



The Empowering Women in Small Business Act
Senators Joni Ernst (R-IA) and Shelley Moore Capito (R-WV)

The Small Business Administration (SBA) supports venture capital financing to eligible small businesses through SBA-certified Small Business Investment Corporations (SBICs), which are privately owned. These SBICs borrow funds from the SBA for private investment; typically specializing in a certain industry or geographic area. However, women-owned small businesses (WOSBs) are required to maintain beneficial ownership of 51 percent or more owned by women to maintain priority federal contracting status, which results in many WOSBs in not being able to receive venture capital financing, including from the SBICs.

As a result, WOSBs are unfairly penalized regarding capital growth options supported by the SBA compared to other small businesses that do not have a beneficial ownership requirement. On top of this, federal agencies continue to fail to meet the required 5 percent of federal contracting obligations to WOSBs. Under current law, there is no accountability or transparency on if a federal agency fails to meet the required 5 percent WOSB contracting goal.

The Empowering Women in Small Business Act would:

- Allow women-owned small businesses (WOSBs) with priority federal contracting status to receive venture capital funding from the SBA's SBIC network without losing priority contracting status for seven years.
- Require training by the SBA/National Women's Business Council for federal agencies that fail to award 5 percent of contracts to WOSBs and require these agencies to provide transparency guidance on how they plan to meet the 5 percent WOSB contracting goal.
- Require federal agencies to submit a report to the SBA that includes; a list of agencies that failed to meet the WOSB federal contracting goal, the number of training sessions provided to these agencies, an overview of the content the training sessions provided, and the result of the training sessions, including the number of additional federal contract opportunities provided.
- Require an interagency report by the Department of Commerce, in partnership with the SBA, USDA, and Treasury that includes; the economic barriers to access capital for WOSB, a detailed description of inflation and supply chain disruptions facing WOSB over the last three years, recommendations to improve access to capital, and identification of federal contract opportunities for WOSB in partnership with the Office of Small Business and Disadvantaged Business Utilization.

The Empowering Women in Small Business Act is supported by the Small Business Investor Alliance (SBIA).

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