



NATIONAL ASSOCIATION OF WOMEN BUSINESS OWNERS CRITICIZES PROPOSED RULES ON SET-ASIDE PROGRAM

SBA Proposals Gut Congressional Mandate Designed to Assure Women Business Owners 5%
of the Federal Spend

(McLean, VA, January 2, 2008) –The National Association of Women Business Owners® (NAWBO®) joined other women business leaders in criticizing the proposed rules issued by the Small Business Administration (SBA) last week that were supposed to assist women owned small businesses in obtaining their fair share of federal contract dollars.

“As a business owner and president of the only dues-based national organization representing the interests of all women entrepreneurs across all industries, I am disappointed that the Small Business Administration has, again, failed to be an advocate for women business owners,” said Lisa Kaiser Hickey, NAWBO’s president and president/CEO, Douglas Screen Printers, Inc. in Lakeland, Florida. “NAWBO urges the SBA to reconsider these ill-conceived rules, and I look forward to a brand New Year when we can work together with the SBA to develop a policy that will truly benefit women entrepreneurs,” Hickey continued.

NAWBO’s Executive Director, Erin M. Fuller commented that, “It has been clear for sometime that the SBA has never been committed to implementing the women owned small business set-aside program or to assuring that women owned businesses get their fair share of federal contract dollars. It took a lawsuit to get the SBA to focus on complying with the law establishing the set-aside program, which Congress mandated in back in 2000.” Fuller added, “And, now, instead of taking a step forward in implementing the now eight year old mandate to establish a set-aside program for women owned small businesses, the SBA’s proposed rules gut the program.”

In 1994, Congressional legislation mandated that five percent of government contracts go to women-owned businesses. To help meet this goal, a set-aside program for women-owned businesses was established in 2000. Currently, only three percent of federal contracts go to women-owned businesses. The new SBA proposed rule will only allow federal agencies to implement the set-aside program for women owned businesses in four of over 2,300 business categories, and, even then, only after the agencies individually document that they previously discriminated against women owned businesses. If implemented consistent with the proposed rules, the set-aside program will do little if anything to increase the share of federal contracts that go to women-owned businesses.

If women business owners had received five percent (rather than three) of the \$277.5 billion spent by the federal government with prime contractors in FY 2003, they would have received \$13.68 billion in contracts. That’s \$4.9 billion more than they actually received. Meeting the five percent procurement goal will help women business owners achieve greater success.

NAWBO has proactively engaged the Small Business Administration on this issue over the last three years. To see a full accounting of NAWBO's views on this issue, visit http://www.nawbo.org/section_101.cfm.

NAWBO will encourage the SBA to reconsider the proposed rule and to take other actions designed to assure that women business owners get their fair share of federal contracts and no less than the 5% of federal dollars that Congress set as the target in 1994.

About NAWBO: Founded in 1975, NAWBO propels women entrepreneurs into economic, social and political spheres of power worldwide. More than thirty years later, NAWBO is still the only organization that solely represents the interest of women entrepreneurs in all industries. The organization's mission is to strengthen the wealth-creating capacity of its members and promote economic development; to create innovative and effective change in the business culture; to build strategic alliances, coalitions and affiliations; and to transform public policy and influence opinion makers. Visit www.nawbo.org for more information.

Contact: Shawn Taylor Zelman, szelman@nawbo.org
Brynn Slate, bslate@nawbo.org
703-506-3268
www.nawbo.org

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