



# News Release

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## Federal Spending with Women-Owned Businesses Increased in FY2002, But 5% Goal Still Unclaimed

**Washington, DC**—The highest share of Federal contract dollars ever spent with women-owned businesses occurred in FY2002, although this share (2.9%) still fell far short of the 5% goal set by the Federal Acquisition Streamlining Act (FASA) of 1994.

This information is part of a new *Issue in Brief* from the National Women's Business Council, "Federal Contracting with Women-Owned Businesses: FY1997 to FY2002." The brief examines the current state of Federal contracting with women-owned small businesses on a government-wide and agency-specific basis, drawing upon newly-available information on FY2002 agency goaling achievements as well as data for the previous five years.

In FY2002, \$6.8 billion in Federal procurement dollars was spent with women-owned small businesses out of a total spend of \$235.4 billion. The overall share of dollars spent with women-owned small businesses was 2.9%, up from 2.1% in FY 1997. Although progress has been made, and despite continued growth in the number and economic impact of women-owned firms, the 5% goal has never been achieved on a government-wide basis.

"This study provides critical information about the current share of Federal contract dollars spent with women-owned businesses and how it compares to recent years," said Marilyn Carlson Nelson, Chairman and CEO of Carlson Companies and Chair of the National Women's Business Council. "While we've seen important progress, there is clearly much more to be done. The Council stands by its recommendation that continued aggressive efforts should be taken to increase access for women-owned firms in Federal contracting. We will continue to find ways to give women business owners the necessary tools and information to succeed in the Federal market. I wish to congratulate those agencies that are recognizing the high value of the goods and services women business owners produce to satisfy our nation's needs."

Seven of the major Federal agencies met the 5% contracting goal to women-owned small businesses: Department of Housing and Urban Development (HUD) (19.8%); National Science Foundation (NSF) (8.9%); Department of Commerce (8.5%); Executive Office of the President (7.7%); Department of the Treasury (6.1%); Department of Labor (5.1%); and Department of Interior (5.0%). The Federal agencies that have most improved their share of spending with women-owned small businesses over the past five years include: HUD; NSF; Executive Office of the President; Department of Labor; Office of Personnel Management; Department of Commerce; and Department of Agriculture.

More than 270,000 Federal contract actions were awarded to women-owned small businesses in 2002, out of nearly 8.1 million contract actions in total. The overall share of contract actions awarded to women-owned small businesses was thus 3.4% in 2002, down from 3.8% in 1999. Fully 61% of all Federal contract dollars and 56% of all contract actions to women-owned small businesses in FY2002 came from the Department of Defense.

Eighty-four percent (84%) of Federal contract dollars to women-owned small businesses in FY2002 came from seven Federal agencies: Department of Defense; GSA; NASA; Health and Human Services (HHS); Veterans Affairs; HUD; and Department of the Treasury. Ninety-one percent (91%) of all Federal contract actions to women-owned small businesses in FY2002 came from six Federal agencies: Department of Defense; Veterans Affairs; GSA; Department of Justice; Department of Agriculture; and HHS.

In FY2002, the average value of Federal contract actions awarded to women-owned small businesses was \$25,069, compared to an average value of \$29,222 for all awarded contract actions.

In an effort to increase the amount of federal contracting dollars to women-owned businesses, the National Women's Business Council has recommended the following policy actions:

- 1) Implement the Administration's October 2002 strategy on contract unbundling (including in subcontracting).
- 2) Support measurable contracting goals.
- 3) Penalize firms that use women subcontractors to win a bid, but do not follow through by giving them the business.

The complete *Issue in Brief* (along with additional tables) is available at the NWBC's web site, [www.nwbc.gov](http://www.nwbc.gov). Another recent report, "Scorecard IV---Federal Agencies: Closed to Small Business," also provides information on the Federal government's efforts to support small business by grading 21 Federal agencies on their ability to meet announced targets for small business contracting, and contracting with women and minorities. This scorecard is the

fourth annual report prepared by Rep. Nydia Velazquez (D-NY) and the Democratic staff of the House Small Business Committee and is available at <http://www.house.gov/smbiz/democrats/Reports/scorecardIV.pdf>.

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The National Women's Business Council is a bi-partisan federal government council created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. Members of the Council are prominent women business owners and leaders of women's business organizations. The National Women's Business Council is committed to conducting research on issues of importance to women business owners and their organizations; to communicating these findings widely; to connecting the women's business community to public policy makers; and to providing programs and platforms for change in order to expand and improve opportunities for women business owners and their enterprises. For more information about the Council, its mission and activities, contact: National Women's Business Council, 409 3<sup>rd</sup> Street, SW, Suite 210, Washington, DC 20024; phone: 202-205-3850; fax: 202-205-6825, e-mail: [nwbc@sba.gov](mailto:nwbc@sba.gov); Web site: [www.nwbc.gov](http://www.nwbc.gov).