

For Information Contact:

Caitlin Jenkins

Tel: (212) 688.4114

E-mail: caitlin@womenpresidentsorg.com

PROPOSED SBA RULE LIMITS FEDERAL CONTRACTING OPPORTUNITIES FOR WOMEN-OWNED BUSINESSES

New Rule Hurts Not Helps Women-Owned Businesses

New York, NY – The Women Presidents’ Organization has responded against the enactment of the new proposed rule from the Small Business Administration that limits contracting opportunities for women-owned small businesses. Though there are 7.7 million businesses that are 51% owned-and controlled by women (approximately one-third of all privately-held companies), only a mere 3.4% of federal procurement contracts are awarded to women-owned businesses.

The new rule is a flawed amendment to Public Law 106-554. Public Law 106-544 was passed in 2000 to give federal contracting officers the ability to restrict competition for up to 5% of all prime contracts to women-owned businesses whose industries are under-represented. The amendment is flawed because it only identifies four industries in which women-owned businesses are under-represented in contracting: cabinetmaking, engraving, other motor vehicle dealers, and national security and international affairs.

The proposed rule is based on a Kauffman-RAND study wherein depending on the methodology, either 87% of industries would be considered under-represented or 0% of industries would be considered under-represented. The SBA chose the narrowest method of data analysis. In addition, the method chosen by the SBA considered a mere 56 thousand women-owned businesses that were already registered in the federal contracting database, out of the 7.7 million women-owned businesses nationwide.

The Women Presidents’ Organization has urged the Chair of the House Committee on Small Business, Nydia Velasquez to reject the new rule.

“It is disappointing that after all of the efforts of the women’s business community to increase the number of federal contracts awarded to women-owned businesses, the Small Business Administration delivers a rule that actually hurts women business owners rather than helps them,” said Marsha Firestone, Ph.D., president and founder of the Women Presidents’ Organization.

About Women Presidents’ Organization (WPO):

The Women Presidents’ Organization (WPO) locally and internationally connects top women entrepreneurs at the million and multimillion-dollar level (\$2 million in gross annual sales or \$1 million for service-based business) for greater personal and professional success. In monthly meetings across the US and Canada, chapters composed of 20 accomplished women presidents from diverse industries and backgrounds invest time and energy in themselves and their businesses to drive their corporations to the next level. For more information, call (212) 688-4114 or visit <http://www.womenpresidentsorg.com>.