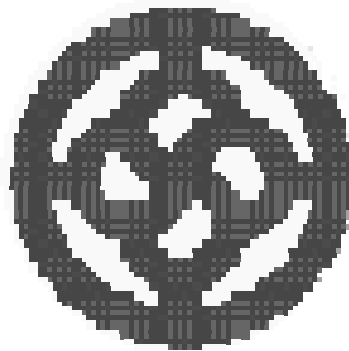


SUMMARY AND HIGHLIGHTS



2002 Membership Survey of the National Association of Women Business Owners

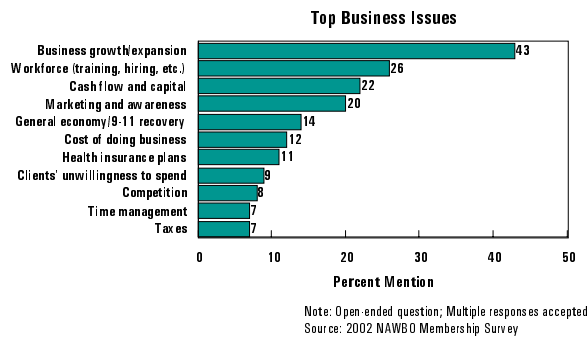
**Presented by
The National Association of Women Business Owners
and Principal Financial Group**

**Prepared by
Center for Women's Business Research**

NAWBO Members are Growth-Oriented

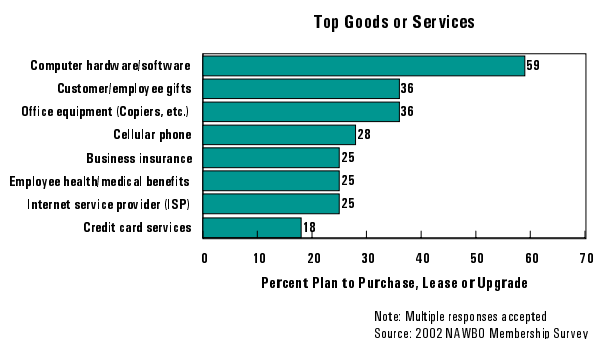
- Business growth is the key issue concern for NAWBO members at the present time. Fully 43% cite it as their top issue concern in response to an open-ended question. Other issue concerns include workforce issues (26%), cash flow and capital (22%), and marketing (20%).

Business Growth & Expansion Tops Issue Concerns of NAWBO Members



- In the coming year, nearly half (47%) of the NAWBO members say that they will expand their businesses into new markets, one-third (34%) indicate that they will hire new employees, and a quarter (25%) indicate that they will increase capital investment.
- Nine in ten (89%) NAWBO members plan to purchase, lease or upgrade products or services for their businesses within the next year, with six in ten (59%) planning to acquire new computer hardware or software.

Most NAWBO Members Plan To Purchase, Upgrade Goods or Services in Next Year



- Three-quarters (76%) of NAWBO members anticipate the need for additional capital to grow their firms over the next three years, including 4% who say they will require an additional \$1 million or more in growth capital.

NAWBO Members are Optimistic

- Despite their concerns about business growth, NAWBO members are optimistic about the economy as a whole, and their own business prospects, in particular. Seven out of ten (69%) believe that economic and business conditions in the U.S. will be better by the end of 2002, and three-quarters (75%) believe that the health of their own firms will improve.

Financially Savvy

- NAWBO members continue to obtain capital from a range of different sources. In fact, 83% say that they used some type of financing for their businesses within the past 12 months.
- Two-thirds (65%) of NAWBO members use credit cards to finance their firms – making credit cards the top form of business financing. The use of credit cards as business capital has risen over the past eight years: 65% are currently using them, compared to 57% in 1998, and 51% in 1994.
- Besides credit cards, NAWBO members also use these additional sources of business capital:
 - ✓ business earnings (52%),
 - ✓ business line of credit (37%),
 - ✓ private sources (29%),
 - ✓ a business or commercial bank loan (20%),
 - ✓ leasing equipment (17%),
 - ✓ vendor credit (12%), and
 - ✓ a personal bank loan (11%).

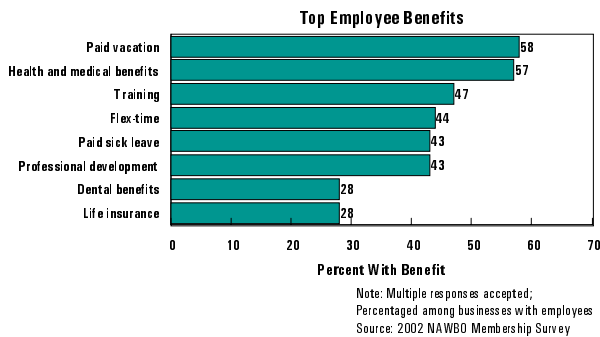
NAWBO Public Policy Issues

- NAWBO members are concerned with a variety of public policy issues, but they'd like NAWBO to focus on these issues from a public policy perspective:
 - ✓ association health plans (58%),
 - ✓ taxes (55%),
 - ✓ technology (30%),
 - ✓ education and the workforce (26%),
 - ✓ government procurement (19%), and
 - ✓ Social Security (11%).

Employee Benefits

- Eight in ten (79%) NAWBO members have employees in their businesses, and three-quarters (75%) of these employer firms offer benefits to employees.
- On average, NAWBO members who own employer firms provide 5.5 different benefits to their employees. Six in ten provide paid vacation (58%) and health benefits (57%). The most commonly offered employee benefits among the 24 listed include:

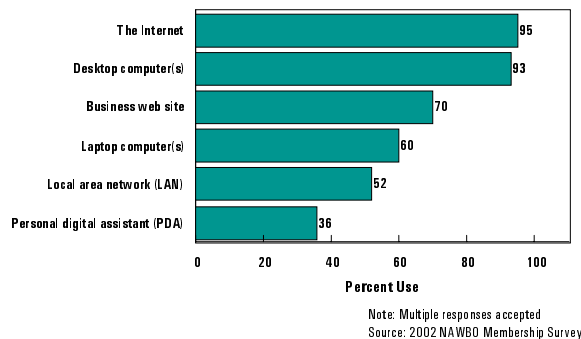
NAWBO Members Provide Employee Benefits



Embracing Technology

- NAWBO members are embracing many types of technology in their businesses. In fact, 95% use the Internet – an increase from 87% in 1998.

Most NAWBO Members Use a Variety of Technology Tools for Business



- NAWBO members are also significantly more likely to have a business web site than they were four years ago. Currently, seven in ten (70%) members have a business web site, while only 43% of the members had one in 1998.
- Likewise, use of desktop computers, laptop computers, and local access networks (LANs) is on the rise among NAWBO members.
 - 93% of NAWBO members have desktop computers, compared to 83% in 1994;
 - 60% use laptop computers, compared to 39% in 1994; and
 - 52% use a local access network (LAN), compared to 34% in 1998.

Electronic Commerce Capable

- In addition to using technology for business in general, 82% of NAWBO members engage in electronic commerce.
 - 64% buy goods or services for their businesses online.
 - 48% submit bids, invoices or documents to customers or suppliers online.
 - 32% do their business banking online.
 - 31% search for bidding opportunities online.
 - 23% sell their goods or services directly to customers through their web site.

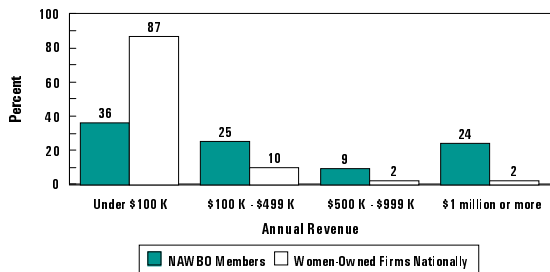
Personal Profile

- Two-thirds (66%) of NAWBO members are between the ages of 35 and 54. Another 22% are 55 or older, and 8% are under 35.
- Two-thirds (67%) of NAWBO members are married, 16% are divorced, 11% are single and have never married, 2% are widowed, and 1% are separated.
- NAWBO members have higher levels of education than women business owners in general. A full three-quarters (74%) have a college education, compared to 40% of women business owners nationwide. Four in ten (39%) NAWBO members have a bachelor's degree, 26% have a master's degree, and 9% have a doctorate or other graduate degree.
- Nearly nine in ten (88%) of NAWBO members are Caucasian, 5% are African American, 2% are Hispanic, 2% are Asian or Pacific Islander, 1% are American Indian or Alaskan Native, and 2% are another ethnicity.

Business Profile

- NAWBO members are experienced business owners, owning their firms for an average of 9.3 years.
- NAWBO members own larger firms than women business owners in general. In fact, 24% of the businesses owned by members generate \$1 million or more in annual revenue.

NAWBO Members Own Larger Firms Than Women Business Owners Nationwide



Note: Numbers do not add to 100% due to rounding & omission of 6% no answer
 Sources: 2002 NAWBO Membership Survey;
 Census Bureau's "1997 Survey of Women-Owned Business Enterprises"

- Businesses owned by NAWBO members are also larger in terms of employment. Eight in ten (79%) have employees, compared to only 14.5% of women-owned businesses nationally. On average, NAWBO members employ 10.4 full-time, 1.8 part-time, and 6.6 temporary employees.
- Although most own firms in the business services industry, NAWBO members are found in every sector of the economy, from agriculture to services:
 - ✓ 54% are in business services,
 - ✓ 17% are in other services,
 - ✓ 9% are in finance, insurance or real estate,
 - ✓ 9% are in wholesale or retail trade, and
 - ✓ 6% are in goods-producing industries.
- NAWBO members target a wide range of customers. On average, their 2001 sales came from:
 - ✓ medium and small businesses (37.2%),
 - ✓ individuals (26.6%),
 - ✓ large corporations (20.5%),
 - ✓ non-profit organizations (6.9%),
 - ✓ state or local governments (4.1%),
 - ✓ the federal government (2.5%), and
 - ✓ other organizations (1.9%).
- Just under one-third (30%) of NAWBO member firms are certified as women's business enterprises, similar to the 27% certified in 1998.

About NAWBO

The National Association of Women Business Owners (NAWBO) propels women entrepreneurs into economic, social and political spheres of power worldwide. NAWBO's mission is to: STRENGTHEN the wealth creating capacity of our members and promote economic development; CREATE innovative and effective changes in the business culture; BUILD strategic alliances, coalitions and affiliations; and TRANSFORM public policy and influence opinion makers.

NAWBO members nationwide benefit from NAWBO's local chapter activities, leadership development opportunities, expanded business contacts, and member discounts on products and services.

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About Center for Women's Business Research

Center for Women's Business Research, founded as the National Foundation for Women Business Owners, is the premier source of knowledge about women business owners and their enterprises worldwide.

The Center provides original, groundbreaking research to document the economic and social contributions of women-owned firms, and consulting and public relations services to maximize the benefits of this knowledge. Corporations, government policy makers, educators, organizations, the media, and individuals rely on this leading-edge knowledge to strengthen their support of women business owners.

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About the Survey

The 2002 NAWBO Membership Survey was conducted from April 17 through May 9, 2002. A total of 883 women business owners were interviewed; 790 via the Web and 93 via fax. The response rate was 14.7%. For any questions about the survey, contact the Center.