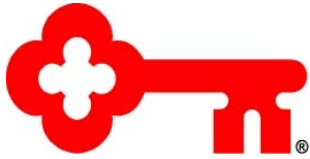




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*Knowledge that Means Business*



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## **KEY4WOMEN CONFIDENCE INDEX SHOWS INCREASED ECONOMIC OPTIMISM**

### **Among Women Business Owners, Sales, Selling Prices, Planned Hiring All Up**

WASHINGTON, D.C., June 29, 2010 – The women business owners surveyed by the Center for Women's Business Research for the third Key4Women Confidence Index this spring were increasingly optimistic that the economy is recovering, with positive trends for several key business indicators likely bolstering that optimism. Compared with the two previous Key4Women surveys, sales, selling prices, and planned hiring are all up in the latest survey.

Since the Key4Women Confidence Index was launched in April 2009, it has shown a steady increase in optimism about the overall economy, with nearly 60 percent now saying they believe business conditions will improve over the next six months, compared with 48 percent of respondents expecting improvement a year ago. The number of women business owners who believe the economy will get worse in the next six months, dropped in the current survey to about 5 percent, compared with nearly 11 percent in the April 2009 survey.

"News about the economy has been quite volatile, but this new Key4Women Confidence Index suggests that these women business owners believe the economy is on the way to recovery," said Beverly A. Holmes, chair of the board at the Center for Women's Business Research.

Though optimistic about the improving economic climate, these women business owners are continuing to feel the negative effects of the recession, with 58 percent saying that the economic downturn is having a significant or considerable effect on their business.

It is clear the economic recession is still taking a toll. Nearly a third of respondents (32 percent) said their single most important problem was poor sales. Additionally, the percentage of women business owners experiencing "higher net earnings" dropped to 38 percent, compared with 42 percent in the October 2009 survey.

Though these women business owners have largely maintained a stable workforce, 17 percent of respondents said they had decreased the total number of employees in their business, compared with 13 percent decreasing employment in October 2009. A third of respondents said they would hire new employees over the next three months, while 7 percent planned to shed employees.

Pricing power is slowly returning, with 27 percent of respondents saying they had a higher average selling price in the first quarter of 2010 and 32 percent saying they planned to increase prices over the next three months. Twenty percent said they'd had a lower selling price in the first quarter of 2010 and 4 percent planned to lower prices over the next three months.

According to the Key4Women Confidence Index, these women business owners continue to be cautious about taking on debt, with nearly 39 percent of respondents saying they don't want any bank financing at this time. Approximately 16 percent of respondents said they received all or most of the credit they wanted, while 26 percent said they were not able to get any of the credit they wanted since September 2008.

The women business owners participating in the survey have continued investing in their businesses despite the recession, with 60 percent reporting they have invested in technology over the past two years.

"We're starting to see that business owners who had been delaying purchases are starting to buy again. Especially when it comes to technology, delaying a purchase can mean the difference between leading the pack and lagging the competition," said Maria Coyne, Key's head of Business Banking and founder of Key4Women.

More than 90 percent of respondents are using social media in some way, with 63 percent reporting they use it to market their business and 47 percent using it to discover new business opportunities.

The Center for Women's Business Research partners with KeyBank on the Key4Women Confidence Index to investigate how women-owned firms are faring in the larger economy. The survey is conducted in the spring and fall each year in order to track trends on specific variables of importance to business sustainability and growth.

"The Key4Women Confidence Index shows the optimism and resilience of women business owners," said Coyne. "We regularly hear from the survey respondents that they are learning from the challenging economic climate and refining their business practices and strategies."

The survey for the current Key4Women Confidence Index was conducted in April with 111 women business owners responding from a pool of more than 400 members of the W-Biz Insight panel. The W-Biz Insight panel is a diverse group of women business owners, including new and veteran business owners from a range of industries, whose companies have annual revenues from less than \$25,000 to more than \$15 million. The companies range from being sole proprietorships to those with more than 100 employees. The panel includes, but is not limited to, Key4Women members.

#### About the Center for Women's Business Research

The Center for Women's Business Research provides data-driven knowledge that advances the economic, social and political impact of women business owners. The Center does this by setting the national agenda; creating insight on the status and achievements of women business owners; altering perceptions about the economic viability and progress of women-owned enterprises; and driving awareness of the economic and social impact of this vital business sector. The Center is continuing to accept new members of the W-Biz Insight panel. Women who own at least 25 percent of a business and would like to participate in future surveys can register at [www.womensbusinessresearch.org](http://www.womensbusinessresearch.org).

#### About Key4Women

Key4Women is a KeyBank program dedicated to helping women business owners achieve success by providing them access to capital, customized solutions, ongoing education, and networking opportunities. The program is grounded in research and insights that show women business owners face distinct challenges from, and do business differently than, their male counterparts. Key4Women is delivered to the client by a dedicated team of Key4Women Relationship Managers throughout KeyBank's 14-state footprint. Passionate about helping women business owners achieve success, Key4Women has, since 2005, lent \$3 billion to qualified women-owned businesses, and has pledged to lend another \$3 billion to women-owned businesses by 2012. Key4Women increases resources to women business owners through national and local partnerships, including those with the Women's President Organization (WPO), the Center for Women's Business Research and the National Association of Women Business Owners (NAWBO). For more information, visit <https://www.key.com/women>.

For more of Maria Coyne's thoughts on the Key4Women Confidence Index and other business topics, visit her Maria on Money blog at: [www.mariaonmoney.com](http://www.mariaonmoney.com).

#### About KeyCorp

Cleveland-based KeyCorp (NYSE: KEY) is one of the nation's largest bank-based financial services companies, with assets of approximately \$95 billion at March 31, 2010. Key companies provide investment management, retail and commercial banking, consumer finance, and investment banking products and services to individuals and companies throughout the United States and, for certain businesses, internationally. For more information, visit <https://www.key.com/>.

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Note to Editors: For a copy of the full survey report contact Marylee A. Gotch at (216) 828-7781 or [marylee\\_a\\_gotch@keybank.com](mailto:marylee_a_gotch@keybank.com).