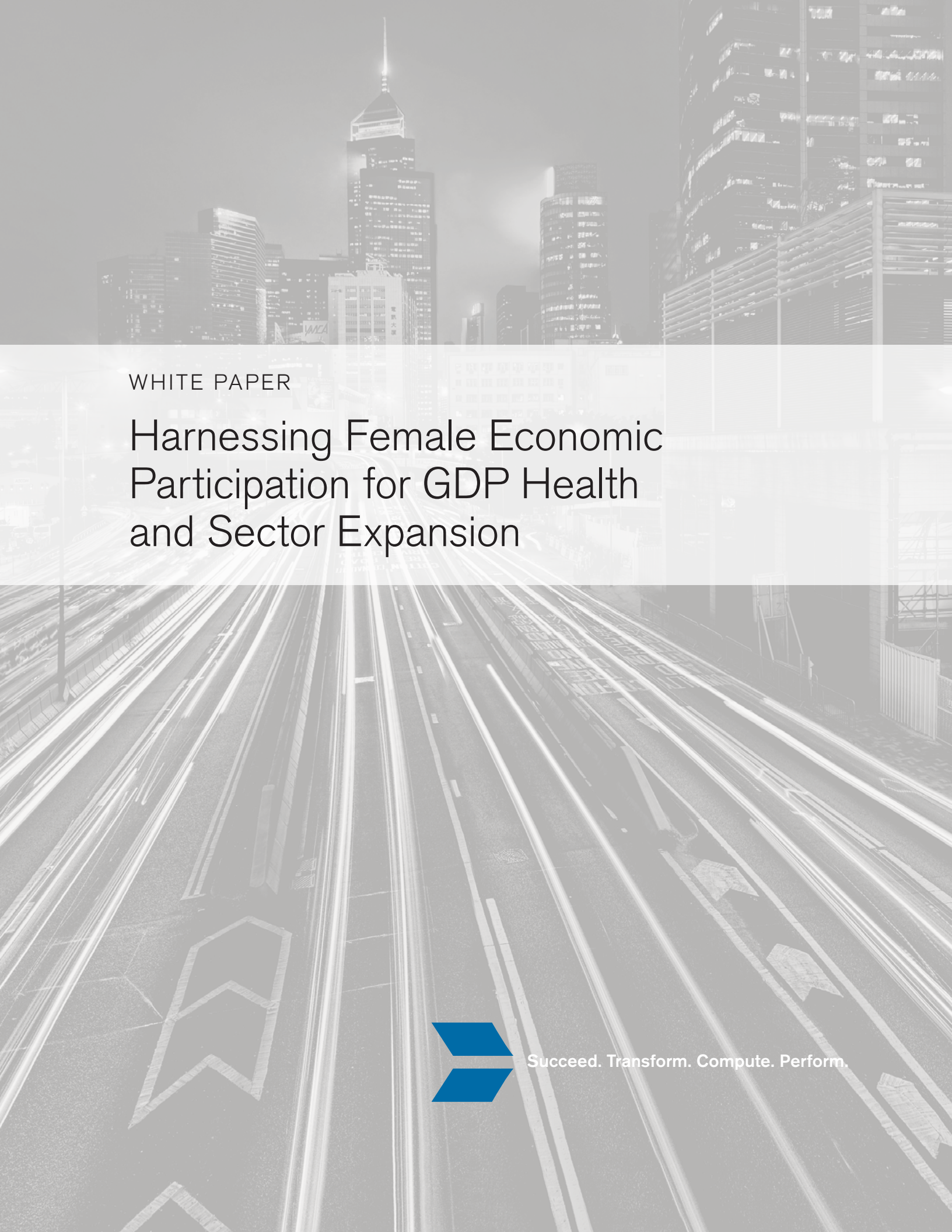




WHITE PAPER

Harnessing Female Economic Participation for GDP Health and Sector Expansion



Succeed. Transform. Compute. Perform.

Harnessing Female Economic Participation for GDP Health and Sector Expansion



Female economic power is being felt throughout the world. Women are increasingly assuming roles in business ownership, executive leadership and government policy. Female economic prowess has risen to new heights, and consumer patterns have shifted, demanding change from government and business institutions.

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Permeating the landscape of modern commerce are two notions: globalization and information technology. The ever-broadening human community and systems of telecommunication tools at our disposal have sparked organizational and economic change that is both massive in scale and transparent to external observers. Accompanying these realignments in business has been a subtler yet equally determinative trend — the increasing importance of women as economic decision makers and entrepreneurs. Such is the case in entrepreneurial, governmental and formerly male dominated vignettes of business ownership, executive leadership, and government policy sculpting.

The past 20 years have also witnessed the elevation of traditionally female markets to new fiscal heights. Feminization of markets and economics has been pronounced in some countries, while almost imperceptible in others. In spite of its varied transparency, the pace has been aggressive in the majority societies. The issues surrounding this phenomenon are numerous and complex. Immense in scope and application, their entirety cannot be addressed adequately herein. Rather, this white paper will outline how female economic power is being felt throughout the world, how consumer patterns have changed in-kind, and how ramifications manifest for government and business institutions. A general series of recommendations will be discussed. This assessment is complemented by Alacer's case study recounting its work with Mexican government and industry leaders on economic expansion and inclusion for female entrepreneurs and GDP health.

To better understand how modern female constituents (as consumers, voters, entrepreneurs) are behaving; it is invaluable to note their historical patterns. This brief discussion will provide the framework upon which an accurate constituent assessment can be established. Considering thousands of years of human history, the traditional roles assumed by women in most cultures can be condensed into six primary functions: motherhood, primary care providers, provision

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gatherers, light agricultural laborers and domestic service. Even within these narrow parameters, glimpses of economic development were apparent as women moved out familial duties, into light manual labor and then back into the home as semi-skilled professionals.

As one might expect, consumer spending echoed these economic patterns. Without notable exception, the vast majority of historical female consumer spending has been subsistent in nature. This family-centric spending pattern occurs with high frequency, involves low to moderately priced items and focuses on consumable goods like food and medicine. During the early 1900's, as women began to enter rudimentary positions in service, education and health care, their consumer spending and preferences shifted slightly. Small luxuries like cosmetics, confections and professional salon services were sought with greater frequency. Women were also willing to pay more for preventative health care and children's items. The market tolerance among the female consumer segment was growing—everywhere. Very few women owned businesses at this phase beyond small, cottage industry offerings.

Gender relations are not static, and thus have continued to evolve. A myriad of factors have contributed to the worldwide ascension of modern women into almost every consumer and entrepreneurial demography. Dissolution of class boundaries, heightened levels of ethnic tolerance, evolving roles of religion, environmental factors, democratization and international inequity are each an impetus of change. These assorted stimuli have appeared in different mixtures in various societies; but are always present to some degree. The portrait of the modern woman represents a significant departure from the past. Compared to their historical counterparts, contemporary women have a plethora of opportunities in education, service, business ownership and the workplace. These redefined roles have fostered redefined limits. An old U.S. axiom, a woman's place is in the home; is little more than humorous fodder for women of the 2015. With higher self-esteem and well-nurtured feelings of independence, women are entering marriage later in life. Once a rarity, a single woman beyond 30 years of age is now quite common in many parts of the globe. Similarly, the average age at which a female delivers her first child has increased—in some Western nations reaching 28 years of age. In addition to individual choices, marital separation, divorce and spousal death remain elements of life that force women into the economic

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spectrum. The pursuit of career and economic well being has thus supplanted many notions as to what it is to be a woman. Pertinent at this juncture are the questions: How does the female ingress look in the economic and business strata of their respective cultures? Decisive female economic activity specifically refers to what? Economic decision making in this instance applies to governmental, domestic and commercial decisions involving fiscal performance and monetary policy at personal, business and societal levels.

During the past 30 years, the prominence of women in positions directly affecting economic life has steadily increased around the globe. Additionally, as feminine consumer base has diversified, so has the nature of female employment. The immediate effect is the presence of women in almost every industrial sector, government agency and educational institution. Recognizing this orientation shift 20 years ago, the United Nations embarked on a study of women's status and economic influence around the globe in 1995. The study compared economic activity levels of women per every 100 men. Global in scope, the United Nation's research included information from Africa, Asia, Western Europe, Eastern Europe and Latin America.

The results confirmed what social scientists and analysts had previously theorized—female economic prowess was intensifying. Dramatic growth was most apparent in Africa, Western Europe and Latin America. Eastern Europe (as well as North America) demonstrated only incremental growth due their already high levels of female economic activity. Asian countries experienced the smallest increase relative to other countries. However, when considered as an internal measurement, Asian countries evince a 71% growth rate in female commerce since 1975. Supplemental data from a cooperative United Nations and NGO project provides highly descriptive evaluations of individual countries. Aggregated information reflects assessments of Morocco, Portugal, The Philippines, Nigeria and Korea. Additional profiles for the United States, Germany and Venezuela are also offered in order to present a thorough international snapshot.

MOROCCO

The 1980's represented a turning point in Morocco. Of all women owned entrepreneurial ventures, 75% were launched after 1986. It is also estimated that more than two-thirds of all female employees entered the work force throughout the 1980's. To date, the percentage of women earning more than 100,000 Dirhams per annum (approximately. \$10,000 U.S.) has surpassed and remained above 8%.

PORTUGAL

Portugal is another country that experienced furtive change during the late 1980's and 1990's. During a ten year period, female executives earned top-spots in more than a third of Portugal's 1000 largest companies. The small and independent business arena has evolved in like fashion. In 1960, for every 100 new business ventures established, only seven were female headed. By 1992, the ratio had improved to 32 for every 100, with a rate in excess of 40% as of 2015.

THE PHILIPPINES

For a variety of reasons, the Philippines could be deemed the islands of female management. Nearly one-third of executive management positions are occupied by women. Similarly, female employees account for more than 66% of middle-managers. The future looks equally promising as 40% of entry level positions are held by women. With already high levels of female entrepreneurship, leadership and management, growth rates are steadier than many other regions.

SOUTH KOREA

Prior to the recession in Asian markets of the 1990's, South Korea's skilled work force was mostly female. Only 22% of women remained in unpaid positions or familial occupations. Female headed entrepreneurial ventures had surpassed 17%, and corporate leadership levels had grown to almost 5%. Growth rates has stymied in general, due to the recession of the early 2000's. As economic recovery continues, there is little reason to doubt that these trends will reassert themselves.

NIGERIA

Relative to other global regions, African nations represent the greatest challenge for feminine professional and economic advancement. The data from Nigeria presents a hopeful picture for the future. In the middle 90's women accounted for 10% of upper management and civil servants, 5% of banking executives, 20% of aggressive entrepreneurs, 70% of micro-entrepreneurs and 35% of middle-management.

THE UNITED STATES

The United States has made great strides in the past thirty years towards gender equity in business situations. Recent studies by J.D. Powers & Associates highlight progress. Women comprise nearly 60% of the skilled American work force. At present there are well over 100 female CEO's of transnational corporations. Nearly half of all Americans with assets exceeding \$500,000 are female. In kind, women are considered the primary decision makers in 80% of all purchases. However, female entrepreneurship tends to lag these other indicators, and several special incentive programs remain in place to encourage entrepreneurship outside of traditionally women-occupied industries such as education, culinary arts and textiles.

VENEZUELA

The women of Venezuela have benefited from programs dating back to President Caldera's economic reform policies of the latter 1990s. Populist President Chavez continued to advance grass roots notion of equitable prosperity, at least in terms of rhetoric if not always in results. Caldera's policies opened the door to female entrepreneurs, and Chavez' rhetoric preserved it. For a time, women held the majority of middle management positions in community and personal services, as well as wholesale and retail industries. Females were also making in-roads in finance and banking, holding 40% of positions. However, Venezuela's isolation and economic challenges in the early 2000's has created the need to re-engage vast sectors of the society in entrepreneurial and recovery activities.

GERMANY

Over the past 20 years, the number of women in unpaid positions throughout Germany has declined by more than 100,000. More than 62% of the female population is economically engaged in business or employment. Of Germany's 16,753,000 salaried positions, more than 9,660,000 are held by females. Primarily found in communication and technical sectors, women are making advances in other industries as well. Entrepreneurial ventures are not as robust, likely tied more to the recession of the early 2000's more so than inherent social and procedural boundaries.

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Acting in concert with the aforementioned social and cultural factors; a myriad of fiscal and monetary trends have contributed to this portrait of swelling economic and consumer she-power. Abounding international commerce is one such factor. Different economies are interacting with escalating frequency. This rapid diversification of markets equates to diversification of cultural tolerance in order to conduct successful negotiations.

Intrinsically bound to heightened world trade levels is the proliferation of multinational corporations. As companies from nations with higher levels of commercial participation by women expand abroad, they transport their corporate-culture across borders. Often, these companies also transport actual people; potentially introducing sophisticated female consumers and professionals directly into settings of lesser gender parity.

Commercial investment patterns have also begun to change. Domestically, many governments and organizations are actively encouraging the support of women-owned enterprises as vital to the growth of GDP, CPI and a myriad of other key economic health indices. The complexion of international direct investment has also shifted as women continue to enter influential management positions and look to fill any available entrepreneurial niche available. Technology is yet another pervasive and well understood agent of change, and will be touched upon only lightly here. The internet and social media provides boundless information, resources and opportunity for females. Female financiers and business owners can showcase services and wares to customer worldwide, in a system of supply chain-commoditization dominance over particular cultural biases. The translation of flourishing economic power into consumer and entrepreneurial patterns dictates a massive paradigm shift in wealth distribution, economic reality, and long-term economic planning.

Feminine economic behavior bears only a nominal semblance that of its subsistence-purchasing predecessors. Elective, leisure spending, higher education levels, and more access to markets/funds, have prompted higher levels of discernment and intolerance of artificial limits or discrimination. The increased exposure to foreign cultures via transnational corporations or telecommunication technologies exacts more expansive ideas as to what is possible. Higher levels of disposable income create greater consumer confidence and the yearning to spend—which is a hallmark of entrepreneurial readiness. Poverty of time however, is an increasingly

complex challenge for the burgeoning female business owner.

Equating to convenience and variety, many of the world's institutions (government, educational or consumer) have not modified their product operations and offerings in response to these new orientations in female economic participation. Innovation, inclusion and adaptation are cardinal in order to assuage contemporary financial demands of a sustained, healthy economy. Pivotal to success is understanding three concepts in detail: What is female economic inclusion and how does it differ from subsistence purchasing? What types of activities are women driving in 2015? Is there an aspect to modern female economic participation that is being overlooked?

SUBSISTENCE PURCHASING VS. ENTREPRENEURISM

In title alone they differ enough to alert institutions to a needed behavior change. Subsistence-purchasing sounds minimalist, mandatory and inexpensive —and it is. Conversely, entrepreneurship is a professional endeavor, long term, leading to discretionary income and luxury spending. Blessed with more opportunities and disposable income, increased female inclusion creates a poverty of free-time. Accordingly, entrepreneurial activity with its associated discretionary purchasing does not and cannot occur at the same high-interval as does subsistence purchasing.

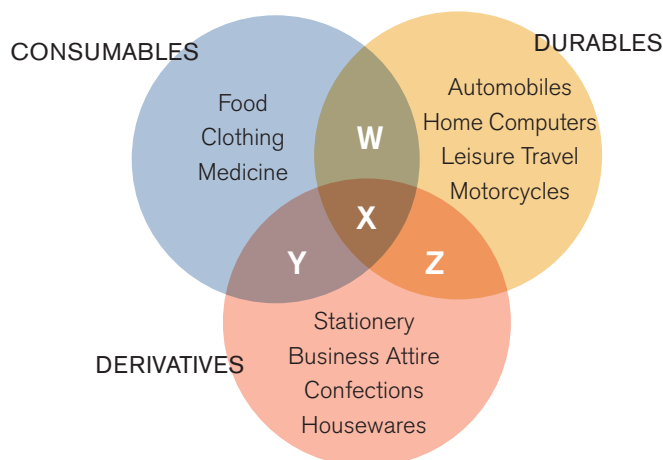
WHAT TYPES OF ACTIVITIES ARE WOMEN DRIVING?

Mixed basket impact from expanded female economic inclusion most accurately construes the conditions at most cash register locations. Women are not only acquiring more business influence; they are acquiring more

wealth; with wealth they are acquiring more in every product category of consumerism, which in turn spurs broad economic strength. Allotting for a good bit of latitude, an economy's sectors benefiting most from the expansion of women's entrepreneurial and financial inclusion can be apportioned in three groups shown at left.

Consumables represent basic human necessities. Recall, these items are the primary elements of subsistence purchasing. Derivatives goods have grown out of cultural changes. Dualistic in

nature, they satisfy both physiological and psychological needs. Business attire for example: It covers the vulnerable human body and serves as the uniform of professional, career women. Confections fulfill hunger and



satiate the female need for pleasure and self-reward. Durables and luxuries are elective, high-ticket items that simplify life, extend leisure and enhance pleasure. Globally, most technology products will modulate into the derivatives grouping in the near future. Areas W,X,Y,Z represent product cross-classification.

The maximum potential for economic benefit stems from women able to acquire goods fitting into area X, where aspects of all three classifications are satisfied by a single product.

ARE ASPECTS OF FEMALE ECONOMIC PARTICIPATION BEING OVERLOOKED?

The answer is a strong and resounding yes. Simply put, women make the majority of economic decisions worldwide at an individual and familial level. Whether the behavior is transparent or occluded by male transactions, the role of female's in these decisions remains critical. Typically male dominated government policy and leadership roles might overlook women as an equally critical business stimulus and jobs-creation base—either by choice, ignorance of current trends, or a lack of experience in recognizing and addressing said trends. Equally dangerous is the tendency of non-government service providers and sectors to neglect the blossoming feminine markets. Women are quickly matching men's spending

levels and economic impact in several service industries.

Primarily attributable to the poverty-of-time phenomenon sweeping the globe, neither women nor men nor couples have enough hours in the day to personally complete every task.

As the number of professional women grows, domestic tasks such as meal preparation, housekeeping and child care become the domain of service professionals and institutions. The female of 2015 is busy, sophisticated and possesses disposable income. As such she is also likely to contract for luxurious and leisure services, helping to grow small business sectors and the economy in general. To left is a list of those service industries experiencing the highest expenditure increases by female consumers. Notable is the mixture of formerly male-dominated service sectors,

those traditionally considered female and still others that are entirely new.

The prominence of child care and prepared meal services correlates directly with heightened percentages of women working outside the home. Service booms looming on the horizon include information services, leisure travel planning and automotive maintenance. Six truths offer a basic set of guiding principles for female economic engagement and a resultant heightened economic health:

1. Female constituents prize perceived WORTH not FLASH! If the comparative advantage of any particular good, incentive program,

Alternative Medicine
Child Care
Senior/Adult Care
Prepared Meals
Meal Delivery
Higher Education
Professional Training
Housekeeping Services
Lawn Care Services
Day Spa & Massage
Fitness Training

training offering, or service is not clear, it will not succeed.

2. The world is in the midst of a micro-marketing and micro-entrepreneurial trend. This is the practice of finding a niche and further refining it, starting or funding a business to fill it. In essence, creating a niche within a niche. By some accounts, more than 80% of micro-loans and micro-market opportunities are filled by female owned ventures.
3. As women become sophisticated business owners, voters, and consumers, business must change in-kind. Fast and flexible is the formula for success in today's markets. Procedures should be streamlined and accommodating of the extreme time poverty faced by entrepreneurial women in most countries, upon whose shoulders most family care responsibilities still rest.
4. Information, telecommunication and digital media technologies are crucial. Government agencies, service providers, and product purveyors must ADAPT OR DIE.
5. Product lines need to be rethought and redesigned to meet the expectations and needs of economically active and savvy women. Apple has actively worked to create smaller profile smart-devices, of lighter weight, and jewelry-look metallic options to appeal to female tastes and hand size among a growing global female business-class.
6. The physical environment must also be reevaluated and redesigned for the needs of females as equal participants: In some Muslim countries this may literally mean building new business licensing bureaus for female only access, in many African nations this might mean adding bathrooms for female business licensees. In countries all over the world including some municipalities and agencies in the U.S. this might include changing forms to include Ms., Mrs., Miss and Dr. as options for women applicants/entrepreneurs.

Adjusting tactics and operations that enable female constituent success is crucial in today's economic climate. A popular book on human relationships from the 1990's espoused that men are from Mars and women from Venus. Thankfully, the differences are not quite as extreme in terms of entrepreneurial and discretionary consumer behavior. But it is fallacious and dangerous to assume that one universal strategy will satisfy the informative, tangible and emotional needs of both women and men in these arenas. Much has been offered in this short white paper to explain the phenomenon of the modern female business owner and consumers, and how to best enable her impact, earnings, and then capture her dollars for GDP health across numerous product and service sectors. The suggestions are simple yet powerful. While many are little more than the result of a

common sense approach, the number of service providers, agencies and retailers that continue to disregard these edicts is astonishing.

In parting, Alacer offers the four laws to economically empower contemporary women:

- Recognize women as strong, and independent of, but not disregarding of her male peers.
- Expose female citizens/constituents/customers to your entire range of programs, activities, products and services.
- Create an environment in which each woman feels she is treated as an individual.
- Pay equal attention to female entrepreneurs when both male and female customers are present.

Think about these steps—commit them to policy or plan—implement them—and most importantly, profit by them.

As a founding Alacer partner, Dr. Amber Gravett brings a dual expertise and empathy to her client work. She is the practice principal for Government Services. Amber is an accomplished leader and client advocate who has generated nearly \$1billion in benefits and savings for corporate, non-profit and civic clientele.

A versatile leader with stellar career experiences in some of the world's most successful companies including Microsoft, Apple, JP Morgan Chase, numerous health system and government agencies. Amber has 20 years of experience in government programs, healthcare operations and consumer product/services delivery in highly regulated environments, creating an excess of \$600 million in savings and \$280 million revenue for employers and clients.

She holds a Ph.D. in Organizational Management with endorsements in international business and technology systems. Chief among her certifications are Agile Scrum Master and Lean Six Sigma Master Black Belt. Her community involvement focused upon animal welfare. While she has extensive consumerism and operations publications and speaking credits around the globe, her favorite is a children's book she penned about animal adoption, featuring a boyhood version of her husband as a kindergartener whose good intentions to help a stray cat lead to some funny adventures and important lessons.