

May/June 2004

SBA Lending Improves to Women-Owned Businesses *Full Spectrum of Loan Options Contributes to Success*

As women-owned businesses continue to exhibit impressive growth in their number, employment and revenues, their need for financing has also grown - both to start new businesses and to fuel the growth of existing businesses. In FY2003, the SBA set a 50-year record in loans to small businesses, with 81,446 loans and equity investments to small businesses, totaling \$16.9 billion - including 16,721 loans and equity investments to women-owned businesses, totaling \$2.4 billion. Between FY1998 and FY2003, the dollars going to women-owned firms increased at a faster rate than among all firms, while the increase in the number of loans and investments to women-owned businesses did not keep pace.

"Trends in SBA-Backed Financing to Women-Owned Businesses, FY1998 to FY2003," an Issue in Brief from the National Women's Business Council, examines the most current information on the SBA's loan and financing programs and closely examines SBA loans made to women-owned firms. The brief draws upon newly-available information on FY2003 results as well as data for the previous five years. Numbers of loans, dollars lent, and average loan value to women business owners are examined on both an absolute and growth basis, with comparisons made to all firms over the same timeframe.

In FY2003, the average value of SBA-backed loans and equity investments provided to women-owned businesses was \$144,326, compared to the average value of \$207,872 for all SBA-backed loans and equity investments. Between FY1998 and FY2003, the value of credit assistance to women-owned businesses increased at a faster rate than assistance to businesses

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Updated Information on Federal Mentor- Protégé Programs Now Available

An updated list of Federal mentor-protégé programs is now available at [Womenbiz.gov](http://www.womenbiz.gov) (www.womenbiz.gov), which provides key pieces of information to women-owned businesses selling to the federal government. The list of Federal mentor-protégé programs includes web sites and phone numbers for each program and may be accessed directly by clicking <http://www.womenbiz.gov/UPDATED-Mentor-Protége-Programs.pdf>.

And to learn even more about these programs, dial in to the archived "Women's Business Connection" February call, which focused on mentor-protégé programs in the U.S. government. (The archived call may be accessed by dialing 1-866-803-1430 and entering the conference ID number 3687613#. Then enter playback ID# 1037206#.)

Quote of the Month

"There was a time when Asian Pacific Americans were thought of as restaurant owners, dry clean shop keepers and grocery store operators. Times have changed. We are more than that. Asian Pacific Americans are in all aspects of American life - education, business, science, technology, arts, law, medicine, sports, military, construction, finance, imports-exports, public and community service and much, much more. The U.S. Pan Asian American Chamber of Commerce was an acorn 19 years ago. Today we are a small oak tree and every day we are growing our branches across the country and reaching up towards the skies. There are many more good things to come. Stay tuned."

Susan Au Allen
President & CEO
US Pan Asian American
Chamber of Commerce



Organization of the Month: The U.S. Pan Asian American Chamber of Commerce

The U.S. Pan Asian American Chamber of Commerce (USPAACC) is a 20-year-old, national, non-profit business organization representing all Asian Americans and Asian American-related groups in business, sciences, public and community services, the arts, sports, and education. USPAACC promotes, nurtures and propels economic growth by opening doors of contract, education and professional opportunities for Asian Americans and their business partners in corporate America and government agencies. USPAACC represents more than one ethnic group. Their members' heritage includes China, Hong Kong, Taiwan, Japan, Philippines, Korea, India, Vietnam, Cambodia, Thailand, Singapore, Malaysia, Pakistan, Mongolia and Indonesia. Learn more about the USPAACC by visiting their web site at www.uspaacc.com.

Did You Know?

May is **Asian Pacific Heritage Month!** The following are a few facts about Asian Pacific American women business owners in the United States:

- As of 2002, there are an estimated 358,503 majority-owned, privately-held firms owned by Asian and Pacific Islander women in the U.S., employing more than 370,000 people and generating \$49.1 billion in sales.¹
- Between 1997 and 2002, the number of Asian and Pacific Islander women-owned firms increased by 45%, employment grew by 18%, and sales rose by 29%.¹
- Nearly one-third (30%) of minority women-owned firms are owned by Asian or Pacific Islanders. Firms owned by Asian and Pacific Islander women now represent 6% of all privately-held, majority-owned women-owned firms in the U.S.¹
- On a national basis, 8.5% of Asian and Pacific Islander women are entrepreneurs - that is, more than one in twelve adult Asian and Pacific Islander women in the U.S. is a business owner, compared to just one in eighteen of all adult women in the U.S. Asian and Pacific Islander women have the second-highest rate of ownership among the major ethnic groups (American Indian & Alaska Native - 9.3%; Caucasian - 6.0%; Hispanic - 4.2%; African American - 2.8%).²
- More than half (52%) of Asian and Pacific Islander women-owned firms are in the service sector and 15% are in retail trade.¹
- The 10 states with the greatest number of Asian and Pacific Islander women-owned firms as of 2002 are: 1) California; 2) New York; 3) Texas; 4) Florida; 5) Hawaii; 6) New Jersey; 7) Virginia; 8) Illinois; 9) Washington; and 10) Georgia.¹

¹ From Center for Women's Business Research (www.womens-businessresearch.org)

² Calculated using data from the U.S. Census Bureau and Center for Women's Business Research

NASE Announces New Women's Advisory Council Members

Responding to the growing number of women entrepreneurs in America, the National Association for the Self-Employed announced the names of the new members of its second Women's Advisory Council. The group includes **Cathy Denison-Wicke** of Lake Charles, LA; **Nancy K. Dugan** of Erie, PA; **Trina Hoefling** of Denver, CO, **Chris Krupinski** of Fairfax, VA; **Shonda Parker** of Fayetteville, GA; **Sharon Putman** of Glenwood, MD; **Carol Sheppard** of Cumming, GA; **Jere Smith** of Liberty, MO; **Anna Sumpter** of Temple Hills, MD; **Rosemary Ulrich** of Austin, TX; and **Catherine Walton** of Issaquah, WA. The Council will provide ideas, feedback, brainstorming and analysis as the association replies to the unique needs of women micro-business owners. Each member will serve a one-year term.

The inaugural Women's Advisory Council helped implement the NASE women entrepreneurship initiative, with brainstorming for new member benefits, the evaluation of existing benefits and programs for members, and participation in the association's advocacy efforts. The new Council will continue this work, focusing on the needs of women entrepreneurs across the country.

For more information about the NASE and their Women's Advisory Council, visit www.nase.org.

Upcoming NWBC Research

- Policy and Progress: Supporting the Growth of Women's Business Enterprise, June 2004
- Best Practices in Supporting Women's Entrepreneurship in the United States: A Compendium of Public and Private Sector Organizations and Initiatives, June 2004
- Trends in Minority-Owned Women Employer Establishments (based on data from the U.S. Census Bureau), July 2004

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

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.

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

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

Susan Wilson Solovic, CEO
SBTV.com

Women's Business Organizations

Association of Women's Business Centers

Mary MacRae, Immediate Past President
National Association of Women Business Owners

Maria Taxman, Board Member
U.S. Hispanic Chamber of Commerce

Terry Neese, President & Co-Founder
Women Impacting Public Policy

Dr. Marsha Firestone, President
Women Presidents' Organization

Susan Bari
Women's Business Enterprise National Council

SBA Lending Improves to Women-Owned Businesses, cont.

overall. However, the growth in the number of loans and investments made to women-owned businesses did not keep pace with growth among firms overall. Dollars lent to and invested in women-owned businesses by the SBA increased by 29.9% between 1998 and 2003, compared to a 20.5% increase among all businesses. Over the same period, the number of loans and equity investments grew by 40.5% among women-owned firms over this period, much lower than the 56.9% increase among all businesses.

"This brief provides important insight about SBA loans and how they've helped fuel the tenacious growth of women's entrepreneurship in the U.S.," said Marilyn Carlson Nelson, Chairman and CEO of Carlson Companies and Chair of the National Women's Business Council. "Both the number and the value of SBA-backed financing to women-owned businesses have increased over the past five years, a trend that we look forward to seeing continue. However, while the dollars going to women-owned firms is increasing at a faster rate than among firms overall, the increase in the actual number of loans and investments to women-owned businesses is not keeping pace. The NWBC recommends that the SBA increase its outreach efforts to the women's business community, and to the financial community, to encourage more participation by women business owners in SBA loan programs."

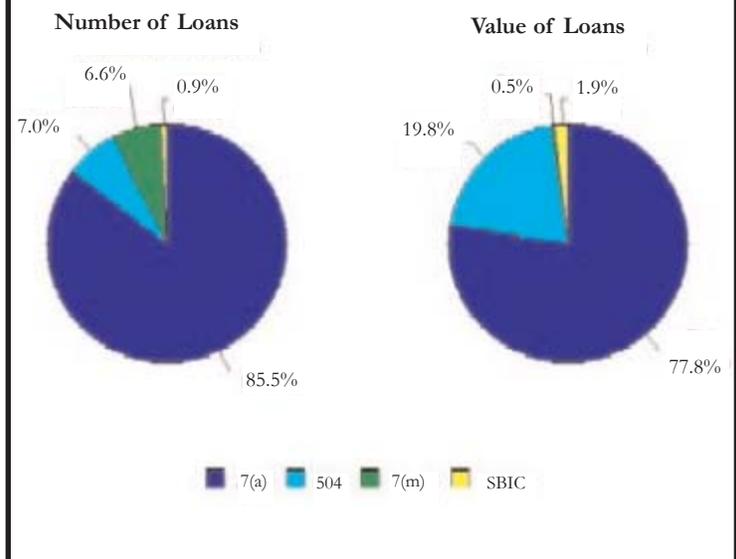
Helping the Nation's 23 million small businesses to meet their capital needs is one of the most important aspects of the U.S. Small Business Administration's (SBA) Congressionally-mandated mission. SBA-backed financing helps provide loans to customers who might not qualify for business loans through normal lending channels, and offers a full spectrum of financial assistance, from microloans to equity investments. There are four primary types of SBA lending and equity investment programs available to borrowers: the 7(a) Loan Guaranty Program, the 504 Certified Development Company (CDC) Loan Program, the 7(m) MicroLoan Program, and the Small Business Investment Company (SBIC) Program.ⁱ The brief explores each program and the way in which the program has served current and prospective women entrepreneurs in the U.S.

The 7(a) Loan Guaranty Program is the SBA's primary business loan program. It is also the most flexible program, since the agency can guarantee financing for a variety of general business purposes. 7(a) loans are provided by

lenders who choose to structure their own loans under the SBA's requirements, and who apply for and receive a guaranty from the SBA on a portion of these loans. In FY2003, the 7(a) program accounted for fully 77.8% of all SBA dollars lent and 85.5% of all loans and investments to women-owned firms. The 504 program accounted for 19.8% of dollars lent, SBIC for 1.9%, and the 7(m) program accounted for 0.6%. In terms of share of program dollars going to women-owned firms, however, the 7(m) program lent fully 43.7% of its dollars to women-owned firms in FY2003, compared to 16.7% of 7(a) lending, 15.1% of 504 loan dollars, and just 1.8% of SBIC investment dollars.

The brief includes several recommendations from the NWBC for the SBA loan programs, with the goal of encouraging the SBA to maintain its full spectrum of

Number and Value of SBA-Guaranteed Loans to Women-Owned Businesses by Type, 1998 - 2003



financing options to ensure that businesses of all sizes have access to funding.

- Given the fact that women-owned firms are just as financially strong and creditworthy as the average U.S. firm, showing no significant differences in terms of bill payment, financial stress, and overall creditworthiness,ⁱⁱ more women business owners should be participating in SBA's lending programs. The NWBC

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Enterprising Women Names Hall of Fame Inductees and "Enterprising Women of the Year"

Enterprising Women, a national magazine for women business owners, hosted its second annual 'Enterprising Women of the Year Awards' and named six outstanding women entrepreneurs for 2004. The magazine also inducted seven women into the Enterprising Women Hall of Fame. The following women were recognized for having made significant contributions to advancing the growth and development of women's business enterprises:

- **Terry Neese** (NWBC Member) and **Barbara Kasoff**, founders of Women Impacting Public Policy, a national bi-partisan public policy organization advocating for women in business.
- **Connie K. Duckworth**, a retired partner of Goldman Sachs, and the founding partner of Circle Financial Group, as well as past chairman of the board of the Committee of 200.
- **Nell Merlino**, co-founder of Count Me In for Women's Economic Independence, a non-profit organization that uses a unique, women-friendly scoring system to make micro-business loans available online.
- **Harriet Michel**, president of the National Minority Supplier Development Council, a private, non-profit organization that expands business opportunities for minority-owned companies of all sizes.
- **Irene Natividad**, president of the Global Summit of Women, an international gathering of women leaders from around the world; and
- **Adrienne Hall**, president and CEO, The Hall Group, an advertising and marketing communications firm.

The 2004 Enterprising Women of the Year Award was presented to six women, recognizing their outstanding accomplishments in growing their businesses and giving back to their communities. These women included **Beth Bronfman** of Leibler - Bronfman Lubalin Advertising, **Rebecca Boenigk** of Neutral Posture, **Nikki Olyai** of Innovision Technologies Inc., **Leanna Roman Fournier** of Providence Pediatric Medical Day Care Inc., **Joyce Patterson-Saleem** of JMPS Phlebotomy Services, and **Karla VandenBerg** of Monkey Dooz, a Wapato, Washington-based owner of three children's hair and spa salons. Joyce Patterson and Karla VandenBerg started

SBA Lending Improves to Women-Owned Businesses, cont.

recommends that the SBA more strongly encourage SBA-guaranteed lenders in this regard.

- The diversity of SBA lending to women-owned businesses has increased since FY1998. The share of dollars coming from the 504, SBIC, and 7(m) programs have all increased over the past five years. The NWBC recommends, however, that more be done to increase the share of SBIC investment in women-owned firms through greater outreach to SBIC lenders and to the women's business community.
- There has been remarkable growth in the MicroLoan program for women-owned businesses, with a doubling of loans made and dollars lent over the past five years. With this tremendous progress, the NWBC recommends that the 7(m) program continue to maintain its own identity within the range of financial assistance programs offered by the SBA to ensure that this loan product - not offered by lending institutions - remains available to the small business market.

All SBA loan and investment programs are managed at the district level. For further information about these programs, please contact a local SBA office. A list of these offices may be found at <http://www.sba.gov/>. The complete *Issue in Brief* may be found at <http://www.nwbc.gov/Issue-brief-SBA-Loans.pdf>.

- i. U.S. Small Business Administration, "Lender's & Equity Investor's Guide", 2nd Edition. <http://www.sba.gov>.
- ii. Center for Women's Business Research, "Removing the Boundaries: The Continued Progress and Achievement of Women-Owned Enterprises," November 2001. <http://www.womensbusinessresearch.org/Research/11-13-2001/11-13-2001.htm>.

their businesses with micro-loans provided by Count Me In.

Learn more about Enterprising Women, a Cary, NC-based national magazine, by visiting their web site at www.enterprisingwomen.com.

Council Appoints Three New Members, Re-Appoints One Member

The National Women's Business Council is pleased to announce the appointment of three new members: **Mary MacRae**, Immediate Past President of the National Association of Women Business Owners (NAWBO); **Maria Guadalupe Taxman**, member of the board of directors of the United States Hispanic Chamber of Commerce (USHCC) and chair of the Region III and International Committee; and **Susan Wilson Solovic**, CEO of SBTv.com. The Council also announced the re-appointment of one member, **Susan Phillips Bari**, President of the Women's Business Enterprise National Council (WBENC). All four members will be sworn in at the Council's next meeting on June 10, 2004.

"I am delighted to welcome Mary MacRae, Maria Taxman and Susan Wilson Solovic to the National Women's Business Council and I am enthusiastic to continue working with Susan Bari as a member of the Council," said Marilyn Carlson Nelson, Chairman and CEO of Carlson Companies and Chair of the National Women's Business Council. "Policymakers rely on the Council for sound recommendations on policies and programs designed to foster women's entrepreneurship. As skilled and successful women in business, these members will bring a wealth of valuable experience to the Council. I am enthusiastic and grateful that our work will be strengthened by their contributions."

Based in Ashland City, Tennessee, **Mary MacRae** has almost 30 years experience in the business, civic and political communities, including 13 years as the owner of MJM Enterprises, which offered speaking, training and consulting services, focusing on economic development, small business start-ups and women entrepreneurs. MacRae will serve on the Council as a member of the National Association of Women Business Owners, a national organization representing the interests of all women entrepreneurs in all industries. NAWBO currently has over 8,000 members in nearly 80 chapters nationwide and is affiliated with Les Femmes Chefs d'Entreprises Mondiales (World Association of Women Entrepreneurs) in 35 countries.

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Women's Business Connection... a monthly business issues conference call brought to you by the National Women's Business Council

June Date: Tuesday, June 22, 2004, 3:00 - 4:00 PM EDT

June Topic: Guest speakers will include three members of the National Association of Women Business Owners:

- **Beverly Inman-Ebel;**
- **Mary MacRae** (NWBC Member); and
- **Malynda Hawes Madzel.**

They will provide information on NAWBO's upcoming informational book series as well as NAWBO's international business initiatives.

July Date: Tuesday, July 27, 2004, 3:00 - 4:00 PM EDT

July Topic: The ABC's of Certification for Women's Business Enterprises. Council Member **Susan Bari** will discuss the impact of certification with women entrepreneurs.

How To Join: Call 1-877-326-2337, enter code 3687613#

Previous "Women's Business Connection" conference calls are also available to those who were not able to join them live. Each call lasts about one hour and may be accessed by dialing 1-866-803-1430 and entering the conference ID number 3687613#. Listeners will then be prompted to enter a playback ID numbers for the specific call they wish to hear. A list of playback ID numbers is available on the NWBC's web site at <http://www.nwbc.gov/wbconnection/wbconnection.htm>.

For more information about this call, please contact Aileen M. Kishaba, Director of Policy Programs at (202) 205-6829 or by e-mail at aileen.kishaba@sba.gov.

**Women's Business Connection is scheduled
for the fourth Tuesday of each month;
we encourage you to mark your calendars
and join us regularly!**

Council Appoints New Members, cont.

Maria Guadalupe Taxman has more than 20 years of experience in international business, where she has implemented diverse marketing strategies, which have allowed her to successfully compete in foreign markets. Taxman is the President of Chesterfield Trading Ltd. and CEO and Co-Founder of Avanza Hispanic Marketing Specialists. Taxman will serve on the Council as a representative of the U.S. Hispanic Chamber of Commerce (USHCC). The United States Hispanic Chamber of Commerce (USHCC) was incorporated in 1979, creating a structured organization aimed at developing a business network that would provide the Hispanic community with cohesion and strength. Since its inception, the USHCC has worked towards bringing the issues and concerns of the nation's more than 1.6 million Hispanic owned businesses to the forefront of the national economic agenda.

Susan Wilson Solovic is the CEO of SBTV.com - the nation's only online television network dedicated to the growing small business segment of the U.S. economy. Solovic began her professional career as a television news anchor and reporter for NBC and CBS affiliates. Subsequently, she joined a Fortune 100 company where she was named Vice President, Director of Corporate Marketing, of an international asset-based lending division. She is also the author of the popular books, "The Girls' Guide to Power and Success" and "Reinvent Your Career: Attain the Success You Deserve and Desire." She has been a featured columnist with United Press International (UPI) on women's business issues. She will serve on the Council as a woman business owner.

Susan Phillips Bari is President of the Women's Business Enterprise National Council (WBENC) and will continue to serve on the Council as a representative of this organization. WBENC is the leading advocate for the advancement of women-owned businesses as vendors and suppliers to the nation's corporations. As a founding architect of WBENC in 1997, Bari has helped make the organization the nation's leading third-party certifier of businesses owned and operated by women. In the 1970s, Bari was the first woman to be an independent manufacturer's representative in the



Mary MacRae, Owner of MJM Enterprises and Immediate Past President of the National Association of Women Business Owners.



Maria Guadalupe Taxman, President of Chesterfield Trading Ltd. and member of the Board of Directors of the United States Hispanic Chamber of Commerce (USHCC).



Susan Wilson Solovic, CEO of SBTV.com



Susan Phillips Bari, President of the Women's Business Enterprise National Council (WBENC).

textile industry and subsequent owner of manufacturing and consulting businesses. In 1986, Bari entered the public advocacy arena on behalf of women business owners by serving as the Chair of President Reagan's Interagency Committee on Women's Business Enterprise. From 1990 to 1995 she continued to champion women business owners as a founding Executive Director of the American Women's Economic Development Corporation Washington Regional Training Center.

Upcoming Events in the Women's Business Community

National Association of Women Business Owners Annual Meeting

June 3 - 5, 2004
Dallas, TX

www.nawbo.org

Women in Technology International's 2004 Conference, Moving Powerfully into the Future

June 8 - 9, 2004
San Jose, CA

<http://www.witi.com/center/conferences/sanjose/>

Women's Business Enterprise National Council's Women in Business 2004 Sharing the Vision

June 22 - 24, 2004
New Orleans, LA

www.wbenc.org

Department of Energy's 5th Annual Small Business Conference

July 6 - 9, 2004
Philadelphia, PA

www.smallbusiness-outreach.doe.gov

BPW/USA's National Conference

July 13 - 17, 2004
Ft. Lauderdale, FL

<http://www.bpwusa.org>

eWomenNetwork's 2004 International Conference & Business Expo

July 29 - August 1, 2004
Dallas, TX

<http://www.ewomennetwork.com/index.html>

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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.