

## Women Business Owners To Delay Hiring, Rely on Credit and Personal Savings for Capital

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One out of two U.S. women business owners expect their sales to increase in the next six months, but most have no plans to hire full-time employees as a “soft patch” continues to slow the U.S. economic recovery.

The findings of the first-ever PNC Women Business Owners Outlook show women owners are satisfied with their overall business performance, as six out of 10 say their companies are currently meeting or exceeding expectations. However, women owners show a reluctance to take on long-term financing or make capital investments in the months ahead.

“Our women’s survey findings reinforce that the U.S. economy continues to suffer through this current soft patch, as growth has slowed into the realm of stalled speed,” said Stuart Hoffman, chief economist of the PNC Financial Services Group, Inc. (NYSE: PNC). “Even though we are dialing back our expectations for the second half of 2011, we do not expect the economy to slide into a double-dip recession.”

PNC found that most women owners are funding their businesses with credit cards and personal savings in lieu of long-term bank financing. Nearly six out of 10 (59 percent) use a business credit card and almost half (44 percent) rely on personal or family savings to fund their businesses.

“While women business owners often describe themselves as being debt-averse, those who rely strictly on savings and credit cards leave few options to weather downturns without cashing in personal assets or taking a hit to their personal credit history,” said Beth Marcello, director of Women’s Business Development at PNC, which has loaned nearly \$7 billion to women-owned businesses since 2005.

According to PNC’s findings, women owners rely on an average of 2.7 sources of money to fund their businesses. Additional sources of capital include a line of credit from a financial institution (38 percent), personal credit card (34 percent) and a business loan from a financial institution (26 percent).

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