

# **Business Women Speak Out On the Issues**

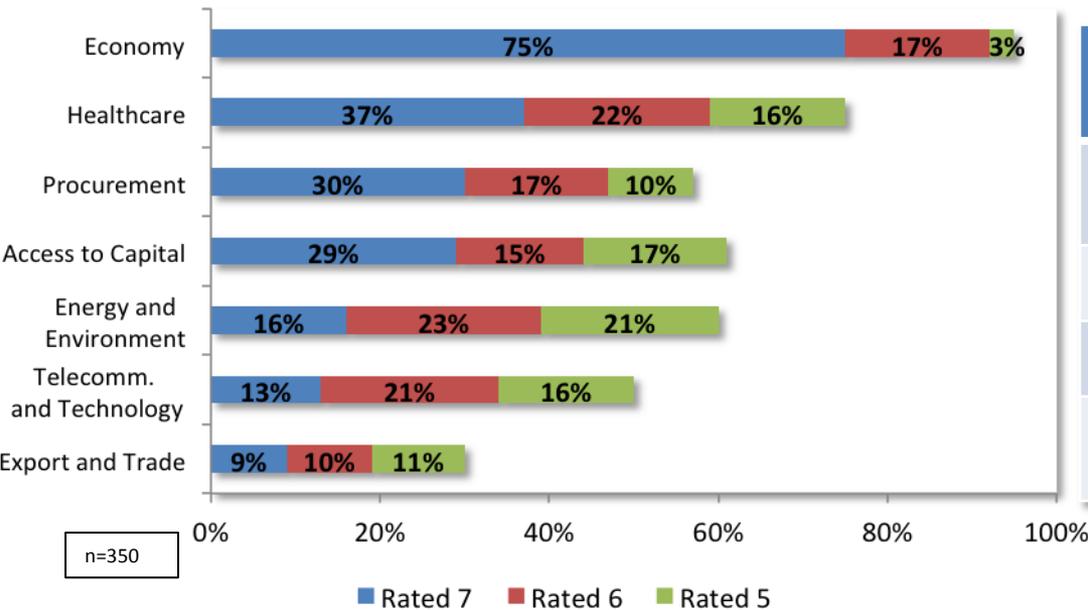
**2013 National Survey of  
Women Business Owners on Top Issues**

**May 2013**

**Study Design and Analysis Support Contributed by:  
AllPoints Research, Inc.**

# Importance of Issues: 2013

- The *Economy* is the most important issue among the seven issues presented to respondents, with three out of four giving it the highest possible rating (7 on a 7-point scale).
  - Federal contractors are more likely than their counterparts to give the highest importance rating to *Procurement*, *Telecommunications & Technology* and to *Export & Trade* issues.
  - Minority business owners rated *Access to Capital* and *Telecommunications & Technology* higher in importance than did non-minority business owners, as did businesses with revenues under \$250K.
- Since the 2012 research, *Healthcare*, *Access to Capital* and *Environmental* issues have increased in importance, approaching the levels of importance identified in the 2011 research.
- Importance of *Procurement* has remained steady at about 30% since 2011.



Several Issues have increased in Importance since the 2012 Issues Survey			
% Rating Issue as 5, 6 or 7	2011 (n=410)	2012 (n=350)	2013 (n=350)
Healthcare	81%	68% ↓	75% ↑
Access to Capital	68%	56% ↓	61%
Energy & Environment	65%	53% ↓	61% ↑

## The WIPP Member Profile

- **75% WIPP companies in business over 5 years**
- **Legal Designation:**
  - 38% S-Corp    17% C-Corp    33% LLC    9% Self-Employed
- **Revenues:**
  - Mean revenue \$5.09M
  - Of those with revenues from the government sector, 20% have more than half of their revenues from this sector; Of those reporting revenues from the commercial sector, 62% report more than half of their revenues from commercial side.
  - \$1-\$5M        27% (up from 21% in 2012)
  - \$5-\$20M      19% (up from 11% in 2012)
  - Over \$20M    6% (up from 3%)
- **Employee Average: 20 full-time; 10 part-time employees**
  - 64% expect to increase the size of their company
  - 53% anticipate adding 1-5 employees
  - 11% anticipate adding 6 or more employees

### The WIPP Member: Advocacy From The Grassroots

- **71% follow WIPP's activities on Capitol Hill through weekly policy newsletter, social media, issue committee calls**
- **WIPP Access to Legislators**
  - 40% have visited their Senator or Representative in DC or in local office. Of those 40%, 77% will continue to engage with their elected officials.
  - 53% have responded to a WIPP Action Alert.
  - 46% would like training to be an advocate.
  - 38% would like to join WIPP's Small Business Advocacy Team.
- **Two-Thirds have contributed to a PAC**

### WIPP Findings: The Economy

- Three-quarters of the businesses interviewed assigned the highest possible importance rating to the Economy, making this the single most important category of the seven investigated, well ahead of second-place Healthcare issues.
- About half believe that the proposed debt reduction currently under discussion by Congress are insufficient, while one in three acknowledge that the cuts will hurt the economy. Compared to 2012, those advocating for more cuts fell by 3%, but there is a 7% increase in those believing cuts will hurt economic recovery.
- At the same time, about four in ten want revisions to the tax code that would treat deductions and credits equally, regardless of how a company is organized. Businesses with revenues over \$5M feel strongest about this topic.
- Over half of all respondents support lowering individual and corporate tax rates in exchange for fewer deductions and credits. Businesses with revenue under \$5M cared most about this issue.

### WIPP Findings: Healthcare & Retirement Benefits

- The proportion of companies offering health insurance to their employees has increased since 2012, returning to 2011 levels but still trailing 2010 and earlier. Incidence of companies offering health insurance has rebounded from a low of 48% in 2012 to 58% in 2013. 94% of companies with revenues above \$5 million offer health coverage.
- Reasons most often cited for offering health insurance are the need to stay competitive and a benefit necessary to hire more qualified employees. Of those who do not offer insurance, expense is cited as the main barrier. Not only do those unable to offer health insurance find it prohibitively expensive, six in ten of those who *do* provide insurance feel that their premiums are high.
- There is evidence of confusion in many companies as to whether or not they qualify for tax credits for providing employee health insurance. Nearly half are unsure if they qualify, and one in three feel they need more information. Education opportunities would be helpful for these business owners.
- In spite of the steady decline of the amount of companies who offer retirement benefits from 2010 to 2012, significantly more companies are now offering retirement benefits in 2013.

### WIPP Findings: Government Procurement

- One business in four are federal contractors, better than the one in five seen in 2012. However, over 20% of those who claim to be a federal contractor also reported they have not yet won a federal contract. Among the 'active' contractors, distribution of prime contracts and subcontracts remains relatively unchanged since 2012.
  - These federal contractors are most often employed by the Department of Defense. Civilian agencies trailed DOD contracts by 33%.
- 29% of businesses are currently certified WOSB / EDWOSB. The largest NAICS Codes qualifying under the WOSB program was Management, Scientific and Technical Consulting Services.
- Over half of those not currently registered as WOSB or EDWOSB say they are not aware of the program or of the registration process.

### WIPP Findings: Access to Capital

- Women business owners face a number of challenges regarding the growth of their businesses. A general lack of new business opportunities as well as an inability to compete with large businesses continue to be the most frequently cited significant barriers to business growth, followed by lack of growth capital.
- Outside funding is secured after an average of 2 attempts; 60% of those who attempt to secure funding are successful, unchanged since 2012. Outside funding is most frequently secured through a bank offered collateralized loan. The least successful group in obtaining funding were minority-owned businesses at only 32%, versus 60% overall.
- Outside funding, when secured, is most often used to finance the existing business. Those who do not seek outside funding either do not need it or are actively avoiding debt. When asked what they would do if they had additional funding, most often they said they would use it to hire more employees or to finance the existing business.
- Those who were unsuccessful in their attempts to get outside funding overwhelmingly identify tightening of credit at banks as the reason. The perception of tightening of bank credit keeps better than one in four of those *not* seeking outside funding from doing so.

### WIPP Findings: Energy and Environment

- Regardless of company type, respondents feel that fuel prices are an impediment to growing their business.
- Nearly one in three feels that government efforts to incentivize green industries are effective in encouraging innovation. However, one-fifth of those surveyed feel that regulations aimed at improving environmental and efficiency concerns resulted in increased business costs.
- Businesses with revenues over \$250K are more likely to report an impact as a result of regulations aimed at environmental or efficiency concerns.

## WIPP Findings: Communications & Technology

- Women business owners as a group are very engaged with new developments in technology. 90% report that they try to stay abreast of innovations that could be incorporated into their companies.
- Over 70% of those surveyed say they use social media in some format to support their product offerings or services and state that the internet has transformed their businesses, particularly in communications.
  - 73% social media; 36% video; 29% blogs
- More than 80% use mobile devices and website management tools.
- Usage of cloud computing has significantly increased.
- 13% mentioned increase attention to global interaction.
- Those businesses with revenues of \$5M or more are more likely to feel their internet service is inadequate for their needs.

### Export & Trade

- Only 18% of respondents are currently involved in exporting a product or service to another country.
- Nearly one in three are interested in pursuing exporting in 2013, and one in three expressed an interest in a pilot program such as *ExportNOW*.

# Impact of Government Regulations on Business

- Government regulations are seen to have a *great impact* on 41% of companies and a *moderate impact* on 47%.
- One company in ten reported *no impact* of government regulations.
- Companies with revenues between \$250K and \$5MM are more likely to report that government regulations have a great deal of impact on their business, as are federal contractors.
- At the same time, 16% of smaller businesses (revenue <\$250K) reported no impact of government regulations.

**How do government regulations impact your business?**

