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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION
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SMALL BUSINESS WOMEN OF THE YEAR LUNCHEON
WASHINGTON, D.C.
MAY 8, 1984

I'm delighted to see so many women business owners from around the country gathered together for this event. Knowing how time-consuming a commitment you make to your own businesses, I am doubly glad you could be here today.

Your presence is a powerful statement of something you and I have always believed. Namely, that women share the American dream to own and operate their own businesses. Indeed, each year thousands of women enter the business world through the portals of small businesses. They go on to contribute to the growth of products, services and employment. And in the process, they propel this country even closer than ever before to the social and economic opportunities that complement and enhance legal equity.

In celebrating Small Business Week, as proclaimed by President Reagan, we honor the 14 million small businesses in this country. And you represent the 2.8 million women entrepreneurs whose businesses generate over \$40 billion in receipts. That alone is something worth celebrating. So is the spirit of initiative and ingenuity which generates such impressive numbers and dispels outworn stereotypes.

Our honored guests, these who have received Small Business awards this year, represent American free enterprise at its finest. From Colorado, Barbara Johnson started her company -- Optikem International/Optacryl, Inc. -- in her garage seven years ago. Sales from her products for contact lens wearers grew to \$2 million last year. Joyce Eddy's beautiful furniture line -- Habersham Plantation Corporation -- began when she designed a Shaker dry sink for a friend. Over 250 furniture dealers around the country and in Canada now carry her Georgian dry sink along with 300 other furniture items.

In 1976, Lucille Moore and her husband developed a product line of telecommunications switching systems for air traffic control and other applications. Their firm -- Intellect, Inc. -- now employs 120 people and was named Outstanding Employer of the Disabled by Hawaii's Commission on the Handicapped. Mrs. Moore obviously chose her employees well, because she is also Prime Contractor of the Year

for her Region. We are just as pleased the other woman Prime Contractor of the Year - Susan Sarvis, President, LTS, Inc., -- is with us today.

In Utah, Jacqueline Nichols purchased the remaining shares in her family's printing business with a Small Business Administration guaranteed loan. Under her new management, the company -- Quality Press, Inc. -- has grown and reported substantial profits. A similar pattern of success is the result of Marilyn Hamilton's award for her work as Director of Marketing for Motion Designers, Inc., in California.

Pat Konstam, the Media Advocate of the Year, has used her position as business editor of the San Antonio Light to report on developments affecting small firms. And Susan Davis, the Woman-in-Business Advocate of the Year, effectively promotes the interests of all women business owners as President of the Susan Davis Companies of Washington, D.C., and through her many professional activities.

I am truly honored to be here today among such a distinguished group of natural allies in what I like to call America's "quiet revolution," the tidal wave of qualified and talented women who are entering the work force in record numbers. According to Janet L. Norwood, Commissioner of Labor Statistics, "The dramatic increase in the participation of women has been the most striking change in the U.S. labor force in recent decades." More than half of all American women now work, a significant shift from 20 years ago.

The impact of this change has been tremendous. The number of women receiving masters degrees in business administration has soared by 2400 percent in the last decade alone. In my own experience, I have seen the number of women entering Harvard Law School increase from 4 percent when I was there in 1962, to 40 percent today.

Between 1960 and 1980, the proportion of women in the professions increased from 38 to 46 percent. The number of women managers doubled from 14 to 28 percent. By 1980, one in every 12 working women in the private sector owned her own business. These changes in the female labor force exemplify a continuing and increasing change in female entrepreneurship. What's more, businesses owned by women are the fastest growing segment of the small business community, increasing at a rate five times faster than those owned by men.

It's fascinating what's happening and I don't think the ramifications have been fully realized yet. By 1995, more than 90 percent of all women between the ages of 25 and 34 are expected to be working.

All this would not be possible without a strong national economic base. For no business can thrive unless it can plan for a healthy future. America's economic recovery is now firmly and broadly based. It has grown more strongly than almost anyone predicted. In fact, 1983 wasn't just a good year for the economy; it was a year many thought couldn't happen at all, or at least not before the 1990s. It was the first year in more than a decade with so favorable a combination of consistent growth, low inflation and falling unemployment.

The good news on inflation continues. The Consumer Price Index rose 3.2 percent in 1983, the lowest annual rate since 1967. The latest figures on economic growth suggest a recovery fast turning into expansion. The Gross National Product in the first

quarter of this year grew at an annual rate of 8.3 percent, exceeding the most optimistic forecasts and, I might add, with no speed-up in inflation. The nation's leading economic indicators increased monthly for 18 consecutive months before dropping slightly in March. Business investment plans for 1984 show continuing confidence. In fact, all the leading indicators point to still more growth in the months ahead. The drop in unemployment has been no less dramatic, from 10.7 percent to 7.8 percent in just 15 months.

But the quiet revolution of which I spoke earlier -- that growing reliance upon the skills and experience of working women -- is not the only challenge to the economic status quo. No less revolutionary is the growth of the small business community itself, and the rebirth of the entrepreneurial ethic in this country among whose greatest ideas and most striking advances have historically been the work of individual risk-takers.

The numbers alone are impressive. According to the New York Times, between 1977 and 1982, Fortune One Thousand companies actually gave up some 1.5 million jobs. Yet other firms -- the vast majority of them classified as small businesses -- added 8.3 million jobs to the economy.

You and your firms comprise a vibrant part of the economy. Personally, you are serving as role models for a new generation of women who will find their way in the business and professional worlds easier because of your efforts.

To aid women in business, the Reagan Administration has put together a three-point National Initiative Program. First, there is the Advisory Committee on Women's Business Ownership. I am pleased that one of today's honorees, Susan Sarvis, serves on this newly created Committee, headed by Angela (Bay) Buchanan, former Treasurer of the United States. The Committee's 15 members are holding hearings about the problems that women business owners encounter. If you have any suggestions for the members, please write them. Your perspective is invaluable.

The second part of our initiative is the Interagency Committee on Women's Business Enterprise. Sitting on this panel are high-level Federal officials representing the various departments and agencies. They have been charged with making certain that in dealing with women-owned businesses, the Federal government sets an example for private enterprise.

A series of national Conferences for women business owners, co-sponsored by private sector groups, is the final part of our initiative. These gatherings are designed to help women acquire management skills and compete more effectively in the business world. They recognize that in today's evolving economy, information is almost as vital a part of doing business as capital.

Conferences have already been held in places ranging from Somerset, New Jersey, to San Francisco and New York, where President Reagan addressed the group. I look forward to speaking at a similar Conference to be held in Orlando in June. In the meantime, I'm encouraged by the results already chalked up.

In Atlanta, for example, a group of businesses agreed to publish, at their own expense, a directory of women-owned businesses for the state of Georgia. And several banks established a hot line -- with a number for women to call to learn about

everything from the availability of venture capital to where to obtain help in drawing up a contract.

Within the Department of Transportation, we have had a Women's Business Enterprise Program in effect since 1980. It works the same way as our program for minority businesses. States and agencies which receive financial assistance must set goals for the use of women-owned businesses, just as they must set goals for minority businesses. It is our policy that improving opportunities for women-owned businesses is as important as similar efforts for minority businesses and our program will continue to reflect this commitment. The Women's Business Enterprise Program, which is still growing, helps women business-owners to share in the many transportation programs funded through my Department.

Women-owned businesses participate in both our direct contracts awarded by the Department and in contracts under our grant programs to state and local transportation agencies. Women business owners may also obtain counseling on how to contract with the Department from our Office of Small and Disadvantaged Business Utilization, as well as at national and local procurement and business opportunity conferences sponsored by private and public organizations. Women business owners may be eligible for special short-term lending and bonding programs, sponsored through a national network of 12 Program Management Centers. And we rely upon women-owned businesses for help in achieving many of our transportation priorities. One such firm is conducting safety testing of cars, for example.

Women-owned businesses are also finding a place in the Federal highway program. The Surface Transportation Assistance Act of 1982 increased the gas tax by a nickel-a-gallon and provided record increases in highway repair and construction spending. The Act also set a national goal of disbursing at least 10 percent of Federal highway and transit funds to disadvantaged small businesses. Under the criteria set by Congress in the Act, women -- as a group -- do not automatically qualify as disadvantaged business owners. However, if a woman demonstrates social and economic disadvantage, she can qualify.

During fiscal 1983, states receiving Federal Highway Administration funds awarded \$255 million in contracts to women-owned businesses. That was up about eight percent from the previous year. Agencies receiving funds from the Urban Mass Transportation Administration awarded \$48 million in contracts to women-owned firms. The Department, in its direct procurements, distributed \$26 million to women-owned companies in fiscal 1983, almost double the amount awarded the year before.

Women in the 1980s comprise a diverse majority with varied interests. Some, like you, seek their own careers in business. Some run for political office. Others focus on the home and family. Some seek to do all these things. They are members of a growing group called working mothers and their days often resemble a script from "Mission Impossible."

No role is superior to another. What's important is that every woman have the right and opportunity to choose the role she wishes. And whether the choice be career, homemaking, or both -- the Reagan Administration is trying to help in many different ways.

That's why the President's program has struck hard at the so-called "marriage tax" which unfairly penalized working women. As a result, two-wage earner families with a combined income of \$30,000 can expect to keep an extra \$375 this year alone. Business owners who are married women can reap even greater benefits from this change. Since most of your businesses pay personal, rather than corporate taxes, you have more money to invest or save. Women-owned businesses have also been aided by the accelerated depreciation schedule established in the 1981 tax reform law.

The Administration has been outspoken in seeking pension reforms to treat women more fairly. We went to the Supreme Court to argue against pension benefit schedules that treated men and women differently. Among the legislative reforms we have endorsed is a provision to compensate for the fact that women generally begin working at an earlier age than men. It would enable those now entering the work force to begin pension participation at age 21 instead of 25.

Nor is that all. Millions of women, both homemakers and those in the work force, stand to gain from the virtual elimination of the estate tax, another highlight of the Reagan 1981 tax reform law. It permits a surviving spouse to keep a small business or farm instead of having to sell it to pay the taxes. Women, especially those in low or middle income families, benefit no less from substantial increases in tax credits for child care expenses.

As women committed to the free enterprise system, you recognize that government -- any government -- can only do so much at the top. Our efforts, to be successful, must infuse every agency, every department and ultimately, every manager and planner. When I arrived at the Department of Transportation, I asked how many of our employees were women. I was told 19 percent. Then I asked, what was the percentage when the Department was established in 1967? The answer: 18.5 percent. What's more, women in upper grade positions make up only one percent of the entire Department's work force. It didn't take long for us to design a program to change all that. Now we are helping more women enter our work force, and we're preparing more women than ever before to assume managerial responsibilities and to broaden existing skills -- for example, to become air traffic controllers and move into higher paying jobs. Many of my closest advisors, office directors and Administrators are capable and talented women.

In a Department of 102,000 people, that vision of change is indeed a challenge; it takes many women to move that female percentage up even one point. But we are totally committed to the task.

We are also proud of what we're doing to assist women-owned businesses in competing for Federal contracts and sharing in Federally-assisted programs. We depend heavily on the private sector, now more innovative and responsive than ever before because of the new perspective, vigor and dedication you bring to free enterprise.

"The American dream of human progress through the freedom and equality of opportunity in competitive enterprise," President Reagan has said, "is still the most revolutionary idea in the world today." And he correctly adds, "It's also the most successful."

The spirit of enterprise is sparked by small businesswomen with big ideas. Barbara Proctor grew up in Black Mountain, North Carolina, in a shack with no running

water or electricity. Through sheer determination, she earned a college degree in three years and went on to become the first black woman in advertising in Chicago. Barbara Proctor quickly rose to the top of the company, then started her own business, Proctor & Gardner Advertising, with an \$80,000 loan from the Small Business Administration. That was 1970. Her company had \$13 million in billings last year. Barbara Proctor serves on numerous Boards of Directors, has received countless awards and has been cited by Business Week as one of the 100 top businesswomen in America.

Words like unachievable, unattainable, impossible and unimaginable have never been part of the American businesswoman's vocabulary. And it shows. Your success not only speaks well of the American system, it strengthens it. And I am proud, not only to join in this week's celebration, but in a commitment to excellence that spans 52 weeks of the year -- the year of the female entrepreneur in an economy more than ever dependent upon her for its progress and its potential. Together, I have no doubt, we will realize both.

Thank you very much.

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