: Women In Business

★★ APPENDICES ★★

## ★ *NATIONAL WOMEN'S BUSINESS COUNCIL*

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### **MARY ANN CAMPBELL, CFP, CHAIR**

**President**

**Money Magic, Inc.**

**Little Rock, Arkansas**

Mary Ann Campbell is a certified financial planner and president of Money Magic, Inc., in Little Rock, Arkansas. Her company provides financial education seminars as a corporate employee benefit. She is a professional speaker who uses magic to deliver her messages. Mary Ann serves on the Arkansas Business and Education Alliance and was a member of Southwestern Bell's Small Business Advisory Panel. Listed as one of America's 200 best Certified Financial Planners, she has won national awards for her Money Magic ETV series. She has been a financial reporter for an NBC affiliate, has hosted a local Money Talk radio program and wrote a Money Magic column for a local newspaper. In 1991 Mrs. Campbell was awarded the SBA Women in Business Advocate for Arkansas. She was Adjunct Assistant Professor in the Economics department of the University of Arkansas at Little Rock for seven years. Mary Ann holds a master's degree from Texas Woman's University, and is an honor graduate of Ouachita University.

### **THE HONORABLE RONALD H. BROWN, VICE CHAIR**

**Secretary**

**Department of Commerce**

**Washington, DC**

Ronald H. Brown is the first African-American and 30th U.S. Secretary of Commerce. He also serves on the President's National Economic Council and the Domestic Policy Council. He is chairman of the Trade Promotion Coordinating Committee, the co-chair of the U.S. - Russia Business Development Committee and the U.S.-Israel Science and Technology Commission, and leads President Clinton's initiative of the revitalization of the California economy. He also serves on the Board of Trustees for Middlebury College and is chair of the Senior Advisory Committee of the Institute of Politics at the John F. Kennedy School of Government at Harvard University. He also is an elected member of the Council on Foreign Relations.

**THE HONORABLE ERSKINE BOWLES**

**Administrator  
U.S. Small Business Administration  
Washington, DC**

As chief executive officer of the U.S. Small Business Administration (SBA), Erskine Bowles directs a comprehensive array of programs and services to promote and expand U.S. small businesses. Prior to his nomination to head the SBA in March 1993 and his confirmation by the U.S. Senate in May 1993, Mr. Bowles served for 18 years as chairman and chief executive officer of Bowles Hollowell Conner & Company, a Charlotte, N.C. investment banking firm. He also has served as president of the Juvenile Diabetes Foundation and a member of the Board of Visitors of the University of North Carolina, Davidson College and Johnson C. Smith University, as well as a number of private corporations.

**THE HONORABLE SUSAN M. PHILLIPS**

**Member, Board of Governors  
Federal Reserve System  
Washington, DC**

Dr. Susan M. Phillips was sworn in on December 2, 1991, as a member of the Board of Governors of the Federal Reserve System, to fill an unexpired term ending January 31, 1998. Prior to becoming a member of the Board, Dr. Phillips served as Vice President for Finance and University Services and Professor of Finance at the College of Business Administration at the University of Iowa. Previously, she served on the faculty at Louisiana State University. She also has been a Brookings Economic Policy Fellow and an Economic Fellow with the Securities and Exchange Commission. In 1981, Dr. Phillips was appointed to the Commodity Futures Trading Commission and became its Chairman in 1983, serving until her resignation in 1987 to return to the University of Iowa. Her areas of specialization include options and commodity futures, financial management and economic theory of regulation.

**BARBARA AIELLO**

**President  
Aiello & Company  
Kennebunkport, Maine**

Barbara Aiello, owner of Aiello & Company Real Estate, is the 1993 President of the Maine Association of Realtors, chairman of its Executive Committee and a member of its Government and Political Affairs and Political Action committees. She also serves on the board of directors of Ocean National Bank and the Kennebunk Rotary Club, and is an advisory board member of the Institute for Real Estate Research and Education at the University of Southern Maine. She is a member of the Kennebunk/Kennebunkport Chamber of Commerce, Kennebunk Downtown Revitalization Committee and Kennebunkport Business Association.

**PASTORA SAN JUAN CAFFERTY**

Professor

The University of Chicago  
Chicago, Illinois

Dr. Pastora San Juan Cafferty joined the Council on May 22, 1992. She is a professor at the University of Chicago in The School of Social Service Administration and The School of Public Policy Studies. She has extensive background in public policy and has served on a number of public and private boards including the Kimberly-Clark Corporation and the Lyric Opera Association in Chicago.

**SAUNDRA R. HERRE**

President

Herrewood Associates  
Racine, Wisconsin

Saundra Herre is President of Herrewood Associates in Racine, Wisconsin. Her company provides management consulting services to small business owners and non-profit organizations in the area of advertising, marketing and management practices. Ms. Herre is a board member of Wisconsin TCF Financial and was appointed by the Governor as a member of the Wisconsin Jobs Council. She also serves on the board of Big Brothers/Big Sisters and the Center for Community Concerns, and is an advisor and guest lecturer to the business schools of several universities.

**BARBARA LAUGHLIN**

Executive Vice President

Manufacturers and Traders Trust Company  
Buffalo, New York

Barbara Laughlin was appointed to the Council on May 22, 1992. She is an Executive Vice President of Manufacturers and Traders Trust Company in Buffalo, New York. As Director of Technology and Banking Operations, she is responsible for the provision of data processing, telecommunications and centralized services to support the \$10 billion First Empire State Corporation.

**MARILU B. MEYER**

President and Owner

Castle Construction Corporation  
Chicago, Illinois

Marilu Meyer is the president and owner of Castle Construction Corporation in Chicago, Illinois. Castle Construction is a general contract which self-performs concrete, masonry, carpentry and decorating services. MBB Construction Group, a Castle subsidiary, serves the industry in the construction management field. The company has performed extensive work for the City of Chicago, O'Hare Development Projects, Illinois Department of Transportation and the Washington Metropolitan Area Transit Authority.

**THE WOMEN'S BUSINESS ADVOCACY COALITION**

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