

2024 ECONOMIC BLUEPRINT



WOMEN IMPACTING
PUBLIC POLICY

Tribute To Candace Ayles Waterman And The CANDACE Contract



Women Impacting Public Policy (WIPP) is honored to dedicate the new Economic Blueprint to Candace Ayles Waterman, who passed away on May 19, 2023. Candace was a trailblazer and tireless advocate for women entrepreneurs throughout her decades-long career. Having been an entrepreneur herself, she understood how hard women must work to achieve success, and she used that drive to change the lives of women business owners across the country.

She dedicated her career to advancing economic equity, procurement inclusion, and access to the global marketplace for over 14 million women-owned companies in the U.S. In the last four years, the growth of women business owners has outpaced market expectations, demonstrating their grit and determination to build successful businesses. Even as the pandemic challenged the security of women business owners, women had the confidence to expand their businesses or launch new ones. Candace's legacy embodies the determination, grit, and confidence of what women entrepreneurs can accomplish.

In honor of Candace, the U.S. Department of Education announced a new, multiple-award woman-owned small business (WOSB) set aside contract in her honor: Cloud and Infrastructure, Application Development, Network Services, Data Analysis, Artificial Intelligence, Cybersecurity and Emerging Technology (CANDACE). The CANDACE contract will provide new and expanded opportunities for the WOSB community and will advance the Small Business Administration's (SBA) goal of awarding 5% of prime contracts across the federal government to WOSBs.

Candace served as the President and CEO of WIPP for five years. Her impact was global, as she served as a U.S. Delegate of the W20, amplifying her influence as a global thought leader. Before her time at WIPP, Candace held key positions at the Women's Business Enterprise National Council (WBENC), where she led groundbreaking initiatives and successfully digitized the certification program. Her unwavering commitment to diversity, inclusion, and operational excellence earned her numerous prestigious awards.

Executive Summary

The 2024 Economic Blueprint builds on the vision set out by the 2017 Economic Blueprint, which offered comprehensive public policy expectations that contribute to the economic advancement of women-owned businesses. Since the release of Women Impacting Public Policy's (WIPP's) 2017 Economic Blueprint, much has changed - a once-in-a-lifetime global pandemic threatened the economic security and stability of women-owned businesses, accelerated workforce shifts, and ushered in a challenging economic climate for small businesses to navigate.

WIPP remains committed to being a strong advocate for America's 14 million women-owned businesses who have proven themselves to be economic powerhouses. Accounting for 39.1% of all businesses in the U.S. and employing 12.2 million workers and generating \$2.7 trillion in revenue. Impressively, the number of women-owned businesses between 2019 and 2023 increased at nearly double the rate of those owned by men; and from 2022 to 2023, the rate of growth increased to 4.5 times.

The 2024 Economic Blueprint is tasked with the same goal as the 2017 Economic Blueprint: to express the voice and interests of women-owned businesses to policymakers, regulators, and private sector leaders to foster an environment that supports the economic empowerment of women business owners. This updated Blueprint offers policy recommendations based on priorities that are top-of-mind for women business owners, including access to capital, parity in federal contracting for woman-owned small business (WOSBs), the future of the workforce, taxes, and ensuring that WOSBs have access to contracting opportunities through the *Infrastructure Investment and Jobs Act*.

As lawmakers and the private sector look towards the future, the needs and significant contributions of women business owners must be reflected in public policy decisions.

The Force Behind the Blueprint

The impact that women-owned businesses have on the U.S. economy is undeniable. They fuel economic growth, create millions of jobs, and generate over \$1 trillion in annual revenue.

According to the Wells Fargo 2024 Impact of Women Owned Businesses Report, created in partnership with Ventureneer, CoreWoman, and WIPP:¹

- Women own over 14 million businesses, accounting for 39.1% of all businesses in the U.S.
- Women employ over 12.2 million people, accounting for 9.2% of total employees.
- Women generate \$2.7 trillion in annual revenue, accounting for 5.8% of total firm revenue nationally.
- Between 2019 and 2023, the number of women-owned businesses increased at nearly double the rate of those owned by men. From 2022 to 2023, the rate of growth increased to 4.5 times that of men's.
- Over half (52%) of women-owned businesses employ between one to four people, 25.2% employ five to 19 people, 7.3% employ more than 20 people, and 15% have no employees.²

Women Business Owners are a Formidable Voting Bloc

Simply put, women vote. In fact, in every presidential election since 1980, the proportion of eligible female adults who voted has exceeded the proportion of eligible male adults who voted. Additionally, women small business owners by a large margin place a significant degree of trust in the endorsements of other women small business owners. In addition to being a powerful voting bloc, women have grown their representation in public office at the national and state levels. When WIPP developed its 2017 Economic Blueprint, women held 104 seats in Congress. Women now hold 126 seats in the U.S. House of Representatives, and 25 seats in the U.S. Senate. In 2020, then-Senator Kamala Harris made history when she was the first woman to be elected to serve as Vice President.

By the numbers, Women Vote

- As of 2022, over 70% of women are registered to vote.⁴
- Women account for more than half of the electorate at 53%.⁵



WIPP members attending a ChallengeHER event in Chicago, Illinois

Who We Are: A Collaborative Effort

WIPP is one of the largest nonpartisan organizations in the country advocating on behalf of women entrepreneurs and business owners. Its members include Democrats, Republicans, Independents, and individuals of all political stripes and WIPP encourages them to engage with policymakers and advocate for policies that help them start, run, and grow their businesses. WIPP also leads coalitions within the women's business ecosystem with its network partners to advance policies that support women entrepreneurs.

WIPP's Core Policy Priorities

Access to Capital

As part of this updated Economic Blueprint, WIPP has refreshed its Access to Capital Framework, highlighting the most pressing capital issues facing women business owners, including Changing the Capital Infrastructure, Supporting Small Lending Institutions, and Strengthening Government Investment.

Parity for Women-Owned Small Businesses in Federal Contracting

WIPP has tackled federal contracting issues since its inception over two decades ago. Access to federal markets continues to be a challenge for women-owned small businesses (WOSBs) even though they are a meaningful avenue for business development, capital access, and growth. This is evidenced by the reality that the federal government struggles to meet its modest goal of 5% of contracting awards to WOSBs. Since the goal was established in 2000, it's been met just two times, in 2015 and 2019. WIPP supports measures that encourage new entrants to the WOSB program and that help existing WOSBs win more federal contracts.

The Future of the Workforce

The last several years have been marked by significant shifts in the workforce as a result of the pandemic. Workers, now more than ever, prioritize competitive benefits packages, including access to paid leave and childcare. At the same time, women business owners must adapt to the rise of Artificial Intelligence (AI) and how to best harness it as a tool for their businesses. The workforce is continuing to endure significant shifts, not only related to worker priorities and the rapid evolution of AI, but also due to regulatory changes that have implications for worker classifications and business diversity.

Unlocking Opportunities in the Investing in America Agenda

Since 2021, the President has signed into law three significant pieces of legislation, the *Bipartisan Infrastructure Law*, the *CHIPS and Science Act*, and the *Inflation Reduction Act*. Each of these bills allocate billions of dollars towards federal contracting opportunities and have specific set asides for small businesses. They are also guided by the President's Executive Order 13985 to Advance Racial Equity and Support Underserved Communities through the Federal Government, and the President's directive to increase governmentwide spending to 11% of contracting dollars being awarded to small disadvantaged businesses.

Building a Better Tax Code for Women Owned Businesses

As we approach the expiration of several key tax provisions signed into law under the *Tax Cuts and Jobs Act of 2017*, WIPP expects tax conversations to pick up on Capitol Hill and in state legislatures across the country. This creates an important opportunity to improve tax policy to better support the growth of women-owned businesses. WIPP will continue to advocate for tax policy that fosters an environment that supports the growth of women-owned businesses.

Health Equity for Women Owned Businesses

The rising cost of healthcare has long been a top concern for women business owners, causing them to put off hiring and struggle in retaining existing employees, and impacting their ability to be competitive with larger businesses. WIPP advocates for policy reform to improve access to affordable, accessible healthcare for women-owned businesses, including pharmacy benefit manager (PBM) reform.



WIPP President & CEO Angela Dingle, SBA Administrator Isabella Casillas Guzman, Director for SBA's Women-Owned Small Business Federal Contract Program Alisa Sheard, WIPP Chair of the Board Courtney Fairchild

Access To Capital

Access to capital consistently ranks as the top priority for women business owners and WIPP continues to advocate for policies that expand access, whether it's helping more women obtain venture capital funding or providing stronger support to lending institutions to help them reach more women entrepreneurs. WIPP has updated its [Access to Capital Framework for 2024](#), which includes the following priorities:

- Rethinking Credit Scores
- Supporting Small Lending Institutions
- Strengthening Government Investment

Parity For Women-Owned Small Businesses

The federal government is the largest buyer of goods and services in the U.S. A large part of WIPP's mission has always been the goal to increase women's access to the federal marketplace via federal contracting. At least 23% of federal spending must go towards small business vendors, including women-owned small businesses. The goal for the government's purchases from women-owned small businesses sits at a modest 5%, a target that's only been achieved twice, in 2015 and 2019, in the 30 years since the standard was established.

There are more women starting new businesses now than ever before. From 2019 to 2023, women-owned businesses' growth rate outpaced the rate of men's 94.3% for number of firms, 252.8% for employment, and 82.0% for revenue. ⁶ WIPP is advocating for the following policies to ensure that more women have access to contracting opportunities to grow their businesses.



WIPP member Jacqueline Lopez, who owns Premier Enterprise Solutions, testifying before the U.S. House Small Business Subcommittee on Contracting and Infrastructure in May 2023

Ensure Acquisition Reform Supports Women-Owned Businesses

Women have historically had limited opportunities to win large government contracts, known as Multiple Award Contracts (MACs). Additionally, the application of Category Management has left behind WOSBs as well as contributed to the decline of small businesses in the federal supplier base. WIPP will continue to work to ensure that agencies structure MACs to include all socioeconomic groups, including women, and encourage agencies to rethink application of category management to prevent locking out small firms.

Increasing the Sole Source Threshold

The sole source threshold for the Women-Owned Small Business, Economically Disadvantaged Women-Owned Small Business (EDWOSBs), 8(a), Service Disabled Veteran Small Business, and HUBZone programs sits at \$4.5 million, or \$7 million for manufacturing. While the threshold is intended to favor smaller firms, it does the opposite. In fact, because the threshold is so low, it results in fewer firms pursuing sole source contracts because average federal contract awards exceed the threshold. Even a modest increase to the threshold would promote larger awards, attracting more socioeconomically disadvantaged businesses to work with the federal government, create jobs, and in effect, help rebuild the supplier base.

Support and Train the Contracting Workforce

One of the greatest challenges to bringing new entrants into the WOSB program, or supporting WOSBs in the program, is the ability of contracting officers to provide resources and information on changes to acquisition policy intended to benefit small, minority, or women-owned businesses.

Addressing the “Double Dipping” Problem

For years, the ability of agencies to use one purchase towards multiple contracting goals has muddied benchmark reporting for contracting programs, per a report released by the Senate Committee on Small Business and Entrepreneurship which states:

“For example, if a minority woman-owned small business receives a contract, the agency is allowed to count the contract under two goals: the small disadvantaged business goal and the women-owned small business goal. A Bipartisan Policy Center report found that \$27.1 billion in federal contracts were counted towards the WOSB goal in FY 2020 and when removing double counting, that total falls to \$26.4 billion.”⁷

WIPP proposes that the federal government take steps to end the practice of double counting, and to re-evaluate the WOSB program to ensure that the benchmark goals are proportionate with the growth of new women-owned businesses.

Legal Threats to Diverse Contracting Programs

In the last two years, there has been a wave of legal threats to business diversity, including federal contracting programs, supplier diversity programs, and workplace Diversity, Equity, and Inclusion (DEI) programs. The threats to business diversity have resulted in lawsuits against the U.S. Small Business Administration’s (SBA) 8(a) Diverse Business Program, and the Department of Transportation’s Diverse Business Enterprise Program (DBE).

Legal action against the SBA’s 8(a) program (Ultima Services Corporation v. U.S. Department of Agriculture, U.S. District Court for the Eastern District of Tennessee) targeted the program for using race-based metrics to demonstrate social disadvantage⁸ and the case against DOT’s DBE⁹ program seeks to establish that all federal contracting programs that take race and gender into consideration are unconstitutional. The legal threats to business diversity put at risk important contracting programs, including the Women-Owned Small Business Program and the Economically Disadvantaged Women-Owned Small Business Program. The WOSB and EDWOSB programs help women grow and diversify their businesses and serve as important avenues to capital access.

WIPP continues to work with partners to highlight the importance of business diversity. Contracting programs that support diversity have resulted in the creation of new jobs, business growth, and value for the economy. It's why WIPP signed onto an [open letter to Fortune 500 CEOs](#), urging them to maintain and expand commitments to DEI, for the good of the economy and their bottom lines.



WIPP members attending a ChallengeHER event in Houston, Texas

The Future Of The Workforce

The pandemic accelerated existing workforce trends, including worker prioritization of competitive benefits packages (including paid leave, flexible work, etc.) and the rise of automation and AI. WIPP recognizes the importance of workplace policies, such as paid leave, that allow for women to raise children and care for loved ones, given that women are most often the primary caregivers. In addition, WIPP recognizes the importance of access to affordable childcare options and having the flexibility to balance business and childcare/caregiving responsibilities. Lastly, as AI and automation evolve and become more sophisticated, it is crucial that women business owners are not left behind.

Paid Leave and Childcare

Access to paid leave is crucial, as is the ability of women business owners to offer paid leave. A growing concern among women-owned businesses is their ability to offer paid leave benefits that keep them competitive with larger companies with more resources. Paid leave is good for business. It has been linked with higher retention rates, increased revenue, and higher productivity and morale.¹⁰ As of 2021, a quarter (25%) of small businesses offered some form of paid parental leave,¹¹ but paid leave offerings tend to vary based on firm size. WIPP advocates for a national paid leave framework that prioritizes flexibility and the ability for small businesses to opt in.

Artificial Intelligence

With the rise of AI, WIPP anticipates that Congressional leaders and federal regulators will weigh how to best address risks, including worker displacement, bias and discrimination, and cybersecurity. Women business owners are already using AI for their businesses to support streamlining daily operations. In fact, a recent study found that the overwhelming majority (91%) of respondents have said that AI has helped make their small businesses more successful, and 28% anticipate that it will help save them at least \$5,000 in the next year.¹² As more women business owners look to AI as an affordable and accessible tool for their businesses, WIPP encourages lawmakers to consider the following policies.

Ensure that Cybersecurity Measures are in Place to Protect Small Businesses from Scam and Fraud

Small businesses are consistently the top targets of cybersecurity threats and given rising concerns around the capacity of AI to spread misinformation, there must be guardrails in place to protect businesses from these risks. In the same vein, small business owners must have an understanding of cybersecurity requirements for government contracting programs. Given the evolution of cyber threats to small businesses, the status of one's cyber security has become a major factor in the decision making process, and can result in the loss of contracting opportunities if business owners don't understand this imperative.

Establish Protocols to Prevent Bias and Discrimination In AI

The President took a meaningful and historic first step by signing Executive Order (EO) on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence. The EO includes guidance for preventing the proliferation of racial bias through AI, however, as AI continues to evolve, regulatory measures will be required to ensure that AI is safe for all.

Unlocking Opportunities Through The Invest In America Agenda

Since 2021, three landmark pieces of legislation have been signed into law: the *Infrastructure Investment and Jobs Act (IIJA)*, the *Creating Helpful Incentives to Produce Semiconductors and Science (CHIPS and Science) Act*, and the *Inflation Reduction Act*. Each law [created billions of dollars worth of federal investment towards contracting opportunities](#) for diverse and minority-owned businesses. The laws, collectively referred to as the Investing In America Agenda, follow the President's EO to advance racial equity through the federal government, as well as awarding 15% of federal prime contracting to small disadvantaged businesses by fiscal year 2025. WIPP, [in partnership with 14 leading diverse small business organizations and Reimagine Main Street](#), conducted a survey of diverse businesses on the state of contracting, procurement, and supplier diversity. Based on the findings, WIPP proposes the following policy recommendations.

Raise Awareness of Invest in America Opportunities

More than half of diverse businesses are unaware of contracting opportunities for their businesses through Invest In America laws:

- *IJA* - 56% of respondents lack awareness of the *IJA* and opportunities for their businesses¹³
- *CHIPS and Science Act* - 61% of respondents lack awareness of the *CHIPS and Science Act* and opportunities for their businesses¹⁴
- *Inflation Reduction Act* - 59% of respondents lack awareness of the *Inflation Reduction Act* and opportunities for their businesses¹⁵

Provide Actionable Guidance for Diverse Businesses

The majority of diverse businesses are unprepared to compete for contracting under the *IJA*, *CHIPS and Science Act*, and the *Inflation Reduction Act*. WIPP encourages federal agencies and contracting officers to provide diverse businesses with step-by-step resources and recommendations for preparing their businesses for contracting opportunities.

Building a Better Tax Code for Women Business Owners

The [sunsetting of tax provisions](#) created by the Tax Cuts and Jobs Act (TCJA) of 2017 will stir a national conversation on U.S. tax policy in 2024 and 2025. Without knowing which Administration will occupy the White House at this time, there is a level of uncertainty on how expiring provisions will be handled, but women-owned businesses must be prepared regardless. Expiring provisions that will impact small businesses include:

- **20% pass through deduction (Section 199A)**: this provision allowed a deduction equal to 20% of qualified business income for owners of pass-through businesses
- **Bonus Depreciation (Section 168(K))**: this provision allows taxpayers to immediately write off a specified percentage of an assets purchase cost
- **Immediate Expensing (Section 179)**: this provision allows taxpayers to immediately write off the full cost of an asset, subject to specified caps

WIPP encourages lawmakers to take this opportunity to create a tax code that works for women-owned small businesses, including simplifying taxes for small business owners and keeping in place tax provisions that support the growth of small businesses. In 2017, as the TCJA was being negotiated, a troubling reality emerged when a survey of small businesses found that [one in five small businesses](#) didn't know their effective tax rate for 2016, representing nearly a quarter of small businesses. A simplified tax code would ease the "red tape" burdens that women business owners (who often manage their taxes without the support of an accountant) face, providing peace of mind during tax season.

Health Equity for Women Business Owners

Access to affordable healthcare is a longstanding issue for the women-owned business community, especially as healthcare has become an essential benefit for attracting and retaining talent. Among women-owned businesses, some of the top barriers to affordable care include the cost of pharmaceuticals and the cost of offering insurance coverage. This is why WIPP supports efforts for pharmacy benefit manager (PBM) reform. PBMs negotiate rebates and discounts for medicines, while extracting more than \$100 billion from pharmaceutical companies in 2021 alone.¹⁶ PBM compensation is linked to the cost of medicines, which as economists and government agencies have agreed, can result in misaligned incentives when it comes to determining the cost of medicine. WIPP supports policies that would:

- **Require PBMs to be Paid Based on the Value of Services They Provide Versus the Price of the Medicine:** Legislation proposed at the state level to achieve this, including in Nevada, would require that PBMs be paid administrative fees only and prohibits them from getting reimbursed based on how much they negotiate rebates off the list price of a medicine.

PBMs play an important role negotiating coverage and the cost of medicine, and certainly deserve to be compensated for their efforts. However, compensation should not be tied to the value of medicine, rather the value of the service they provide. Effective PBM reform is crucial to helping women-owned businesses provide competitive benefits to employees, which supports talent retention and recruitment.

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Resources

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