



News Release

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Access to Capital, Health Insurance Costs Remain Key Concerns for Women Business Owners

Washington, DC – Access to capital and affordable health insurance and the state of the economy top the list of concerns for America’s women business owners, according to a new study released today by the National Women’s Business Council. The study compiled polling responses from participants attending five entrepreneurship summits entitled, “Women Entrepreneurship in the 21st Century,” which were co-hosted by the U.S. Department of Labor and the U.S. Small Business Administration, with support from the National Women’s Business Council.

The summits were held in Washington, DC; New Britain, CT; Nashville, TN; Houston, TX; and St. Louis, MO. They provided a forum for women business owners and other attendees to express their ongoing challenges and concerns by allowing participants to voice their opinions via electronic surveys which provided real-time responses to survey questions. The complete findings from those surveys are now available in a new report from the National Women’s Business Council, “Women’s Entrepreneurship in the 21st Century: A Summary of Data from National and Regional Summits.”

Overall, access to capital was the most important issue, cited by 28% of respondents. More than half of the women surveyed found it difficult to secure the capital to start their business. The majority of respondents were most likely to rely on personal savings as their primary source of start-up capital, followed by reinvested business earnings, loan, or lines of credit. While access to capital was cited as the most important issue at each location, the proportion of respondents citing it varied by location (in Houston, 48% of respondents named access to capital as the greatest problem, whereas in other locations the proportion of respondents who selected access to capital ranged from one-quarter in Washington, DC, to 28% in Nashville, to 32% in New Britain). Friends and associates, the U.S. Small Business Administration, and private banks were considered to be the most helpful sources of information about business financing options.

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“The results of these surveys will play an important role as we continue to move forward with research initiatives and policy recommendations that help foster the growth of women-owned businesses,” said Marilyn Carlson Nelson, Chairman and CEO of Carlson Companies and Chair of the National Women’s Business Council. “This study underscores the challenges that women business owners continue to face. Clearly, there is still much more to be done in terms of improving access to capital, access to affordable health care coverage, and access to Federal contracts, as well as in many other areas. The National Women’s Business Council is committed to further exploring these issues and - most importantly - to helping the 108th Congress develop and implement viable public policy solutions.”

Access to affordable health care coverage was a top concern of attendees, as with fewer than half of the respondents reported being able to provide health care benefits to their employees. The cost of health care coverage was cited as the biggest barrier to offering health insurance. While some women business owners reported being able to absorb increased health care costs, many were either passing the increased costs along to their employees or planned to change the coverage offered. Women surveyed overwhelmingly supported reforms – including the use of tax credits and combined bargaining power – that would make offering coverage more affordable. The NWBC has voiced its support for one of these reforms, the adoption of Association Health Plans (AHPs), which would allow small businesses that belong to associations to enjoy the same “pooling” benefits that large employers enjoy.

Women business owners did not generally view the Federal government and its contracting systems as helpful or easy to navigate, and strong leadership was considered the best way to ensure that women-owned businesses are awarded the Congressionally-mandated goal of 5% of Federal contract dollars.

The study’s findings point to several opportunities for future research:

- Survey participants identified access to capital as a critical concern, and the majority said that they found it difficult to raise capital. Additional research could identify the specific barriers related to accessing capital and determine the relationship of those barriers to demographics, geography, and type of business.
- As women business owners did not view the Federal government as helpful, additional research might be needed on women business owners’ views of the Federal government and perceived barriers.
- Finally, survey results indicated a great deal of support from women business owners for reforms – such as tax credits or purchasing pools – that would make health insurance more affordable. Research on business owners’ experiences with these options for offering coverage might be valuable to national level discussions about expanding coverage.

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The largest portion of conference participants were business owners, although government and corporate leaders and representatives of organizations that provide services to women business owners also took part. There was a wide range of business ownership experience, from those in the process of starting a business to those who have owned a business for ten years or more. Among the women business owners who participated in the survey, most started their businesses themselves.

The research report was prepared for the National Women's Business Council by Synthesis Professional Services, a woman-owned consulting firm located in Rockville, MD. A copy of the full report and a summary of the research is available on the NWBC web site, www.nwbc.gov.

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The National Women's Business Council is a bi-partisan Federal government council created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. Members of the Council are prominent women business owners and leaders of women's business organizations. The National Women's Business Council is committed to conducting research on issues of importance to women business owners and their organizations; to communicating these findings widely; to connecting the women's business community to public policy makers; and to providing programs and platforms for change in order to expand and improve opportunities for women business owners and their enterprises. For more information about the Council, its mission and activities, contact: National Women's Business Council, 409 3rd Street, SW, Suite 210, Washington, DC 20024; phone: 202-205-3850; fax: 202-205-6825, e-mail: nwbc@sba.gov; web site: www.nwbc.gov.