

Advocacy Initiative Promotes Female STEM Entrepreneurship

By Lindsay Scherber, Regulatory Economist, and Miriam Segal, Research Economist

Despite comprising 47 percent of the U.S. workforce and 57 percent of bachelor’s degree recipients in 2010, American women remain severely underrepresented in some of the most entrepreneurial and innovative sectors of the U.S. economy: the “STEM” fields of science, technology, engineering, and mathematics. In 2009, women held less than a quarter of all STEM jobs. In 2012, only 15 percent of Ph.D. degrees in aerospace and mechanical engineering—two of the most entrepreneurial STEM fields—were awarded to women.

Recognizing these discouraging statistics, the Office of Advocacy has made it a priority to better understand the factors contributing

to the STEM gender gap in entrepreneurship and develop actionable research to inform policy-makers. So far, Advocacy has participated in several STEM events across the country. Over the past six months alone, Advocacy staff has traveled to the east and west coasts to lead roundtable discussions, convene conference panels, and engage with entrepreneurs, stakeholders, and other experts.

For example, with the leadership of Region 10 Advocate Jennifer Clark and Chief Economist Christine Kymn, a group of female scientists, economists, and policy experts from Advocacy, the White House, the National Women’s Business

Council (NWBC), and the Association for Women in Science (AWIS) united to share their knowledge and identify solutions.

Kicking off the initiative in August 2015, the group traveled to Seattle where they facilitated several discussions with government leaders, entrepreneurs and activists on how Washington State can pilot efforts to reduce the gender disparity and increase the number of female entrepreneurs in STEM fields. The group also met with tech startups and toured the ADA Developers Academy, a non-profit organization that enables women to transition to careers in software development through a year-long training course in coding.

The following month, Advocacy

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In September 2015, Chief Economist and Director of the Office of Economic Research Dr. Christine Kymn, Region 10 Advocate Jennifer Clark and Economists Lindsay Scherber and Miriam Segal met in Oakland, CA, with members of the Association for Women in Science, National Women’s Business Council, White House Council on Women and Girls, Washington State Department of Commerce, and representatives of women in the technology sector.

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Advocacy Issues Regulatory Alerts and Comment Letters

By Erik Gulbrandsen, Communications and Congressional Liaison

Advocacy Comments on Vending Machine Rule

On November 23, 2015, the Office of Advocacy filed comments with the Department of Energy (DOE) in response to the proposed rule, Energy Conservation Standards for Refrigerated Bottled or Canned Beverage Vending Machines. The rule would raise energy efficiency standards and establish new standards. Advocacy believes this rule will have a significant economic impact on small manufacturers of beverage vending machines. Small businesses have estimated that their costs will exceed \$1 million. Advocacy recommends that DOE adopt an alternative to the proposed rule. For more information, see <http://go.usa.gov/cBjhm> or contact Rosalyn Steward at 202-205-7013 or Rosalyn.Steward@sba.gov.

Counterfeit Electronic Parts Are Subject of Comment

On November 20, 2015, the Office of Advocacy filed public comments with the Department of Defense (DOD) in reference to its proposed regulation to require contractors to curtail the flow of counterfeit electronic parts in DOD contracts. The proposed rule would remove the exemption for contractors who provide commercially off the shelf electronic parts. Furthermore, it would create two levels for small businesses to acquire electronic parts. Lastly, it would require the creation of a traceability system to follow the electronic parts. Advocacy recommended extending the comment period and urged DOD to explore reasonable alternatives for small businesses to comply. For more information, visit <http://go.usa.gov/cBDqe> or contact Major Clark at 202-205-7150 or Major.Clark@sba.gov.

Affordable Care Act Regulations Are Finalized

On November 18, 2015, the Departments of Treasury, Labor, and Health and Human Services published a final regulation regarding grandfathered health plans, pre-existing condition exclusions, lifetime and annual dollar limits on benefits, rescissions, coverage of dependent children to age 26, internal claims and appeal and external review processes, and patient protections under the Affordable Care Act. The rule finalizes changes to the proposed and interim final rules published previously and incorporates sub-regulatory guidance issued since publication of the proposed and interim final rules. For more information see <http://go.usa.gov/cBDcz> or contact Linwood Rayford at 202-401-6880 or Linwood.Rayford@sba.gov.

Food Safety Modernization Act Rules Finalized

On November 13, 2015, the Food and Drug Administration (FDA) released two final rules required by the Food Safety Modernization Act (FSMA). The two final rules are the Standards for Growing, Harvesting, Packing, and Holding of Produce for Human Consumption (produce rule), and the Foreign Supplier Verification Procedures for Importers of Food for Humans and Animals (FSVP rule).

The produce rule establishes science-based minimum standards for the safe growing, harvesting, packing, and holding of fruits and vegetables grown for human consumption. The FSVP rule requires that importers perform certain risk-based activities to verify that food imported into the United States has been produced in a manner that meets applicable U.S. safety

standards. For more information see <http://go.usa.gov/cBDxC> or contact Linwood Rayford at 202-401-6880 or Linwood.Rayford@sba.gov.

Veteran-Owned Small Business Verification

On November 6, 2015, the Department of Veterans Affairs (VA) proposed to amend its regulations governing the VA Veteran-Owned Small Business (VOSB) Verification Program. The proposed regulations would clarify the eligibility requirements for businesses to obtain “verified” status, add and revise definitions, reorder requirements, redefine the definition of “control,” and explain examination procedures and review processes. Comments on this rule are due on January 5, 2016. For more information see <http://go.usa.gov/cBDxR> or contact Major Clark at 202-205-7150 or Major.Clark@sba.gov.

DOL Proposes to Extend Diversity Protections

The Department of Labor (DOL) issued a proposal to extend the diversity protections for apprenticeship programs to include equal employment opportunity (EEO) standards. Under this rule, sponsors or employers must designate an EEO officer, disseminate information and provide training regarding these changes, and conduct outreach with organizations that serve women, minorities and individuals with disabilities. DOL estimates that this rule will result in compliance costs of approximately \$800 a year for small entities. Comments are due to DOL by January 5, 2016. For more information see <http://go.usa.gov/cBDam> or contact Janis Reyes at 202-619-0312 or Janis.Reyes@sba.gov.

staff and Region 9 Advocate Yvonne Lee and Region 10 Advocate Jennifer Clark traveled to Oakland, California, to attend AWIS's National Summit on Innovation and Entrepreneurship, which brought together experts from the public and private sectors for a dialogue about methods for building more inclusive and productive innovation ecosystems.

As a culmination of these initial efforts, several members of the coalition returned to Seattle in October to present their research and recommendations during a panel at the National Institutes of Health Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Conference. They shared data on current barriers, pinpointed opportunities for intervention within the entrepreneurial ecosystem, and provided actionable recommendations to STEM entrepreneurs for securing funding and commercializing their research.

In addition, Advocacy Economist Victoria Williams and Region 2 Advocate Teresa Coaxum spoke at a Women in STEM event in New York. The event brought together students from the University of Buffalo's Buffalo Engineering Awareness for Minorities (BEAM) program. Other key speakers included Buffalo Mayor Byron Brown and astronaut Sunita Williams.

Finally, in early December, Region 3 Advocate Ngozi Bell and staff hosted two roundtables during which speakers provided their perspectives on women entrepreneurs in STEM.

Advocacy News

Advocacy Welcomes Two New Staff Members

Ricky Gandhi Joins Advocacy as an Intern

In October, Ricky Gandhi joined Advocacy as a economic research intern. Gandhi expects to receive his master's degree in policy analysis and economics from DePaul University in Chicago in December. He has two bachelor's degrees: a BS in biological sciences with a minor in chemistry and physics, and a BA in political sciences with a minor in economics, both from DePaul.

Gandhi has a wide range of work experience. Most recently he served as a lab assistant in DePaul's biology department, where he worked on breast cancer research. He has tutored and mentored disadvantaged students in a variety of



Ricky Gandhi

subjects. And he has interned for a state political campaign and at the European Parliament in Brussels, where he worked on issues of gender and racial equality and economics.

Kena Morgan-Nicholson Is New Program Assistant

In October, Kena Morgan-Nicholson joined Advocacy's Administrative Services Branch as a program assistant. Morgan-Nicholson has experience in many different administrative areas—office management, human resources, event and meeting planning, database maintenance and customer service. She has utilized her skills in a range of enterprises—a former event planning business owner, retail, multi-family laundry construction, and special education with Prince Georges County Public Schools.

Morgan-Nicholson is currently working toward a bachelor's degree



Kena Morgan-Nicholson

in business administration with a concentration in marketing at the University of Maryland University College.

For more information on women in STEM, see the following:

- *Understanding the Gender Gap in STEM Fields Entrepreneurship*, Office of Advocacy, <http://go.usa.gov/cBjVJ>
- *Women in the Labor Force in 2010*, U.S. Department of Labor, <http://go.usa.gov/cBjyF>
- *Fast Facts: Degrees Conferred by Sex and Race*, U.S. Department of Education, <http://go.usa.gov/cBjV3>
- *Women in STEM: A Gender Gap to Innovation*, U.S. Department of Commerce, <http://go.usa.gov/cBjVA>

Economic News

Study Analyzes Veteran Business Owners in Recession and Recovery

By Rebecca Krafft, Senior Editor

The latest report in the Office of Advocacy's continuing research on veteran business owners looks at the recent recession and recovery. The study finds that veteran households with small businesses tended to be wealthier than veteran households without small businesses, in accordance with prior trends. However, between 2007 through 2013, both groups had similar income levels.

The study pinpoints important facts about veteran-owned businesses.

- From 2007 to 2013, the number of veteran households declined from 25 million to 22.8 million, while non-veteran households rose from 91.1 million to 99.7 million—a decline of 8.8 percent for veteran

households versus an increase of 9.4 percent for non-veteran households.

- The number of veteran households with small business owners decreased by over 25 percent, or 800,000 from 2007 to 2013.
- Veteran heads of households with small businesses were much older than their non-veteran counterparts in 2007 and 2013.

This study focuses on the financial impacts of the recession from 2007 to 2010 and the subsequent recovery from 2010 to 2013. It utilizes the 1989 through 2013 Surveys of Consumer Finances (SCF) conducted for the Federal Reserve Board to examine the impact of expansions and contractions in the U.S. economy on

veteran households with small businesses. It compares three sets of households:

- all households—comparing those headed by veterans and non-veterans,
- veteran households only—comparing those with and without small businesses, and
- small business-owning households—comparing those with veteran owners and those without veteran owners.

Income and Net Worth of Veteran Business Owners over the Business Cycle, 2007–2013, by economist George Haynes, is on Advocacy's website at <http://go.usa.gov/cBjeC>.

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