

## 2024 National Association of Women Business Owners (NAWBO) Advocacy Agenda

Founded in 1975, the National Association of Women Business Owners (NAWBO) members represent more than 12 million women business owners across America. Our members are diverse in many ways, including the size of their business, the sectors, and communities they serve, the stage of business development, their race, ethnicity, geographic business areas, and political leanings that determine policy views. The NAWBO 2024 Advocacy Agenda embodies the ever-present need to represent all of our members while creating both the avenue and environment to build sustainable women-owned businesses:

### 1. Addressing the Needs of the "Microbusiness" and Encouraging Emerging Entrepreneurs

*NAWBO's most recent survey shows that nearly 92% of women-owned businesses are microbusinesses. The number of women-owned firms with employees dropped from 2022 to 2023. While the businesses may be small, they provide the lion's share of the family income, with 63% of businesses providing 50-100% of the household income. By giving these businesses the resources to grow, we will see an opportunity to increase wealth in our most underserved populations.*

- **Defining a Microbusiness:** Congress needs to codify a definition of a microbusiness to be utilized by all federal agencies to better support access to capital and contracting opportunities.
- **Fair and Equitable Access for Microbusiness:**
  - **Ability to Grow and Scale:** Congress should create a set aside specifically for the microbusiness owners within the SBA loan programs. According to our most recent survey, only 18% of women-owned businesses have over a million dollars in annual revenue. There is a steep hill for women to climb to grow and scale their businesses. One avenue is through access to capital. A set aside geared explicitly toward these women-owned microbusinesses will improve their access to these vital funds.
  - **Access to Federal Procurement Opportunities:** NAWBO encourages Congress to study the needs of microbusinesses to better understand federal contracting and procurement solutions for these entrepreneurs. With a strong understanding of the contracting needs of microbusinesses, Congress will be better positioned to establish federal microbusiness contracting goals. With advances in technology, microbusinesses can be fully functional and have the capacity to successfully execute federal contracts despite having fewer employees.
  - **Access to the Education and Tools for Expanding their Recognition:** Of the women-owned businesses surveyed, nearly 80% said they currently have and are interested in marketing assistance and lead generation through technology and social media. Access to technology and digital tools enable women-owned businesses to grow and thrive, and we support steps to protect access to these tools and technologies. NAWBO hopes these tools will be made available on the federal level and publicized to help women business owners expand their market share.

### 2. Workforce

*Small business owners have unique workforce needs as contrasted with their larger competitors. And while women-owned businesses continue to struggle more than ever with hiring, losing potential hires to competitors has become a more significant barrier to acquiring talent. As our women business owners look to build and retain a robust, diverse, and well-skilled workforce that also allows them to stay competitive in the marketplace, we urge Congress to consider the unique concerns of the small business workforce.*

- **Understanding the Unique Workforce Needs of Women Small Business Owners:** Lawmakers need to understand the importance of the flexibility afforded to business owners and their workers with the 1099 concept as opposed to W-2 status, where both laws and employers can impose restrictions that become barriers to the work/life balance needs of women. 71% of women business owner respondents in our most recent survey utilize anywhere from 1 to 11+ contractors, with over 60% of these contract workers providing year-round support. NAWBO believes Congress should look at ways to ensure that small businesses can continue to thrive by utilizing independent contractors as a critical component of their workforce.
- **Leveling the Playing Field for Hiring, Recruitment, and Retention Through Existing Frameworks:** In the post-COVID hiring market, small businesses face even greater competition with

larger companies than ever before. The pandemic caused many workers to reevaluate their priorities and focus more on work-life balance, flexibility, and mental health. Small businesses lack the resources to offer extensive benefits packages, leaving them unprepared to compete for talent in a tight labor market. NAWBO urges Congress to consider legislation that can help small businesses offer their employees benefits by increasing access to existing federal and state benefits portals.

- **Paid Family Leave:** Policies that include support for self-employed individuals and working families through programs like paid family leave help address the economic needs of our business owners and workforce while at the same time helping ensure small business owners can compete against their larger counterparts. Yet the ability to offer paid leave remains out of reach for most small business owners, with over 45% of those surveyed reporting the costs of providing paid family leave benefits are too high. Indeed, according to our most recent survey, only one in four women business owners offer paid family leave. However, there is support for an opt-in, national Paid Family Leave policy. We hope Congress can work toward a bipartisan solution that gives small businesses an option to access a paid leave system that works financially for themselves and their workforce.

### 3. Accessing Capital through Increased Financial Literacy Education and Digital Tools

*Although women-owned businesses surveyed have been in business on average for 14 years, fewer than a third reported having a credit rating. In the last year, most women-owned businesses used personal savings, private loans, and loans from family and friends to finance their business. 45% of these business owners still process payroll by hand using spreadsheets.*

- **Creating a Network of Financial Professionals:** Lawmakers must investigate viable ways to educate women and minorities on developing long-standing relationships with financial institutions. Establishing open communication with local and national banks and other financial institutions available to finance small businesses is critical. All entrepreneurial development programs offered by the U.S. Small Business Administration (SBA), such as Women Business Centers (WBCs), Small Business Development Centers (SBDCs), and SCORE, should host events and otherwise create pathways for WBOs in order to connect WBOs with financial institutions to form these much-needed relationships. Whether investing in software programs for payroll or seeking guidance on utilizing social media tools, our business owners need to understand how to capitalize on extra funding to grow their businesses.

### 4. Caring for the Business Owner and Caregiving Flexibilities for the Employee

*More than ever, our nation understands the need for a sound healthcare system and acknowledges a concerted effort is needed to address the cost of healthcare for small business owners and their employees.*

- **Creating Affordable Healthcare Options:** As premium rates and prescription drug costs continue to rise, NAWBO recognizes the need to address small businesses' healthcare costs. While health plans are more common among larger companies, the price remains crucial for small businesses offering healthcare coverage, with 42% saying that costs are simply too high.
- **Wellness and Sustainability:** As a nation, NAWBO believes Congress should also understand the importance of investing in the physical and mental health and wellness of our business owners and their employees through expanded opportunities for telemedicine, mental health priorities, and championing efforts that provide pathways for sustainability without added regulatory or fiscal impact to businesses.
- **Prioritizing Our Nation's Caregivers:** Lawmakers must realize that business owners must offer themselves and their employees the flexibility to care for their loved ones. A large portion of women business owners juggle their businesses alongside caregiving responsibilities, or they hire employees who are caregivers. Comprehensive paid leave legislation is one component of this. We urge lawmakers to understand how caregiving responsibilities factor into the daily activities of small business owners as they craft legislation to strengthen economic support for small businesses.