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**Outlook of Women Small Business Owners
 American Express OPEN Small Business Monitor
 Fall 2008 Semi-Annual Monitor**

Women Have a More Negative Outlook	Small Businesses Overall 2008	Women Small Business Owners 2008	Men Small Business Owners 2008
Over Next Six Months, expect the Economic Outlook to Negatively Affect Business	35%	43%	29%
Have Cash Flow Issues	55%	61%	55%
Uncertain Economy is Biggest Business Challenge	32%	35%	30%
Will Reduce or Accept Lower Profits to Manage in the Economy	56%	64%	57%

Women Have A Mixed View on Growth	Small Businesses Overall 2008	Women Small Business Owners 2008	Men Small Business Owners 2008
Have Plan to Grow the Business	74%	70%	77%
Plan to Make Capital Investments Over Next Six Months	43%	38%	50%
Plan to Hire Over the Next Six Months	36%	38%	31%
Willing to take a Financial Risk to Grow	49%	50%	52%
Will Focus on Customer Service to Set Business Apart from Competition	86%	96%	80%

Women Pay Rising Costs for Materials in Response to Higher Energy Costs and Use 'Green' Technology to Save	Small Businesses Overall 2008	Women Small Business Owners 2008	Men Small Business Owners 2008
Have to Pay Rising Costs for Materials and Products They Need as a Result of Higher Gas and Energy Costs	76%	87%	69%
Use 'Green' Tech to Help Cut Energy Costs	47%	54%	47%

Women Business Owner Highlights

Noteworthy women business owner highlights are as follows:

- 87% say they had to pay higher costs for materials and products, up dramatically from 56% last fall
- 38% will make capital investments over the next six months, down significantly from 57% last fall
- 49% offer healthcare benefits to employees, down significantly from 66% last fall
- 61% report having cash flow issues, up from 52% last fall
- 38% are planning to hire within the next six months, up from 29% last fall

Business Outlook

According to the Monitor, women business owners are more likely to have a negative outlook for their business over the next six months (53%), when compared with small businesses overall (44%) and their male counterparts (41%).

Addressing Cash Flow Issues

Sixty-one percent of women business owners (vs. 55% of men) report having cash flow issues, up significantly from 52% last fall. Among those women entrepreneurs experiencing cash flow issues, the biggest worry is the ability to pay bills on time (24%) followed by, the ability to meet payroll (14%), accounts receivable (12%), having enough cash to win new business (6%) and the ability to accurately track cash flow (4%).

As a tactic to improve cash flow, nearly one third of women entrepreneurs are most likely to put off purchases (29%). One quarter will use personal or private funds (26%). Others will use a credit card (17%), obtain and use a line of credit (15%) or lease rather than purchase equipment in order to improve cash flow (4%).

Hiring Plans

Thirty-eight percent of women business owners (vs. 31% of men) are planning to hire within the next six months, up significantly from 29% last fall. Nearly seven in ten of those with plans to hire say they need to hire staff to handle their growing business (69%) and to increase business volume (60%). Others are hiring because they have finally found the right candidate for the position (34%), they need seasonal help (30%) or due to a new business venture (21%).

Investments in the Company

Three in eight women business owners (38% vs. 50% of men) will make capital investments over the next six months, down dramatically from 57% last fall. For women entrepreneurs planning to make capital investments technology leads the category (28%); women plan to spend \$2,162 on new technology over the next six months (vs. \$9,209 for men). Additional investments include real estate investments (12%), office equipment (11%), office furnishings (7%), and manufacturing/production equipment (4%).

Healthcare Benefits

Nearly six in ten women entrepreneurs (59%) believe it is important to offer their employees healthcare benefits. A smaller number of women business owners actually (49%) offer healthcare benefits to their employees, down significantly from 66% last fall.

Impact of Energy Costs

Six out of seven women entrepreneurs (86%) say that higher gas and energy cost have had a significant or moderate impact on their business, up significantly from 66% last fall. Three-quarters say they reacted by reducing gas and energy use (42%) or raising prices (35%). As a result of higher gas and energy costs – seven out of eight women business owners say they had to pay higher costs for materials and products (87%), up dramatically from 56% last fall. Thirty one percent changed how they market/sell, up from 22% last fall; and one third (37%) say they lost sales, more than triple 10% last fall.

View on Public Policy

The Economy is the top influencer in women business owners' vote for the next president of the United States (48%). Other influencers in the presidential election are tax policy (13%), healthcare (12%), Iraq (10%) and energy policy (7%).

Two thirds of women business owners (64%) believe that inflation is the Federal Reserve issue that is the biggest threat to the U S economy; only 25% believe higher interest rates are a threat.

Survey Methodology

The American Express OPEN Small Business Monitor, released each spring and fall, is based on a nationally representative sample of 768 small business owners/managers of companies with fewer than 100 employees. The survey was conducted via telephone by Echo Research from August 12- August 25, 2008. The poll has a margin of error of $\pm 3.5\%$.

About American Express OPEN

American Express OPEN is dedicated exclusively to the success of small business owners and their companies. OPEN supports business owners with exceptional 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 OPENSM, visit OPEN.com, or call 1-800-NOW-OPEN to apply for a card or loan. Terms and conditions apply.

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