



NATIONAL ASSOCIATION OF
WOMEN BUSINESS OWNERS

August 31, 2005

The Honorable Hector Barreto
Administrator
U.S. Small Business Administration
409 3rd Street S. W. Suite 7000
Washington, DC 20416

Dear Mr. Barreto:

I am writing today on behalf of the Nation's women business owners to thank you for past efforts on behalf of women owned small businesses (WOSBs) and to ask you and the SBA to make a renewed commitment, and apply a sense of urgency, to: (i) achievement of the Congressionally mandated 5% federal procurement goal for WOSBs; and (ii) full implementation of the Congressionally authorized restricted competition program for WOSBs before the end of FY06.

The reason for our sense of urgency is the message sent by the Federal Procurement Data Center (FPDC) contract numbers that the SBA released last week.

We are pleased that the FPDC data show a small increase in the contracting numbers for WOSBs in FY04. The data also show, however, that the government failed once again to reach the 5% contract target for women business owners set by Congress in 1994. More disturbingly, the FY04 data reveal that women business owners are, in fact, losing ground in their effort to gain their fair share of government contract dollars.

The FPDC numbers documented that the percent of federal contract dollars spent with women owned businesses rose .005% from 2.98% in FY03 to 3.03% in FY04, and that the actual dollar value of contracts increased from \$8.3 billion to \$9.1 billion, an increase of \$800 million or 8%.

Viewed in the abstract, these figures might be seen as positive. Unfortunately, the rate of increase in contract dollars at 8% was only a third of the 22% increase seen between FY02 and FY03. And, the actual dollar increase in contract awards fell to \$800 million in FY04 from \$1.5 billion in FY03, nearly a 50% reduction.

Of even greater concern than the slowing rate of growth is the real "cost" of the government's failure to make real progress toward the 5% contracting goal. Women business owners "lost" almost \$1 billion **more** in federal contract dollars in FY04 than in FY03. In FY03, the difference between 2.98% of contract spending and 5% of contract spending was almost \$5 billion. In FY04, the difference between 3.03% of contract spending and 5% of contract spending is almost \$6 billion.

Women business owners cannot afford to wait any longer for the government to achieve contract equity. It is not only necessary but **urgent** for the SBA to implement fully and immediately the restricted competition program for women owned small businesses authorized by Congress in 2000. This program was envisioned by Congress as an important tool in helping to reach the 5% contracting goal established more than a decade ago. The FY04 numbers demonstrate clearly and unequivocally how important it is for us and the government to have this tool working to increase contract opportunities for WOSBs.

Thank you, again, for all of your past efforts on behalf of women business owners and for offering us a partnership in achieving economic opportunity and contract equity for WOSBs. In light of the FY04 data, we hope that you will join us in recognizing the urgency of the situation we face and commit the SBA publicly to take all necessary steps to implement the restricted competition program and to achieve the 5% goal by the end of FY06.

We want to work with you and other members of the administration in advancing the entrepreneurial success of WOSBs. Please let us know how NAWBO can support you in helping the government achieve the 5% procurement goal and in making contract equity a reality for women business owners.

Very truly yours,



Claire Guthrie Gastanaga
Vice President, Public Policy

Cc: Gayle Watson, President, NAWBO
Erin M. Fuller, CAE, Executive Director, NAWBO
Wilma Goldstein, Acting Executive Director, National Women's Business Council
Senator Olympia Snowe, Chair, Senate Small Business Committee
Representative Donald Manzullo, Chair, House Small Business Committee
Senator John Kerry, Senate Small Business Committee
Representative Nydia Velazquez, House Small Business Committee
Representative Eric Cantor, Majority Whip