



Contact: M Booth & Associates American Express  
 Christina Friedkin/Kurt Rossler Tom Sclafani  
 212-481-7000 212-640-0541  
[Christinaf@mbooth.com](mailto:Christinaf@mbooth.com) [Thomas.M.Sclafani@aexp.com](mailto:Thomas.M.Sclafani@aexp.com)  
[Kurtr@mbooth.com](mailto:Kurtr@mbooth.com)

**Outlook of Female Business Owners and Ethnic Minority-Owned Small Businesses  
 OPEN Small Business Network Semi-Annual Monitor from American Express**

	Small Businesses	Among Female Business Owners	Among Ethnic Minority-Owned Businesses
Positive outlook of next six months	72%	67%	72%
Making capital investments	59%	53%	68%
Expect revenues to exceed last year's	51%	60%	58%
Hiring in the next six months	46%	42%	55%
Uncertain economy is a challenge in growing their business	26%	25%	25%
Have cash flow issues	62%	64%	71%

**Highlights of Female Owned Businesses**

Business Outlook

- Women business owners don't feel as optimistic but do feel more confident about the financial outlook for their companies. While two-thirds of female business owners (67%) have a positive outlook over the next six months (vs. 76% of men), nearly nine in ten expect their current fiscal year revenues to either meet or exceed last year's vs. 88% of men.

Investments in the Company

- More than half, 53%, of female business (vs. 61% of men) owners will make capital investments over the next six months, including computers and peripherals, 30%; manufacturing/production equipment, 18%; office equipment, 16%; office furnishings, 13%; and real estate investments, 9%.

Hiring Plans

- Forty-two percent of female business owners (42% of men) are planning to hire in the next six months. Most need to hire to handle their growing business, 86%; and to increase business volume, 70%. Others are hiring due to a new business venture, 47%; need seasonal help for the summer, 31%; or they have finally found the right candidate for the position, 23%.

### Addressing Cash Flow Issues

- One-third, 36%, of female business owners (vs. 31% of men) will put off purchases in order to address cash flow issues. One quarter, 26%, will obtain and use a line of credit (vs. 19% of men), 13% will use a charge card (vs. 16% of men), 9% will take out a loan (vs. 8% of men), and 6% will lease, rather than purchase business equipment (vs. 5% of men).

### Healthcare Coverage

- Thirty-four percent of female business owners offer healthcare coverage (vs. 51% of men).

### Networking

- Three-quarters, 75%, of female business owners rely on social interaction as the most common form of Networking (vs. 70% for men). Just over half rely on memberships in professional trade associations and trade show attendance, 55% and 52% respectively (vs. 54% of men for each). Twenty percent rely on online forums vs. 18% of men.

### Economic Outlook

- One-quarter of female business owners view the uncertain economy as the biggest challenge they face in growing their business. Other challenges include the rising cost of doing business, 21%; they are too busy satisfying existing business to find new customers, 16%; finding the right staff, 10%; government regulations, 9%; financing, 7%; and budgetary limitations, 6%.

## **Highlights of Ethnic Minority Owned Businesses**

### Business Outlook

- Nearly three-quarters (72%) of ethnic minority-owned businesses have a positive outlook, expecting their business to grow or seeing definite signs of improvement in the economic climate over the next six months. The majority of ethnic minority-owned businesses, 83%, expect their current fiscal year's revenues to either meet or exceed last year's.

### Investments in the Company

- Sixty-eight percent of ethnic minority-owned businesses will make capital investments over the next six months, including computers and peripherals, 47%; office equipment, 29%; office furnishings, 21%; manufacturing/production equipment, 17%; and real estate investments, 16%.

### Hiring Plans

- Over half, 55%, of ethnic minority-owned businesses plan to hire in the next six months. Most need to hire to handle their growing business, 81%; to increase business volume, 67%; are hiring due to a new business venture, 53%; they have finally found the right candidate for the position, 34%; or they need seasonal help for the summer, 33%.

### Addressing Cash Flow Issues

- Thirty-nine of ethnic minority-owned businesses will put off purchases in order to address cash flow issues. Sixteen percent will obtain and use a line of credit, 11% will use a charge card, 8% will take out a loan, and 5% will lease, rather than purchase, business equipment.

### Healthcare Coverage

- Sixty-one percent of ethnic minority-owned businesses offer healthcare coverage.

### Networking

- The majority, 83%, of ethnic minority-owned businesses rely on social interaction as the most common form of networking. Two-thirds rely on memberships in professional trade associations and trade show attendance, 66% and 64% respectively. Thirty percent rely on online forums.

### Economic Outlook

- One-quarter of ethnic minority-owned businesses view the uncertain economy as the biggest challenge they face in growing their business. Other challenges include financing, 18%; the rising cost of doing business, 16%; being too busy satisfying existing business to find new customers, 14%; budgetary limitations, 11%; government regulations, 8%; and finding the right staff, 5%.

### **Survey Methodology**

The OPEN Small Business Network Semi-Annual Monitor, released each April and October, is based on a nationally representative sample of 732 small business owners/managers of companies with fewer than 100 employees. The survey was conducted via telephone by International Communications Research (ICR) from March 8- March 19, 2004. The poll has a margin of error of  $\pm 3.62\%$ .

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