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**Outlook of Women Small Business Owners
 OPEN from American Express Small Business Monitor
 2006 Fall Semi-Annual Monitor**

	Small Businesses Overall 2006	Women Small Business Owners 2006	Men Small Business Owners 2006
Have Positive Outlook on Economy and Business Growth Over Next Six Months	66%	61%	67%
Plan to Make Capital Investments Over Next Six Months	56%	45%	66%
Excited by Being Able to Run a Profitable Business	21%	19%	25%
Have Cash Flow Issues	47%	44%	53%
Plan to Hire Over the Next Six Months	34%	29%	36%
Offer Healthcare Benefits to Employees	71%	58%	74%
Have Taken Steps to Make Their Business More Environmentally Friendly	86%	87%	78%

Women Business Owner Highlights

Business Outlook

According to the Monitor, Women business owners are less likely to be optimistic and confident about the business outlook for their companies (61%), when compared with small businesses overall (66%), or their male counterparts (67%).

Attitudes about Business

Forty-two percent of women business owners love what they do and cannot imagine making a living any other way. Women business owners define success as a manager is the ability to create good relationships and a sense of community through their business (37% vs. 26% for men), the ability to strike a balance between career and family (26% vs. 28% for men), living the lifestyle they want (20% vs. 23% for men), and finding long-term financial stability (11% vs. 17% for men).

Four in ten women business owners get most excited by living and working by their own rules (41% vs. 40% for men). Nearly one-third (31%) of women business owners attribute being knowledgeable

about every detail of their business as the trait that helps them succeed in business. Conversely, being too hands-on is the trait that most negatively affects the business of thirty-one percent of women entrepreneurs. Twenty-four percent of women business owners say they need the most assistance learning how to make their business profitable (vs. 19% of men).

Growing Their Enterprises

Forty-three percent of women business owners (vs. 32% of men) say the one thing they need to be more successful is money. Twenty-three percent of women business owners (vs. 14% of men) say the biggest challenge in growing their company is the rising costs of doing business. Other challenges include managing the uncertain economy (18% vs. 22% of men), too busy satisfying existing customers to find new business (16% vs. 11% of men), finding the right staff (14% vs. 21% of men), financing (11% vs. 12% of men), and budgetary limitations (6% vs. 7% of men).

Addressing Cash Flow Issues

Forty-four percent of women business owners (vs. 53% of men) report having cash flow issues. One in four, 24%, of women business owners (vs. 26% of men) will use personal or private funds in order to address cash flow issues or put off purchases (vs. 11% of men). Seventeen percent will obtain and use a line of credit (vs. 26% of men), 8% will lease rather than purchase office equipment (vs. 3% of men), 7% will take out a loan (vs. 10% of men), and 4% will use a credit or charge card (vs. 19% of men).

Hiring Plans

Twenty nine percent of women business owners (vs. 36% of men) are planning to hire within the next six months. Most need to hire staff to handle their growing business, 87%; and to increase business volume (83%). Others are hiring due to a new business venture, 50%; because they have finally found the right candidate for the position, 40%; or because they need seasonal help, 38%.

Investments in the Company

Two in ten women business owners (45% vs. 66% of men) will make capital investments over the next six months, including purchases of computers and peripherals (27%), manufacturing/production equipment, (20%), office equipment (15%), office furnishings (12%), and real estate investments, 11%.

Technology

One in four women business owners (27%) will invest in new technology, such as computers, PCs and programs in the next six months. One third of women business owners who have plans for technology investments will consider mid-priced equipment, such as laptops, desktops or printers (32%). Another one in three business owners will consider major infrastructure investments, such as software, services or telephone systems (32%). Modestly priced items such as PDAs or smart phones are considered by one in five women business owners (20%).

Impact of Energy Costs

More than three out of four female entrepreneurs (78%) say that higher gas and energy cost have had a significant or moderate impact on their business. Seven out of ten say they reacted by reducing gas and energy use (38%) or raising prices (34%). As a result of higher gas and energy use – seven out of ten businesses say they had to pay higher costs for materials and products (72%). Forty four percent changed how they market/sell, and more than a third (36%) say they lost sales.

Business Skill Development Areas

Twenty-four percent (24%) of women business owners say they need the most assistance learning how to make their business profitable (vs.19% of men). Other areas that women said they need assistance are learning how to raise cash, (10%), learning how to cut costs and learning how to understand financial statements (both 7%), and obtaining and managing credit and debt (5%).

Politics and the Environment

Healthcare is the top influencers in women business owners' vote in the mid-year elections this November (21%); Other influencers in the mid-year elections are the energy policy and financing (both 13%), and immigration (8%).

Over half of female entrepreneurs will make their business environmentally friendly by recycling waste products (56%). Other steps women owners/managers plan to take are to follow environmental recommendations within their industry (44%), buy and use recycled products for their business (34%), and offer eco-friendly products and services to customers (29%).

Survey Methodology

The OPEN from American Express Small Business Monitor, released each spring and fall, is based on a nationally representative sample of 625 small business owners/managers of companies with fewer than 100 employees. The survey was conducted via telephone by International Communications Research from September 12-September 27, 2006. The poll has a margin of error of $\pm 3.9\%$.

About OPEN from American Express

OPEN is the American Express team dedicated exclusively to the success of small business owners and their companies. The OPEN Team supports business owners with unparalleled service. With tailored products and services, the team delivers purchasing power, flexibility, control and rewards to help customers run their business. Specifically, business owner customers can leverage an enhanced set of products, tools, services and savings, including charge and credit cards, convenient access to working capital, robust online account management capabilities and savings on business services from an expanded lineup of partners. To obtain more information about OPEN, visit www.OPEN.com, or call 1-800-NOW-OPEN to apply for a Card or loan. Terms and conditions apply.

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