



Call: 859-442-3300
Robin James
robinj@ez8a.com

WOSB

Table of Contents

1. General Qualifications for WOSB/EDWOSB Participation
2. How does Affiliation affect my firms ability to obtain the WOSB/EDWOSB Certification
3. WOSB the Numbers you Need to Know
4. Best States for WOSB Spending
5. Agency Comparison for WOSB Firms
6. WOSB Growth Rate (Graph) and Contract Size (Graph)
7. WOSB Industry Analysis
8. WOSB Obtaining 8(a) Certification

About WOSB/EDWOSB

In 2000 Congress mandated that a budgetary goal of 5% of all federal prime contracting dollars go to women owned small businesses (approximately \$15-20 billion in federal procurement). In February of 2011 the SBA determined there are 83 (4 digit) NAICS Codes (North American Industry Classification System) where women are significantly underrepresented. To assist women and create inroads into these industries the SBA has allowed for set-aside contracts to be issued in these NAICS Codes. The Woman Owned Small Business, WOSB, certification is comprised of businesses in industries with NAICS Codes that have the least amount of women owned firms or that are significantly underrepresented by women. The Economically Disadvantaged Woman Owned Small Business, EDWOSB, certification differs in that the industries that it certifies only have to have NAICS Codes where women have been underrepresented (as opposed to substantially underrepresented). Set-aside contracts will be made available to WOSB and EDWOSB certified firms. A firm holding an EDWOSB certification can bid both WOSB and EDWOSB set-aside contracts where a firm holding a WOSB certification can only bid on WOSB set-aside contracts.

1. General Qualifications for WOSB/EDWOSB participation

1. The firm must be owned by a woman who is a US Citizen. 2. Female owner must also have the following characteristics:
 - a. She should be the highest paid person in the firm.
 - b. She must hold the highest position within the firm.
 - c. She works full time for the business.
 - d. Her resume needs to support her ability to run the firm.
3. The business must be classified as a small business according to the SBA Size Standards.



Call: 859-442-3300
Robin James
robinj@ez8a.com

EDWOSB has the following additional requirements

Applicant's net worth must be less than \$750,000 excluding her primary residence, ownership stake in EDWOSB applicant firm. Applicant's income must be less than \$350,000 on average over the past three years. This calculation is not a simple AGI average, you do not count the K-1 income from the applicant concern and you get a credit for taxes you paid on the K-1 income against any distributions that you took. Fair market value of all assets cannot exceed \$6,000,000.

2. Affiliation

General Principle of Affiliation: Affiliation exists when one business controls or has the power to control the WOSB applicant firm or when a third party controls or has the power to control the WOSB applicant firm. Control may arise due to any of the following reasons: ownership, management, or other relationships or interactions between the two firms.

Most Common Affiliations

1. Stock ownership
 - a. Control of more than 50% of the voting stock.
 - b. Control of less than 50% but large compared to other shareholders.
 - c. Widely held stock, then the board of directors and CEO or President are deemed to have control.
 - d. Stock options are deemed to be fully executed for the purposes of control and affiliation.
 - e. Merger of the firm with another is a stated objective of the two firms or an agreement to merge is in place.
2. Common Management
 - a. Officer, director, managing member or general partner have the power to control one firm and also control another firm.
3. Identity of Interest, sharing any of the following
 - a. Directors
 - b. Employees
 - c. Office Space
 - d. Equipment
 - e. More than 25% of revenue (possibility)
 - f. More than 25% of supplies/subcontracting (possibility)
 - g. Loan between the businesses that is not arm's length
 - h. Certain franchise agreements

3. WOSB the Numbers you need to know!



Call: 859-442-3300
 Robin James
 robinj@ez8a.com

American Express Open did a recent study of Women Owned Small Businesses in the Federal Contracting Space. The result of the study concluded that the WOSB and EDWOSB Certification program was helping women owned businesses gain ground in federal contracting. The following are a few of the most meaningful results of that survey portion of the study.

Size makeup of woman owned prime federal contractors

Size of women owned business in number of employees	Percentage of women owned business federal prime contractors that are this size
1	15%
2-9	31%
10-49	24%
50+	30%

When asked is the WOSB certification was useful for obtaining federal contracts the results were as follow:

Yes	61%
No	28%
Unsure	11%

The results can also be seen by the steady increase in the percentage of federal procurement (see graph below) that WOSB firms are receiving. The WOSB certification is being effective at achieving congresses goals of helping woman owed businesses to be awarded at least 5% of federal procurement.

4. Best States for WOSB/EDWOSB Spending

Below is the list of the states with the most amount of Federal Revenue per WOSB firm. The WOSB program has become very popular within the federal government and there are over 50,000 firms with this certification. Nevada took the top spot on the list for 2013 with \$2.5 million in spending per WOSB firm.

Rank	State	WOSB Firms	Dollars	Average Federal Spending per WOSB



Call: 859-442-3300
 Robin James
 robinj@ez8a.com

1	Nevada	610	1,532,425,400	2,512,173
2	DC	873	1,760,172,081	2,016,234
3	US Virgin Islands	41	37,992,554	926,648
4	Virginia	4,569	2,900,549,410	634,832
5	California	2,740	1,666,053,202	608,049
6	Maryland	3,855	2,240,017,764	581,068
7	Kentucky	420	227,873,340	542,556
8	Alabama	946	490,639,442	518,646
9	Indiana	580	257,218,903	443,481
10	Hawaii	420	182,306,416	434,063
11	Nebraska	280	119,029,001	425,104
12	South Carolina	656	262,532,761	400,202
13	West Virginia	235	85,693,730	364,654
14	New Hampshire	250	85,503,910	342,016
15	Tennessee	842	287,936,119	341,967
16	Ohio	1,384	453,950,133	327,999
17	Utah	445	142,690,169	320,652
18	Mississippi	473	137,517,937	290,736
19	Louisiana	745	207,470,609	278,484
20	Wyoming	157	39,290,259	250,256
21	Colorado	1,587	394,317,794	248,467
22	New Jersey	1,297	320,528,923	247,131
23	Oklahoma	674	153,983,919	228,463
24	North Dakota	122	27,845,105	228,239
25	New Mexico	803	179,066,798	222,997
26	Washington	1,246	272,592,016	218,774
27	Missouri	854	182,605,002	213,823
28	Georgia	2,177	441,215,574	202,671
29	New York	2,086	417,160,687	199,981
30	Arizona	1,237	241,277,755	195,051
31	Massachusetts	880	162,927,365	185,145
32	Illinois	1,594	285,892,580	179,355
33	Pennsylvania	1,603	282,630,142	176,313
34	Kansas	415	73,097,823	176,139
35	Rhone Island	138	23,329,771	169,056
36	Florida	3,523	587,757,350	166,834
37	South Dakota	183	29,452,576	160,943
38	Montana	511	80,659,016	157,845
39	North Carolina	1,621	252,929,656	156,033
40	Michigan	1,089	165,958,875	152,396



Call: 859-442-3300
 Robin James
 robinj@ez8a.com

41	Texas	3,810	535,029,347	140,428
42	Arkansas	412	51,551,195	125,124
43	Guam	183	22,777,355	124,466
44	Alaska	436	53,763,038	123,310
45	Wisconsin	586	70,378,135	120,099
46	Maine	164	18,390,952	112,140
47	Connecticut	434	46,648,657	107,485
48	Idaho	398	37,690,533	94,700
49	Minnesota	668	60,793,054	91,008
50	Iowa	299	25,319,345	84,680
51	Vermont	114	8,781,753	77,033
52	Oregon	816	55,581,703	68,115
53	Delaware	196	12,688,146	64,735
54	Puerto Rico	263	15,162,934	57,654
	Totals	52,940	18,706,648,014	Average / 353,356

5. Agency Comparison for WOSB Firms

WOSB/EDWOSB

Woman Owned Small Business Spending: Percentage of Agency Budget and Total Spending in dollars.

<u>Agency</u>	<u>2007</u>	<u>2009</u>	<u>2011</u>	<u>2013</u>
Agency for International Development	1.7% 3,697,453	3.5% 36,062,356	4.7% 62,500,000	5.0% 72,400,000
Department of Agriculture	7.0% 321,412,230	6.8% 362,346,811	8.2% 436,000,000	8.3% 430,500,000
Department of Commerce	10.1% 217,886,556	7.3% 242,863,313	9.7% 297,500,000	13.3% 444,800,000
Department of Defense	2.9% 7,725,076,037	3.4% 10,190,382,395	3.4% 10,000,000	3.6% 8,200,000,000
Department of Education	5.6% 80,191,217	5.8% 86,739,024	5.4% 100,700,000	7.4% 194,000,000
Department of Energy	1.0%	0.9%	0.9%	1.5%



Call: 859-442-3300
 Robin James
 robinj@ez8a.com

	236,870,225	275,871,835	228,000,000	321,000,000
HHS	4.8%	4.5%	6.4%	6.6%
	648,676,884	847,509,677	1,200,000,000	1,300,000,000
Department of Homeland Security	8.0%	7.9%	6.0%	7.0%
	845,334,056	1,135,063,620	863,000,000	880,900,000
HUD	18.7%	16.1%	13.7%	13.6%
	164,795,606	140,794,526	237,500,000	223,700,000
Department of the Interior	10.5%	10.4%	12.0%	11.9%
	281,532,391	303,134,424	340,600,000	279,800,000
Department of Justice	4.2%	4.3%	6.3%	5.8%
	282,053,265	327,645,069	407,900,000	375,100,000
Department of Labor	6.1%	7.1%	7.0%	7.6%
	118,744,906	138,159,717	135,000,000	146,600,000
Department of State	5.1%	4.1%	5.0%	7.7%
	109,984,761	122,496,170	195,600,000	246,800,000
Department of Transportation	10.4%	10.9%	11.1%	11.4%
	154,505,074	113,695,150	199,900,000	185,800,000
Department of the Treasury	7.6%	8.3%	12.8%	10.1%
	146,560,803	178,126,544	283,000,000	212,800,000
Department of Veterans Affairs	5.0%	3.4%	3.9%	3.4%
	583,657,495	494,527,762	677,800,000	612,600,000
Environmental Protection Agency	5.1%	4.6%	5.4%	5.8%
	74,271,053	92,751,479	113,800,000	89,600,000
General Services Administration	6.7%	5.8%	9.2%	7.8%
	327,925,105	428,468,565	322,000,000	272,000,000
NASA	2.3%	2.4%	2.8%	3.7%
	290,299,422	347,013,263	386,500,000	469,200,000
National Science Foundation	5.5%	4.6%	5.3%	5.4%

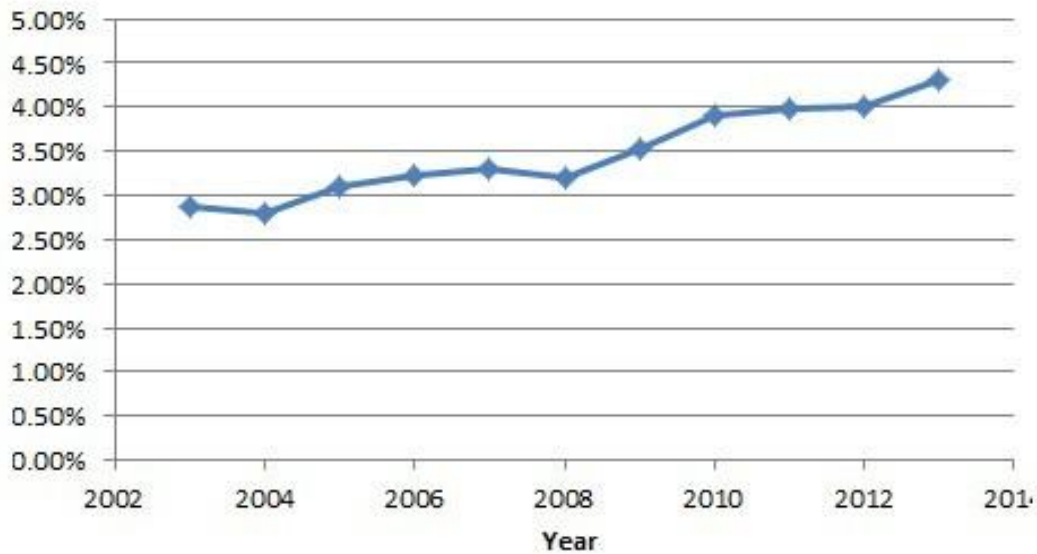


Call: 859-442-3300
 Robin James
 robinj@ez8a.com

	12,551,307	14,843,602	15,100,000	14,900,000
Nuclear Regulatory Commission	9.0%	4.7%	5.8%	10.1%
	14,288,437	11,159,710	15,300,000	25,600,000
Office of Personnel Management	5.7%	5.6%	7.9%	10.7%
	79,529,153	89,728,183	120,900,000	66,400,000
Small Business Administration	24.6%	20.0%	19.6%	15.8%
	23,069,612	21,335,035	25,800,000	16,900,000
Social Security Administration	3.6%	3.8%	6.4%	12.7%
	27,831,996	46,667,077	83,000,000	172,700,000

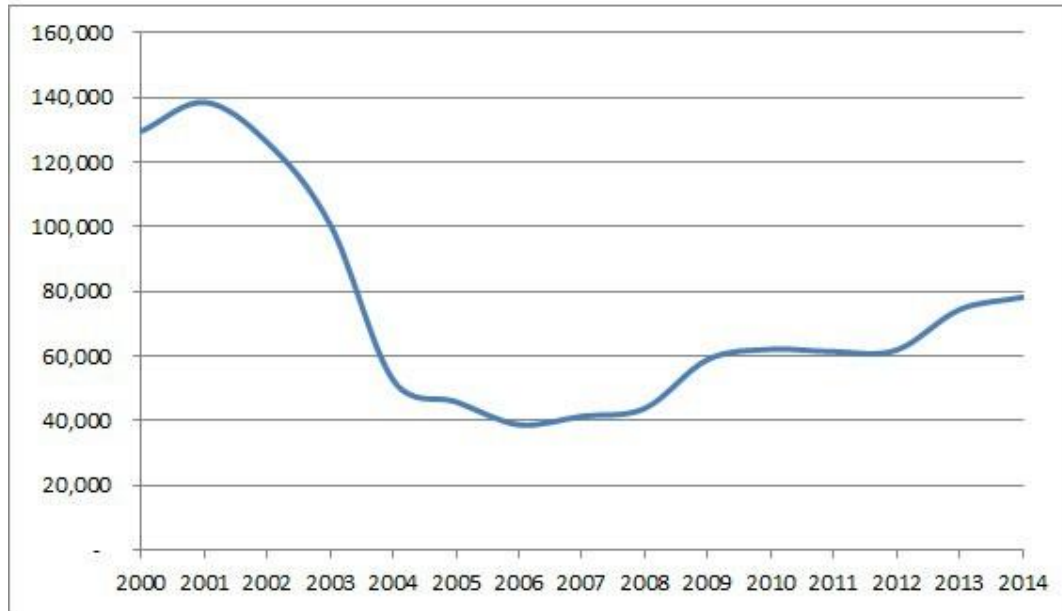
6. WOSB Growth Rate (Graph) and Contract Size (Graph)

WOSB Growth as a Percentage of Federal Contracting from 2003-2013





Woman Owned Business Average Contract Size



7. WOSB Industry Analysis

Federal spending for WOSB certified firms made more inroads in several key industries during 2014. The big winners were Federal Construction spending was up 17%, IT and Consulting up 8% and Staffing was up 9%. Janitorial suffered a major decline and the other industries analyzed were flat. Overall the SBA's WOSB Certification continues to gain federal market share for firms that have obtained this certification. Below is the number of WOSB firms in the top six industries in which WOSB firms participate with the Federal Government.

	Construction	IT/ Consulting	Janitorial	Landscaping	Temporary/ Staffing	Security Services
2001	898	2,100	91	23	35	102
2002	1,000	2,800	107	27	42	137
2003	1,500	3,300	93	30	55	156
2004	1,200	3,600	108	29	67	142
2005	1,600	4,000	106	31	92	291
2006	2,000	4,500	123	30	83	293
2007	2,300	5,700	155	39	119	331
2008	2,800	6,500	173	41	138	479
2009	3,700	7,800	169	52	218	459
2010	4,000	8,500	179	57	216	476
2011	3,400	8,300	203	55	232	463



2012	3,000	8,300	196	57	222	469
2013	2,400	8,500	334	50	187	488
2014	2,800	9,200	221	49	203	493
Gain (Loss)	17%	8%	-34%	-2%	9%	1%

8. WOSB Obtaining 8(a) Certification

Caucasian Female 8(a) Application – ez8a Social Disadvantage Guidelines

Women who are not members of one of the presumed socially disadvantaged groups are eligible for the 8(a) program if they can provide clear and convincing evidence, on an individual case basis, that they have suffered from gender bias and are thereby socially disadvantaged. This should not be misconstrued as a universal bias against all women owned businesses, meaning the evidence must apply to the individual female applicant not statistical or generalized information. The sum of all evidence must prove to the SBA that the 8(a) applicant has experienced a life-history of chronic long-standing social disadvantage. This is done in the application through the social disadvantage Personal Eligibility Statement, PES, (aka a narrative) where the applicant recalls such incidents.

The table below outlines the necessary elements of an occurrence as defined by the SBA as clear and convincing.

Five Criteria that must be proven per Documented Occurrence:	
1	Stemmed from the female applicants gender and not common to other small businesses.
2	Was rooted in the treatment the applicant experienced in American society and not in other countries.
3	Was chronic and substantial and not fleeting and insignificant.
4	Was personally experienced.
5	Negatively affected the applicant’s entry into and/or advancement in the business world.

Applicants trying to make a determination as to whether they should apply for 8(a) can use the table below to determine if they have enough instances of gender bias. Narrative should indicate unequal access to, or discrimination in the following areas:

Item #	Recommended # of Documented Occurrence	Type of Occurrence	Sub-Type Occurrence – All occurrences must deal with gender bias, and not simply a denial occurring in a



			competitive marketplace.
1	1-2	Education	High school, College, Vocational School, Post graduate, Other
2	2-3	Employment	Lack of advancement, lower wages, unequal treatment
3	2-3	Business Opportunities	Unfair bid denial, lack of serious consideration in proposals, forced lower rates than other male owned firms, inability to increase firm capabilities due to glass ceiling
4	1-2	Credit or Loan Approval	Credit denial or lack of credit from vendors (based upon gender) Credit denial from a financial institution (based upon gender)
5	0-1	Federal Contracts	Denial from obtaining federal contracts based upon gender
6	0-1	Membership in professional organizations	Not granted participation, leadership position, or similar access to group functions as male members
7	0-1	EEOC—successful claim	Any successful EEOC (Equal Employment Opportunity Commission) claim is documents evidence of past gender discrimination.
Total	4-10		Note: Approximately 50% of these stories need to be evidenced by a third party witness. Friends, family, co-workers, clients, or other acquaintances can provide testimony through letters addressed to the SBA.