



Inspiration for Entrepreneurs Launch Your Business Plan Your Business Start a Business

Incentives for Women-Owned Businesses

Brette Sember 20 Sep 2016



About Latest Posts



Brette Sember

Brette Sember is a former attorney and author of more than 40 books, including "The Divorce Organizer & Planner," "The Complete Divorce," and "How to Parent with Your Ex." She writes often about law, parenting, food, travel, health and more. Brette also writes for **AvvoStories**, brought to you by **Avvo**, the leading online legal marketplace connecting consumers and lawyers. Avvo's free Q&A forum with more than 9 million questions and answers, along with **on-demand legal services** that provide professional counsel for a fixed cost, make legal faster and easier.

"This is a man's, a man's, a man's world," sang soul musician James Brown in 1966. This observation is still **disturbingly relevant** today—especially through an economic lens. To help reverse traditional "androcentric" (or, male-centered) policies, today there are programs that encourage women-owned businesses. Namely, the U.S. Federal Government has levied certain opportunities for female entrepreneurs.

Who qualifies?

Before you can take advantage of those benefits, you must obtain a **women-owned small business (WOSB) certification**, which verifies the ownership status of your company. To qualify, your company must be at least 51 percent owned by women and be *primarily* managed by women. In addition, the female owners must be U.S. citizens, and the company must be considered "small" within its industry (according to the Small Business Administration, or SBA, **size standards**).

An additional certification is available for "economically disadvantaged women-owned businesses" (**EWOSB**). To obtain this certification, your personal net worth must be less than \$750,000, your annual income must be under \$350,000, and the value of your personal and business assets cannot exceed \$6 million.

So, in a business partnership, a female partner holding a majority of the ownership could benefit the whole company. This also applies to a heterosexual married couple that owns a business together—they may profit from the wife being majority owner.

It's important to note that the **ownership agreement** must be in writing to serve as proof. Furthermore, these measures are designed for female-entrepreneurs, not others who may employ a woman as a "puppet-owner." Janet Harris-Lange, president of The National Women Business Owners Corporation, told **Inc. magazine**:

"Ownership is a very easy thing to do on paper, but if the woman is not the visionary and holds the office manager position, for example, that's the kind of thing that will halt a certification."

How to get certified?

To complete the **certification process**, you will need to work with a third-party certifier. There are currently four authorized certifiers:

- **El Paso Hispanic Chamber of Commerce**
- **National Women Business Owners Corporation**
- **U.S. Women's Chamber of Commerce**
- **Women's Business Enterprise National Council (WBENC)**

Self-certification through the SBA site has traditionally been an option, but this service was defunded for the fiscal year 2016. That said, the self-certification tools are still currently available on the site, and the SBA has continued to allow it until the change is formally implemented.

[Also on StartupNation.com: Female Entrepreneurs and the Fight for Funding](#)

What can you do with a certification?

Essentially, the certification gives you a better chance of being hired by the government for a private project. Through the WOSB Federal Contracting Program, the Feds announce a project (like, building a bridge) that private companies then apply to complete. Specific contracts are set aside for EWOSBs and WOSBs, but only in industries where women-owned companies are underrepresented.

So, you must check to make sure that you're in an industry where women are scarce for the certification to actually bring you more business. You need to look up the **code for your industry** then compare it with the **WOSB list** and the **EWOSB list** of industries that are eligible. If your industry is not on the list, certification doesn't really help you. If it is on the list, **register** with the contracting program to get started.

In addition to government contracts, several private businesses make a point of working with women-owned firms. To take advantage of these opportunities, sign up on the email list for relevant organizations, such as the **National Women Business Owners Corporation (NWBOC)**, that send out lists of companies with contracts. If you do your certification through the NWBOC, they automatically enter you in their database, where other businesses can find you.

Other benefits of women-owned businesses?

You may also profit from state and local tax credits that encourage investments in certified women-owned businesses. California, New York, Massachusetts and Oregon offer such credits, as do some cities, including Philadelphia and Detroit.

Equally, the SBA has almost 100 **Women's Business Centers** across the United States, which provide training and counseling for women-owned small businesses. There are also a variety of grants for women-owned businesses; they can be difficult to locate, as there is no federal database. You can find a list **here**.

Is it worthwhile?

In all, there are some lifelines available to women-owned businesses, but you have to jump through hoops to qualify. Be sure to check the potential benefit to your company first—and if it looks promising, then consider certification.

PREVIOUS POST

5 Online Mistakes to Avoid as a Small Business

NEXT POST

Learn How to Fail Fast in Order to Succeed [Book Excerpt]