

6 FACTS YOU NEED TO KNOW

ABOUT U.S. WOMEN ENTREPRENEURS

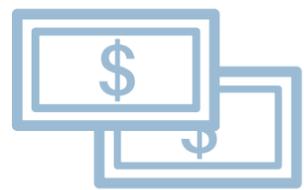
WOMEN ENTREPRENEURS ARE AN ECONOMIC POWERHOUSE.



Making up a third of all businesses, women-owned firms are growing at four times the rate of men-owned firms and contribute \$1.6 trillion to the United States economy. This growth has propelled recovery prosperity in communities nationwide.

WOMEN-OWNED BUSINESSES DO NOT GET THE CAPITAL THEY NEED.

Only 4% of all commercial loan dollars go to women. The cumulative regulatory burden on community banks – a traditional source of capital for women entrepreneurs – has increased costs and made it difficult for these institutions to rationalize smaller loans. The unmet needs of women entrepreneurs total billions of dollars each year.

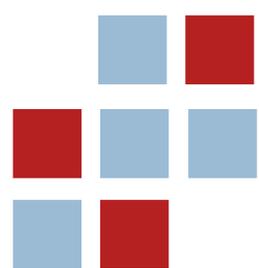


WOMEN BUSINESSES ARE A GOOD INVESTMENT.

The track record of growth for women business owners is proven, yet only 3% of all venture capital goes to companies run by women. The limited number of women fund managers is a factor in this statistic. A study from the Diana Project, found that “venture capital firms with women partners are three times more likely to invest in companies with women CEOs.”ⁱ

The government can use the Small Business Investment Company (SBIC) Program among other tools to ensure more women fund managers have the experience needed.

Championed by WIPP, [The Women and Minority Equity Investment Act of 2019](#) allows women-owned and minority-owned federal contracting firms to take investment by women-owned equity firms and still meet the “51% unconditionally owned and controlled” standard set by the SBA to participate in the WOSB/EDWOSB program.



WOMEN ENTREPRENEURS COMPETE FOR AND WIN GOVERNMENT CONTRACTS.

Access to federal markets continues to be a challenge for WOSBs, given that the federal government has only met its modest goal of 5% awards to WOSBs once. To ensure women have access and can bring innovative solutions to government problems, more needs to be done. Parity in federal procurement opportunities is essential for women-owned businesses.

WOMEN BUSINESS OWNERS SEEK MARKETS BEYOND US BORDERS.



With 95% of consumers living outside of the U.S. representing two-thirds of the world's purchasing power, women's growth must be fueled by access to international markets. Strengthening the existing support of the U.S. government for small firms should complement non-profit and private export assistance to small businesses.

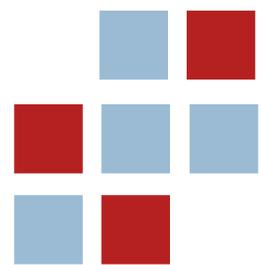
Our government must continue its efforts strengthening intellectual property rights and protections at home and abroad to encourage more entrepreneurship and the global expansion of women-owned businesses.

THE BURDEN OF REGULATION CAN BE CRUSHING.

We need a regulatory system that is inclusive, transparent, and flexible. Businesses with fewer than 20 employees, which make up the bulk of women-owned businesses, pay an average of 30% more per employee in regulatory costs. For manufacturers, this burden is even greater.

One estimate by the National Association of Manufacturers estimated annual regulatory costs to be \$34,671 for firms with fewer than 50 employees. Smarter regulations and a more transparent regulatory process will produce more efficient regulations.

In May 2019, WIPP Board Member Jeanette Prenger [testified before the Senate Committee on Small Business and Entrepreneurship](#) in conjunction with the Senate Homeland Security and Governmental Affairs Subcommittee on Regulatory Affairs and Federal Management.



LEARN MORE AT WIPP.ORG/ADVOCACY



Professors Candida G. Brush, Patricia G. Greene, Lakshmi Balachandra, and Amy E. Davis, *Women Entrepreneurs 2014: Bridging the Gender Gap in Venture Capital*, Arthur M. Blank Center for Entrepreneurship, Babson College. (September 2014) Available at <https://www.babson.edu/media/babson/site-assets/content-assets/images/news/announcements/diana-project-executive-summary-2014.pdf>

Clyde, Wayne Crews Jr., *Ten Thousand Commandments: An Annual Snapshot of the Federal Regulatory State*, Competitive Enterprise Institute (2014) (finding that firms with fewer than 20 employees pay \$10,585 per employee, compared to \$7,755 for those with 500 or more employees). Available at <https://cei.org/sites/default/files/Wayne%20Crews%20-%20Ten%20Thousand%20Commandments%202014.pdf>

W. Mark Crain and Nicole V. Crain, *The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business: A report for the National Association of Manufacturers*, (September 10, 2014). Available at <https://www.nam.org/wp-content/uploads/2019/05/Federal-Regulation-Full-Study.pdf>