



# Research in Brief

Prepared by the National Women's Business Council

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## Enterprising Women: The Legacy and the Future

*The National Women's Business Council (NWBC) conducted a series of roundtable discussions with women business owners and others involved in supporting women's business development between February and August 2003. These discussion groups, in Lexington, Massachusetts; New York, New York; and Atlanta, Georgia, were held in conjunction with the exhibit, Enterprising Women: 250 Years of American Business, developed by the Radcliffe Institute at Harvard University. The Enterprising Women exhibit documents the rich legacy of women in business over the last two and a half centuries—from pioneers such as Katherine Goddard, who published the first signed copy of the Declaration of Independence, to modern-day icons such as Katherine Graham and Oprah Winfrey. The exhibit tells a compelling story of the challenges and successes of women as business leaders and provides an historical context for many of the issues still faced by women business owners.*

*Our purpose in conducting these discussions has been to hear women's reflections on the history of women as entrepreneurs in America and to talk with them about the issues they face as business owners today. The discussions were meant to add detail to issues that have previously been identified as important and to obtain policy recommendations for the National Women's Business Council and other government entities. None of the comments generated during these sessions should be considered representative of women business owners across the U.S. or even within the locations visited. The issues they raise, however, point to important questions for further examination about the challenges women face as they continue to pursue success as entrepreneurs.*

### The Progress of Women as Entrepreneurs

In reflecting on the exhibit, discussion participants noted the great achievements of women business owners throughout American history and how the landscape has changed over the past 250 years. Social and legal advancements for women, for example, have made it possible for the number of businesses owned by women to skyrocket and the types of businesses that women own to diversify into almost any field imaginable.

In discussing the issues that have remained constant for women as business owners through the years, participants noted the consistent challenge to balancing business ownership with the family life that is so important to women. Participants also noted that women continue to be socialized differently than men—that many women, for example, are not taught to be aggressive and competitive. Finally, participants noted that the way in which women are able to utilize their personal networks and mentor relationships has been a consistent factor in women business owners' success.

### Important Issues for Women Business Owners Today

Discussion participants also reflected on the issues that were most pressing for them as business owners today. Much of the commentary focused on issues that all small businesses face rather than issues that are unique to women. Participants were particularly concerned, for

example, with the high and rising costs of health insurance, payroll taxes and other costs associated with doing business, and doing business in the current economy.

Participants in each session also raised the issue of government contracting opportunities for women. In general, participants felt that there are too few contracting opportunities overall, and they were particularly concerned about the low target for Federal contracting with women business owners. Participants also overwhelmingly felt that the process for achieving business certifications—such as women- or minority-owned business certifications—was too cumbersome and not always beneficial.

Much of the discussion in Lexington focused specifically on access to capital. While access to capital has clearly improved since the days when women had to rely on their male family members to secure funding on their behalf, participants noted that there is still disparity between women and men in access to venture capital and angel financing.

In New York, the discussion focused largely on international trade. While participants mostly described challenges that are general for both women and men—such as understanding the cultures and the business norms in other countries—they did note the importance of understanding the barriers that are faced by women in other countries and recognizing that such barriers will

affect the way that American business women are treated in these countries.

The discussion group in Atlanta included only women of color. In general, participants in this session did not feel that being a woman of color affected them as business owners, and they did not perceive significant discrimination in the business community. Many did, however, voice concerns over the negative connotations that are associated with the SBA 8(a) certification program.

### **Recommendations**

Participants in the discussion groups provided several specific recommendations and messages for Federal agencies and policy makers:

#### **Access to Capital**

While access to capital has improved significantly for women, there are still disparities between women and men in access to funding to start and expand businesses. Specifically, there is an urgent need for more venture capital and angel financing programs organized by and for women.

Participants also noted the opportunity to examine the definitions that qualify small businesses for special lending programs. The definition of small business, for example, is so broad that really small businesses, such as many women-owned businesses, often fall outside of the scope of many lending programs.

#### **Federal Role in Supporting Small Business**

Discussion participants were especially vocal about the five percent target for Federal purchasing from women-owned businesses. Participants felt strongly that Congress should consider raising the target to be more reflective of the proportion of businesses that are actually owned by women. And, noting that the current requirement seems to have the weight of a suggestion, participants also suggested that there be some push for agencies to actually achieve the target. Participants also agreed that a central source for locating government opportunities—especially for those set aside for women and minority-owned businesses—would be helpful.

There was an overwhelming recommendation from each of the sessions that the processes for obtaining such certifications—such as a women-owned business certification or an 8(a) certification—were in need of streamlining. Finally, participants highlighted the opportunity to consider changes to the incentive structure and tax credits to afford small companies the benefits that larger companies already receive for mentoring and subcontracting with other small companies.

#### **Technical Assistance and Role Models**

Throughout the series of discussions, participants noted the need for better coordinated and more targeted technical assistance for women business owners. Participants noted the need for specific technical assistance in such things as developing business plans, structuring a company to grow in this economy, negotiating contracts, marketing, and taking advantage of international markets. While participants described a range of experiences with the Small Business Administration's district offices, Small Business Development Centers, Senior Corps of Retired Executive (SCORE), the National Association of Women Business Owners (NAWBO), women's business centers and others, most noted the lack of a centralized source for learning about and accessing all of the different training and technical assistance programs that are already available to women. Participants suggested the need for more practical conferences that offer networking opportunities and hands-on skills building workshops.

Participants also noted the need for more role models, remarking that we seem to have lost a lot of the history that is portrayed in the exhibit—with most women today not even knowing the stories. Participants suggested that there is a need for more documenting of women's stories and more analysis of the lessons that women have already learned so that women today can benefit from the experiences of those women who came before them.

#### **Opportunities for Additional Research and Support Activities**

The three roundtable discussions point to several opportunities for additional research and opportunities to support women business owners:

- There is a clear need for future research to address why women are still not getting the level of venture and angel capital that men get and what the public and private sectors could each do to improve women's access to such funding.
- A well-documented body of knowledge on international business and its ramifications has been in existence for some time and continues to evolve. An information clearinghouse on this topic would allow women business owners to access such information to support their decisions about whether or not to enter international markets.
- Finally, a number of participants in the Atlanta session expressed their concern that small, minority-owned, or women-owned businesses that have government certifications may suffer from negative stereotypes, particularly in the private

sector arena. Research to determine whether such negative perceptions exist and, if so, to what extent, is likely to generate useful information for supporting decisions on how such businesses should position themselves in public and private sector markets. If the stigma exists, determining specific, common objections and how they can be successfully circumvented, by industry, would be very valuable information.

This research was conducted for the National Women's Business Council by Synthesis Professional Services, a woman-owned consulting firm located in Rockville, MD. A copy of the report is available on the NWBC Web site.

The National Women's Business Council is a bi-partisan Federal advisory body 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. 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](mailto:nwbc@sba.gov), web site: [www.nwbc.gov](http://www.nwbc.gov).

The *Enterprising Women* exhibit tells the compelling story of American women in business from the colonial era to the present. The exhibit opened in 2002 in Lexington, Massachusetts and then traveled to New York City and Atlanta. On October 24, 2003, the exhibit opened in Washington, DC and will travel to Los Angeles and Detroit in 2004. An interactive Web site can be found at [www.enterprisingwomenexhibit.org](http://www.enterprisingwomenexhibit.org).