



## **NAWBO® Participates in Small Business Post-Election Briefing**

November 4, 2010

National Press Club, Washington, DC

### Panel Participants:

Moderator: Karen Kerrigan, President & CEO, Small Business & Entrepreneurship Council

Kelly Scanlon, Chair, National Association of Women Business Owners (NAWBO)

Harry Alford, President & CEO, National Black Chamber of Commerce

Allen Guterrez, Executive Director, The Latino Coalition

John Palatiello, President, Business Coalition for Fair Competition.

### **Comments by Kelly Scanlon, NAWBO® Board Chair**

Good morning. Thank you. It's a pleasure to be here as the board chairperson for the National Association of Women Business Owners®, the unified voice of America's more than 10 million women-owned businesses, the fastest-growing segment of the economy, NAWBO is also the only dues-based organization representing the interests of all women entrepreneurs across all industries.

And as we stand here today, NAWBO® members and all small business owners are closely watching to see what their Congressional representatives and the turnover in House leadership will mean for small business. The top priority for the new Republican majority in the House must be putting Americans back to work. And historically small business has led the way in this area, creating 2/3 of all the net new jobs in the economy. But statistics and studies show that not just small businesses, but women-owned small businesses will lead this recovery. A study released earlier this year by Guardian Life Small Business Research Institute, for example, predicts that women small business owners will create one-third of the 15.3 million new jobs anticipated by the Bureau of Labor Statistics by 2018. That's 5 to 5.5 million new jobs. The study cites a number of reasons for these predictions, but without going into all of them, I'm here to tell you that three things are needed to assist women-owned businesses in this job creation effort:

1. Access to capital – we have to get more banks lending again, and we have to get women business owners in a bankable position.
2. To get more women business owners in a bankable position, there has to be focus on capacity building and education to help women business owners build infrastructure, processes and systems that support the growth of their businesses.
3. And, finally, and this is the point I'm here to hammer home today: access to capital doesn't just mean access to debt financing as we've been hearing so much about. It also means access to opportunity, opportunity to access capital through growth in top line sales. And NAWBO® believes that the federal contracting program for women is one of those opportunities. Enhanced federal contracting for women-owned businesses will help grow these businesses and in turn women owned businesses will create more jobs.

One piece of good news is that the SBA proposed rule for implementing the federal contracting program for women should go into effect in early 2011. It has been a long time coming since passage of the bill way back in 1999. Since then, the bill has seen many twists, turns and roadblocks, and NAWBO and the rest of the WBO community have been impatiently pushing for its implementation.

Why is federal contracting so important, especially to job growth? The bill passed more than 10 years ago required women-owned businesses to receive 5% of the dollars spent by the federal government through contracts. The highest that's ever been achieved is 3.4%. **of the \$340 billion** In the years since FY 2000, women-owned businesses have missed out on an average of **\$5 billion in contracts per year**.

In spite of the expanded provisions in the new rule, we can do better. There is a piece of legislation pending - the Fairness in Women-Owned Small Business Contracting Act of 2010 (S3399), introduced May 25, 2010 by Sen. Olympia Snowe and co-sponsored by Sen. Kirsten Gillibrand (D-N.Y.) Among other things, this legislation would:

1. Provide parity, in other words, allow government contracting officers the ability to award federal contracts sole-source to women-owned small businesses under similar conditions as sole source contracts are awarded to historically underutilized business zone (HUBZone) small businesses.
2. Removes the limit on the anticipated award amount and provides women-owned small businesses the ability to compete for federal contracts despite the contract dollar amount
3. Require a mandatory 5-year review of all industries in which women are underrepresented to determine whether more industries should be included.

That bill has been read twice and referred to the Senate Committee on Small Business and Entrepreneurship.

Another item of interest coming up is the publication of the full 2007 women-owned business census report on December 7. When the preliminary numbers were announced in July, we saw that women-owned firms were still growing in number at a faster rate than the national average (up 20% versus 6% for men) but that – despite that growth in numbers, WBOs still lagged in employment and sales

Which is why putting out a welcome mat for greater access to federal procurement is such a good idea.

Small and women-owned businesses are not talking points. They are not political footballs. They are the economic backbone of this country, and keeping them guessing about tax increases, gotchas like the 1099 reporting provision passed in the health care reform law, regulatory issues and other issues critical to planning the future of their businesses breeds uncertainty and stifles job creation.

In the coming weeks, NAWBO® will be reconnecting with Senator Olympia Snowe to discuss strategy for moving the Fairness in Women Owned Small Business Contracting Act of 2010 forward.

And we encourage Congress and the Obama Administration to go to work now on the common elements of their small business agendas – like the Fairness in Women-Owned Small Business Contracting Act of 2010 which has bipartisan sponsorship from Sens. Snowe and Gillibrand.

NAWBO® encourages the new Congress and the Obama Administration to focus on working together to boost small business confidence, hiring, investment and economic growth. The **political contests** have concluded, and now it's time for **political leaders** to do more and to do better to advance the interests of women and small business.