

Prepared by the National Women's Business Council

October 2004

## Federal Contracting with Women-Owned Businesses FY1998 to FY2003

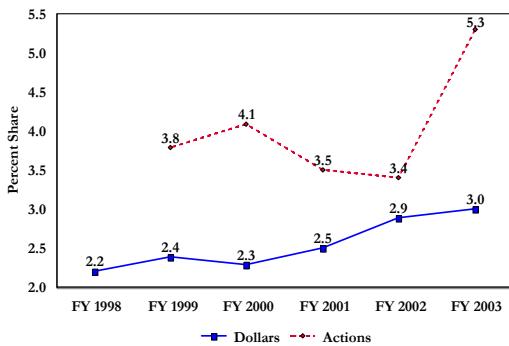
In 1994, the Federal Acquisition Streamlining Act (FASA) was established, setting a goal for Federal agencies to award at least 5% of all prime and subcontract dollars to women-owned small businesses (WOSBs).<sup>1</sup> Despite continued growth in the number and economic impact of women-owned firms, the 5% goal has never been achieved on a government-wide basis. Nonetheless, 3.0% of Federal contract dollars were spent with women-owned businesses in FY2003 – the highest share achieved since this information has been recorded. Performance is even better for the number of actions awarded: nearly 600,000 contract actions were awarded to WOSBs in FY2003, which is more than double the 272,000 actions to WOSBs in FY2002. WOSBs garnered 5.3% of contract actions in 2003, up from 3.8% in 1999 and 3.4% in 2002. This issue brief examines the current state of Federal contracting with women-owned small businesses on a government-wide and agency-specific basis, drawing upon newly-available information on FY2003 agency goaling achievements as well as data for the previous five years. We thus provide information on recent achievements as well as summarize the progress made over the past five years.

### The State of Federal Contracting with Women-Owned Small Businesses

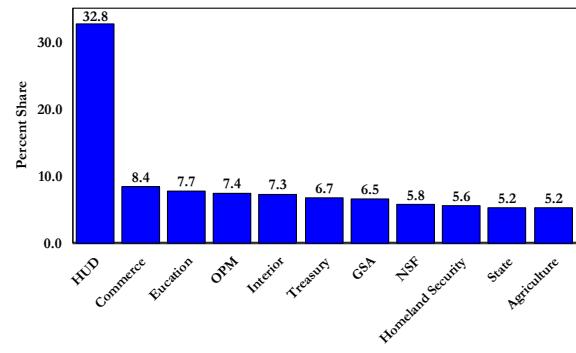
- In FY 2003, \$8.3 billion in Federal procurement dollars was spent with women-owned small businesses out of a total spend of \$277.5 billion.
- The overall share of dollars spent with women-owned small businesses was thus 3.0% in FY 2003, up from 2.2% in FY 1998. This represents a 21% increase in Federal spending with women-owned small businesses over the past year and – despite not reaching the 5% goal – is the highest share achieved by women-owned firms to date.

- Nearly 600,000 Federal contract actions were awarded to women-owned small businesses in 2003, out of more than 11.3 million contract actions in total.
- The overall share of contract actions awarded to women-owned small businesses was thus 5.3% in 2003, up from 3.8% in 1999.<sup>2</sup>
- Eleven of the major Federal agencies met the 5% contracting goal to women-owned small businesses: Department of Housing and Urban Development (HUD) (32.8%); Department of Commerce (8.4%); Department of Education (7.7%); Office of Personnel Management (OPM) (7.4%); Department of the

**Share of Federal Contract Dollars and Actions to WOSBs: FY1998 to FY2003**



**Share of Federal Contract Dollars to WOSBs  
Top Agencies: FY2003**

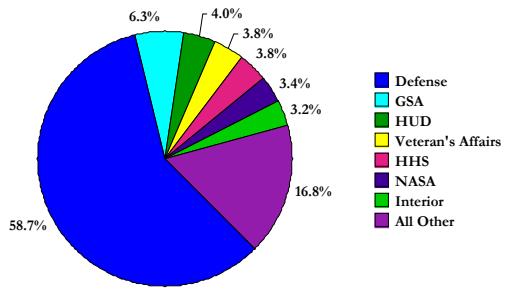


Interior (7.3%); Department of the Treasury (6.7%); General Services Administration (6.5%); National Science Foundation (NSF) (5.8%); Department of Homeland Security (5.6%); Department of State (5.2%); and Department of Agriculture (5.2%). This is up from seven agencies last year.

- The Federal agencies that have most improved their share of spending with women-owned small businesses over the past five years include: HUD (dollar share increase of 30.4 – from 2.5% in 1998 to 32.8% in 2003); Department of Education (6.4); Department of Commerce (3.3); Department of Labor (3.3); Department of the Interior (3.2); GSA (3.1); Department of the Treasury (3.0); and Department of Agriculture (2.1).
- Fully 59% of all Federal contract dollars and 46% of all contract actions to women-owned small businesses in FY2003 came from the Department of Defense.
- Eighty-three percent (83%) of Federal contract dollars to women-owned small businesses in FY2003 came from seven Federal agencies: Department of Defense; GSA; HUD; Veterans Affairs; Health and Human Services (HHS); NASA; and Department of the Interior. (See pie chart.)

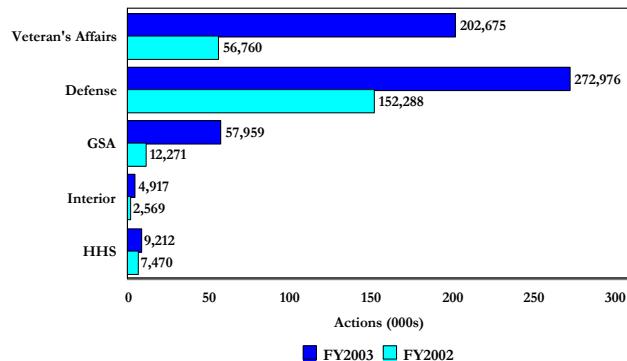
### Distribution of Federal Contract Dollars to WOSBs

Total FY 2003 Dollars to WOSBs: \$8.3 Billion



- Fully ninety percent (90%) of all Federal contract actions to women-owned small businesses in FY2003 came from just three Federal agencies: Department of Defense; Veteran's Affairs; and GSA.
- More than twice as many contract actions were awarded to women-owned small businesses in FY2003 than in FY2002. The greatest increases between

### Largest Increases in Contract Actions to WOSBs: FY2002 to FY2003



FY2002 and FY2003 came from: Department of Veteran's Affairs (202,675 versus 56,760); Department of Defense (272,976 in 2003, compared to 152,288 in 2002); GSA (57,959 versus 12,271); Department of the Interior (4,917 versus 2,569); Department of Health and Human Services (9,212 versus 7,470); Department of State (3,936 versus 2,793); Department of Energy (1,998 versus 885); Department of Justice (11,228 versus 10,313); and the Environmental Protection Agency (1,609 versus 906). The newly-formed Department of Homeland Security awarded 2,465 contracts to women-owned small businesses in FY2003.

- In FY2003, the average value of Federal contract actions awarded to women-owned small businesses was \$13,910, compared to an average value of \$24,490 for all awarded contract actions.
- The average value of Federal contract actions awarded to women exceeded the average value for all awarded contract actions among a number of Federal agencies in FY2003. The Department of Education and HUD had the highest average contract values to women-owned small businesses, with average values of \$532,401 and \$498,568, respectively. Other agencies whose average contract value with women-owned small businesses exceeded the average contract value among all firms in FY2003 included: Department of State; Social Security Administration; Department of Labor; Department of the Interior; HHS; Department of Transportation; Department of Homeland Security; Department of Commerce; National Archives; Department of Justice; and Department of Agriculture.

<b>Contract Dollars, Share of Dollars, and Share of Actions Among Women-Owned Small Businesses: FY1998 to FY2003</b>						
	<b>Dollars Awarded (millions)</b>		<b>Share Of Contract Dollars</b>		<b>Share of All Contract Actions</b>	
	<b>2003</b>	<b>1998</b>	<b>2003</b>	<b>1998</b>	<b>2003</b>	<b>1999*</b>
Total	\$8,277.3	\$4,012.8	3.0%	2.2%	5.3%	3.8%
Dept. of Housing and Urban Development (HUD)	\$333.5	\$5.6	32.8	2.5	10.6	4.6
Dept. of Commerce	\$121.8	\$59.5	8.4	5.0	7.1	4.0
Dept. of Education	\$78.3	\$11.8	7.7	1.2	2.1	1.8
Office of Personnel Management (OPM)	\$23.7	N/A	7.4	N/A	15.0	8.4
Dept. of the Interior	\$267.4	\$60.3	7.3	4.1	5.6	3.1
Dept. of the Treasury	\$133.2	\$66.3	6.7	3.7	8.8	5.1
General Services Administration (GSA)	\$519.6	\$268.7	6.5	3.3	9.8	7.0
National Science Foundation (NSF)	\$3.8	N/A	5.8	N/A	6.9	8.9
Dept. of Homeland Security	\$140.4	N/A	5.6	N/A	4.6	N/A
Dept. of Agriculture	\$214.8	\$91.4	5.2	3.1	5.1	1.6
Dept. of State	\$123.1	\$33.7	5.2	6.0	2.6	2.1
Dept. of Health and Human Services (HHS)	\$314.4	\$145.9	4.8	3.4	3.9	5.1
Dept. of Labor	\$72.2	\$15.3	4.6	1.4	3.3	2.7
Social Security Administration	\$26.2	\$23.0	4.4	4.4	2.7	0.9
Dept. of Justice	\$166.1	\$95.6	4.2	2.9	4.1	2.4
Dept. of Transportation	\$75.4	\$69.7	3.7	3.7	3.0	2.6
Dept. of Veteran's Affairs	\$315.2	\$231.4	3.7	5.4	5.5	8.0
Environmental Protection Agency (EPA)	\$38.0	\$29.4	3.1	2.6	5.9	5.1
Federal Emergency Management Agency (FEMA)	\$2.5	N/A	2.9	N/A	4.5	7.2
Dept. of Defense	\$4,851.9	\$2,087.3	2.5	1.8	4.8	2.5
National Aeronautics & Space Administration (NASA)	\$283.5	\$151.6	2.4	1.4	6.0	3.9
Executive Office of the President	\$2.2	N/A	2.3	N/A	5.9	4.0
National Archives & Records Administration	\$1.0	N/A	0.9	N/A	0.9	0.6
Agency for International Development (USAID)	\$8.7	\$15.4	0.8	4.5	2.8	4.1
Dept. of Energy	\$106.4	\$440.1	0.5	2.9	14.6	4.8
All Other Agencies	\$54.1	\$110.8	8.0	1.9	8.3	5.9

\*Contract action information by agency is not available for FY1998.

N/A = Not Available.

Source: Federal Procurement Data System (FPDS), Preference Goaling Achievements.

<b>Federal Agencies Whose Average Contract Value to Women-Owned Small Businesses Exceeded Average Value of All Contracts, FY2003</b>				
	<b>Women-Owned Small Businesses</b>		<b>All Businesses</b>	
	<b>Average Contract Value</b>	<b>Number of Contract Actions</b>	<b>Average Contract Value</b>	<b>Number of Contract Actions</b>
Total – All Agencies	\$ 13,910	595,051	\$ 24,490	11,330,377
Dept. of Education	\$ 532,401	147	\$ 145,923	7,008
Dept. of Housing and Urban Development (HUD)	\$ 498,568	669	\$ 160,933	6,314
Dept. of Labor	\$ 181,339	398	\$ 127,359	12,201
Dept. of Commerce	\$ 62,923	1,936	\$ 53,568	27,148
Dept. of Homeland Security	\$ 56,962	2,465	\$ 47,032	53,184
Dept. of Transportation	\$ 56,781	1,328	\$ 46,430	43,701
Dept. of the Interior	\$ 54,378	4,917	\$ 41,953	87,453
National Archives & Records Administration	\$ 53,611	18	\$ 49,096	2,088
Dept. of Health and Human Services (HHS)	\$ 34,127	9,212	\$ 27,680	238,972
Dept. of State	\$ 31,278	3,936	\$ 15,557	152,999
Dept. of Agriculture	\$ 23,902	8,987	\$ 23,688	175,875
Dept. of Justice	\$ 14,796	11,228	\$ 14,376	276,249
Social Security Administration	\$ 5,414	4,840	\$ 3,383	176,258

Source: Federal Procurement Data System (FPDS), Preference Goaling Achievements.

Additional tables are available at [www.nwbc.gov](http://www.nwbc.gov).

The National Women's Business Council is a bi-partisan Federal government body 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. Members of the Council are prominent women business owners and leaders of women's business organizations. For more information about the Council, its mission and activities, contact: National Women's Business Council, 409 3<sup>rd</sup> Street, SW, Suite 210, Washington, DC 20024; phone: 202-205-3850; fax: 202-205-6825; e-mail: nwbc@sba.gov, web site: <http://www.nwbc.gov>.

<sup>1</sup> FPDS data uses SBA size standards to define "women-owned small businesses".

<sup>2</sup> Contract action information by agency is not available for FY1998.