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**Outlook of Women Small Business Owners
 OPEN Small Business Network 2005 Semi-Annual Monitor from American Express**

	Small Businesses Overall 2005	Women Small Business Owners 2005	Women Small Business Owners 2004
Have Positive Outlook on Economy and Business Growth Over Next Six Months	85%	82%	67%
Planning to Make Capital Investments Over Next Six Months	66%	66%	53%
Expect Revenue to Exceed Last Year's	57%	58%	60%
Have Hiring Plans During the Next Six Months	44%	42%	42%
Have Cash Flow Issues	50%	57%	64%
Feel It's Important to Join a Women's Business Networking Organization	N/A	47%	N/A

Highlights of Women Owned Businesses

Business Outlook

Women business owners feel much more optimistic and confident about the business outlook for their companies this year, 82%, when compared with last year, 67%.

Growing Their Enterprises

Twenty-two percent of women business owners (vs. 11% of men) say the biggest challenge in growing their company is that they are too busy working on current business to find new customers. Other challenges include finding the right staff, 18% (vs. 15% of men); managing the rising cost of doing business and the uncertain economy, 16% (vs. 16% and 18% of men respectively); budgetary limitations, 7% (vs. 14% of men); and financing, 5% (vs. 8% of men).

Investments in the Company

Two-thirds, 66%, of women business owners (vs. 68% of men) will make capital investments over the next six months, including purchases of computers and peripherals, 43%; office equipment, 23%; office furnishings, 16%; manufacturing/production equipment, 13%; and real estate investments, 10%.

Mentoring and Networking

More than two-thirds, 69%, of women business owners rely on individual mentors as the most common form of networking (vs. 47% of men). Other methods include personal social networks, 63% (vs. 49% of men); trade industry associations, 50% (vs. 39% of men); business advisors, 46% (vs. 33% of men); the Internet, 38% (vs. 27% of men); local chamber of commerce, 34% (vs. 21% of men); church, 25% (vs. 25% of men); and civic groups, such as Rotary or Lions clubs, 8% (vs. 7% of men).

Addressing Cash Flow Issues

Fifty-seven percent of women business owners report cash flow issues, down from 64% in 2004. Nearly one-third, 32%, of women business owners (vs. 30% of men) will use personal or private funds in order to address cash flow issues. Twenty-four percent will obtain and use a line of credit (vs. 13% of men), 19% will put off purchases (vs. 18% of men), 13% will use a credit or charge card (vs. 14% of men), 5% will take out a loan (vs. 14% of men), and 4% will lease, rather than purchase business equipment (vs. 4% of men).

Hiring Plans

Forty-two percent of women business owners (vs. 43% of men) are planning to hire within the next six months. Most need to hire staff to handle their growing business, 88%; and to increase business volume (75%). Others are hiring due to a new business venture, 44%; because they need seasonal help for the summer, 41%; or because they have finally found the right candidate for the position, 21%.

Needed Business Skills

Three-quarters (74%) of women business owners say marketing and sales are the business skills they would most like to develop further. Other skills that they said women would like to develop further are customer service, 66%; financial management, 49%; negotiating, 45%; decision making, 39%; and human resources, 27%.

Survey Methodology

The OPEN Small Business Network Semi-Annual Monitor, released each spring and fall, is based on a nationally representative sample of 627 small business owners/managers of companies with fewer than 100 employees. The survey was conducted via telephone by International Communications Research (ICR) from February 9- February 22, 2005. The poll has a margin of error of $\pm 3.9\%$.

About OPEN: The Small Business Network from American Express

OPEN: The Small Business Network is a division of American Express that offers small business owners a wide range of tools, services and savings designed to meet their evolving needs, including charge and credit cards, convenient access to working capital and credit information, enhanced online account management capabilities and savings on business services from an enhanced lineup of partners. To obtain more information about the OPEN Network, visit OPEN.americanexpress.com or call 1-800-NOW-OPEN to apply for a card or loan.

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