



WOMEN PRESIDENTS'
Educational Organization
PROVIDING WBENC CERTIFICATION

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' Educational 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' Educational 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' Educational Organization.

About Women Presidents' Educational Organization (WPEO):

WPEO is a regional affiliate of the Women's Business Enterprise National Council (WBENC), the nation's leading advocate of women-owned businesses and third party certification organization. The mission of the WPEO is to increase access to business opportunities for WBEs. Our programs develop skills and knowledge for WBEs, advocate in the public and private sectors, foster relationships between WBEs, corporations and the government, and provide certification services. WPEO provides full service third party certification to women entrepreneurs in the New York and D.C regions. For more information about the WPEO, including upcoming events and membership, call (212) 688-4144 or visit the website <http://www.wpeo.us/>