

The Agenda for America's Women Entrepreneurs

Women small business owners have become the drivers of new businesses and job creation over the past two and a half decades. When the U.S. Census Bureau first reported on the state of women-owned businesses in 1976 there were roughly [400,000 women-owned firms](#). Currently, according to the [2019 Annual Business Survey](#), women entrepreneurs [operate roughly 12](#) million businesses, employ more than 10 million people, and account for more than \$1.3 trillion in revenue. Despite their successes and contributions to our economy, they continue to face obstacles that impede their success, such as lack of access to capital, inequality in the tax code and unaffordable healthcare and child and family care.

Nevertheless, women entrepreneurs persist. Forty percent of women who started new businesses during COVID-19 cited the pandemic as a direct cause. In order to support a resilient economic recovery, it is critical that government policies address systemic obstacles to better support women business owners.

Expand access to responsible credit and capital

Access to credit and capital is paramount for small business success, but women are less likely to have access to traditional bank credit than men. This gap means women entrepreneurs are more likely to rely on [personal savings and their reinvested business earnings](#) rather than lines of credit or loans from banks. Women of color face are disproportionately impacted by these barriers compared to white women. The following policies will help prevent predatory lending practices and ensure capital is deployed equitably to women entrepreneurs.

- Pass the Small Business Lending Disclosure Act, which would extend the Truth in Lending Act's disclosure requirements to small business loans or credit products, understanding that women are unfairly targeted by predatory lenders because they receive lower capital compared to their male counterparts despite the fact they apply at similar rates. Similarly, we recommend promoting responsible lending practices by lenders and brokers as set forth in the [Small Business Borrowers' Bill of Rights](#).
- Provide more funding and resources for business assistance centers that provide vital education and outreach to women entrepreneurs, such as Women's Business Centers, Small Business Development Centers, and the Minority Business Development Center. For example, the MBDC helps women-owned businesses scale beyond \$1 million in revenue, which is needed since less than 2% of women owned firms fail to generate \$1 million or more.
- Monitor implementation of the reauthorized State Small Business Credit Initiative (SSBCI) to ensure equitable distribution of dollars to women-owned applicant firms.
- Establish new loan products with a financial backstop that provides initial repayment moratoria, as well as a subsequent period of no- or low-interest and interest to address cash flow problems.
- Reintroduce and pass the Microloan Program Enhancement Act. The bill would allow lenders to increase the total amount of SBA microloans under \$50,000 to women in underserved areas.
- Establish policies that encourage women-focused venture capital investment for startup businesses to equitably target goals for women in micropolitan areas, rural cities and towns, instead of just metropolitan areas, since women receive less than 2% venture capital overall.
- Support equity crowdfunding, which women are more likely to utilize to launch their business. Regulated equity crowdfunding provides funding for owners and expands investments to individuals in their local communities as opposed to corporate firms, while ensuring safeguards.

- Pass the Women and Minority Equity Investment Act. Currently, to be eligible for certain SBA programs, a woman or minority business owner must own an unconditional majority (at least 51%) of their business. This bill allows a woman- or minority-owned small business to maintain its contracting eligibility in the event a venture capital or private equity firm purchases an ownership stake in the business, so long as the purchasing enterprise is also owned by either a woman or minority.
- Revisit the, "good character," requirements for federally-backed loans to ensure justice-impacted individuals are not unfairly left out when seeking capital.

Bolster social capital measures and business resources for women

Compared to their male counterparts, women entrepreneurs lack access to social capital that helps an entrepreneur build a professional network and tap into specialized knowledge and resources. Greater investments in business assistance providers are a necessity for women entrepreneurs because many of these providers help foster a professional network for women. Additionally, these providers offer programs and education that uniquely cater to women's needs in launching and growing a business.

- Promote the U.S. Small Business Administration (SBA) ASCEND program and other programs that foster skills learning, and engagements of peer-to-peer mentoring, including those available through the Women Business Centers.
- Pass the Disadvantaged Business Enterprise Supportive Services Expansion Act and Accelerating Small Business Growth Act, in tandem these bills would help achieve President Biden's ambitious goal of increasing the share of federal contracts going to small, disadvantaged businesses by 50 percent by 2025, which would translate to an additional \$100 billion for these businesses.
 - Set a goal for 20% of federal procurement contracts set aside for women-owned businesses.
- Reintroduce and pass the Women's Business Centers Improvement Act. The bill reauthorizes the Women's Business Center Program through FY2023, raises the cap on individual center grants received and establishes an accreditation program for grant recipients.
- Provide a one-time forbearance on all small business loans and credit card payments for at least six months until January 1, 2023. This must include credit expenses on personal cards because women have more limited access to lines of credit than men do.
- Create a student-loan debt relief program for entrepreneurs, understanding that women carry [two-thirds](#) of the nation's \$1.3 trillion student debt.
- Ensure equity for unbanked and underbanked women-owned small businesses via set-asides and targeted programs by geography and industries where women are concentrated.
- Implement clean slate procedures and create materials that will educate small businesses on the benefits of second chance hiring.
- Enact measures that would reform occupational licensing. In many states, individuals with criminal records are often unable to acquire licenses to operate a business, undermining their long-term success and offsetting recidivism.

Strengthen and expand the Affordable Care Act

The Affordable Care Act (ACA) provided women entrepreneurs and sole-proprietors the opportunity for equal access to quality and affordable coverage, including essential health benefits. However, rollbacks to the ACA under the previous administration endangered affordable women's health coverage, which impacts their businesses' bottom line.

- Close the coverage gap by continuing to expand Medicaid, a program that has provided coverage to 14 million more Americans under the ACA, including nearly two million small business employees. Women entrepreneurs are [more likely to be users of Medicaid](#).
- Ensure access to reproductive healthcare and birth control. [Our polling](#) shows that women small business owners strongly support policies that ensure and expand access to birth control, which is critical to many as they start and grow their businesses.
- Block the extension of short-term, limited duration insurance plans, also known as junk plans. These plans seek to fill gaps in a person's coverage but are not required to cover essential health benefits like maternity care, reproductive healthcare and prescription drug coverage and can come with hefty deductibles.
- Oppose efforts to implement association health plans (AHPs), which would encourage younger, healthier groups to purchase inadequate coverage, thus increasing costs for women-owned businesses that already struggle to offer health coverage. Additionally, AHPs may not cover preexisting conditions, putting women entrepreneurs and their employees at even greater risk.

Support paid family and medical leave, retirement and additional benefits

For women small business owners to succeed, they must be equipped with the right tools to do so, including access to benefits that provide affordable childcare and support during times of sickness, family planning and retirement. This is critical as two-thirds of women are the breadwinners or co-breadwinners of their families, but historically have had significantly less in retirement savings due to the wealth gap. Implementing federal benefit programs would also ensure women small businesses are on a level playing field with larger, male-owned companies.

- Support federal and state efforts to establish publicly-administered retirement savings programs ("Secure Choice") programs to help more small businesses who are less likely to have a retirement plan. Also allow independent, self-employed entrepreneurs access Secure Choice programs since 90% of self-employed entrepreneurs are women and may be unable to access traditional workplace retirement plans.
- Pass the FAMILY Act to establish a national program that would provide partial wage replacement for small business employees and the self-employed to access parental leave or to handle serious health conditions for themselves and family members. A national program would ensure minority-owned businesses are on a level playing field with larger companies. Small businesses [support](#) a proposal to provide four week of paid and medical leave.
 - In the absence of a federal program, policymakers must support state legislative efforts, such as in Colorado and Connecticut, to establish paid family and medical leave programs that benefit small business owners and do not place the cost burden solely on owners.
- Pass the Securing Strong Retirement Act of 2021 which would help more Americans save for retirement at all stages of their career. It makes it easier for small businesses to set up retirement plans for their workers by building on the success of the SECURE Act in 2019.
- Implement policies at the national and state level that would help more working parents afford childcare, understanding this is essential to retaining a skilled workforce. This could include expanding and improving federal income tax credits for childcare expenses that would allow for working parents to receive a percentage of child care expenses back as a tax refund.
- Follow the lead of states that have allocated ARPA funding to the woman-dominated industry of childcare by piloting a program to provide government assistance to low-income childcare small business and their workers, especially businesses in underserved rural, micropolitan and metropolitan areas.
- Increase subsidies and tax incentives for home-based childcare providers.

Promoting commonsense immigration policies and a skilled small business workforce

In 2017, [roughly 3.2 million](#) immigrants ran their own business, employed 8 million people, and generated \$1.3 trillion in total sales. According to a [2018 study](#) from the Harvard Business School, women made up 45% of immigrant-owned businesses. Supporting women who are immigrant business owners can be achieved in part by passing commonsense small business workforce and immigration policies.

- Pass a comprehensive immigration law guaranteeing eventual citizenship for legal permanent residents and undocumented citizens who contribute to our economic success, coupled with reasonable employment verification provisions. This could help spur more engagement in the labor force, as well as increased entrepreneurship rates.
- Create a "Startup Visa" that encourages participation among more foreign-born, women entrepreneurs, with minimum visa goals for women immigrants who wish to start a business in the United States to facilitate greater inclusivity of women and women of color.
- Expand and increase funding for training programs that provide women entrepreneurs with skills to integrate digital skills and technology in their business.
- Invest in non-WIOA funded workforce development programs that are designed to meet the needs of women owners in the industries where they are most concentrated, such as childcare, home and health services, personal care services and social assistance services.

Implement equitable tax policies

The U.S. tax code can be a pivotal way for small businesses to leverage tax credits and incentives to grow their business. But a [2017 study](#) found that the country's tax code disenfranchises women-owned small businesses because, in part, it's geared towards industries that women typically do not operate in. For women small business owners to see the benefits of small business tax credits, the type of business they run, their particular income brackets and industries cannot be overlooked.

- Pass the Small Business Tax Fairness Act, which would reshape the Section 199A tax deductions established by the 2017 Tax Cut and Jobs Act (TCJA) to benefit small businesses.
 - The TCJA allowed businesses to deduct 20% of pass-through business income. However, a report from the Tax Policy Center discovered that 73% of the total benefit flows to less than 5% of pass-through businesses. The Small Business Tax Fairness Act would eliminate burdensome complexity allowing small businesses to truly benefit from Section 199A deductions.
- Support enforcement of the tax code and close tax loopholes for large corporations and the wealthiest Americans that put women-owned small businesses at a disadvantage.
- Support tax credits for entrepreneurs like women entrepreneurs that operate in industries that do not see enough tax incentives. To address this, Congress should support Senator Wyden's (D-OR) PROGRESS Act, which provides tax credits to start-up businesses and a first employee tax credit up to \$10,000 for individuals earning less than \$100,000 (or \$200,000 for joint filers).
- Increase federal tax deductions for entrepreneurs in their first year of business, which would benefit women entrepreneurs who typically have less startup capital than men. This can be done by increasing limits for deductions for start-up and organizational expenses from the current \$10,000 to \$20,000.
- Identify and fix tax issues unique to micro-enterprises and solo-enterprises that are more likely to be women-owned, such as burdensome quarterly tax filings that could cost more than \$1000 annually.

- Expand both federal and state Earned Income Tax Credit (EITC) programs to increase small business employees' incomes and allow self-employed entrepreneurs to buy into these programs, as proposed in the American Families Plan.
- Establish a standard business expense deduction for independent workers, which will especially benefit women entrepreneurs who are more likely to operate solo enterprises.
- Pass the New Markets Tax Credit Extension Act of 2021 to make the New Markets Tax Credit (NMTC) permanent. NMTC has helped to attract more than \$60 billion in private sector funding to community development financing intermediaries that provide loans to businesses in economically distressed communities.