

Economic Opportunities

for Women in East Asia and the Pacific

UNITED STATES:

“How We Lead Matters”

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Women-owned businesses in the United States generate nearly \$2 trillion in annual revenues and employ 13 million workers.

In the 1960s Marilyn Carlson Nelson was one of the first women in the United States to be employed as a securities analyst. But none of her clients knew that M.C. Nelson was a woman. Her employers asked Marilyn to sign her name with her initials because it was presumed no one would take investment advice from a woman. Later in her career, as she took on board positions, there were other practical impediments to overcome, such as no provision for a woman’s restroom on the boardroom floor.

The business landscape for women in the United States has been transformed since then. According to the Center for Women’s Business Research, there are now 10.1 million women-owned businesses in the United States, employing 13 million workers and generating nearly \$2 trillion in annual revenues. They represent 40 percent of all firms.¹

Marilyn Carlson Nelson has been a key player in this transformation. As CEO from 1998 until

2008 and now Chair of Carlson, she continues to guide one of the largest private companies in the world. The

company operates in 150 countries and employs 160,000 people in the travel, hotel, restaurant and marketing industries. In both her own company and policy work as the Chair of the National Women’s Business Council from 2002 to 2005, Marilyn has used her influence to promote women’s economic advancement. She shares her professional and personal experiences in the recently published book “How We Lead Matters: Reflections on a Life of Leadership.”

Starting Out

Carlson began in 1938 when Marilyn’s father took a US\$55 loan from the family landlord to start The Gold Bond Stamp Company – one of the first American loyalty programs. “My mother was very anxious when Dad left his secure sales job with Procter and Gamble to start his own business. She was terrified he might not succeed and we would end up on the street,” she recalls.

Marilyn recounts how disappointed her father was she hadn’t been born a boy. “It probably fueled some of my resolve to prove that as a woman I could be just as successful as a man.”



COMPANY PROFILE

Business Name: Carlson
Business Type: Travel Hospitality
Employee Number: 190,000
Business Reach: 150 countries

UNITED STATES
Population: 299 million
GNI per Capita: US\$44,710
Business issue:
encouraging women’s entrepreneurship

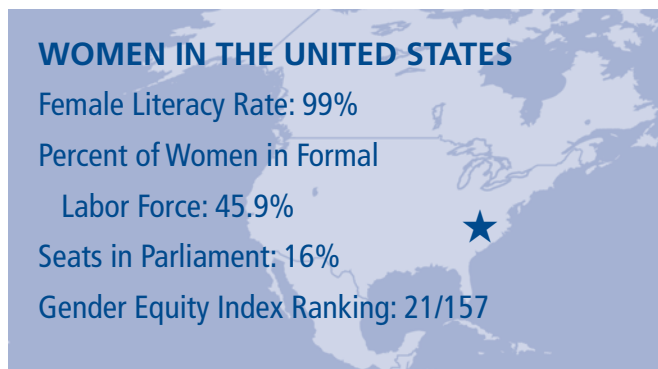


After earning a degree in international economics at Smith College, Marilyn began work as a securities analyst for a major investment firm. “Even though clients were impressed with my work I was asked to use my initials, M.C. Nelson, so no one would know I was a woman analyst,” she recalls. “When I was told I was getting a private office, I was thrilled.... until I learned it was to hide the fact that I was pregnant.”

By that time, The Gold Bond Stamp business was doing well and the company started acquiring hotels and restaurants, later changing its name to Carlson Companies to better reflect the diversification.

Marilyn first started working for her father in 1965. After becoming pregnant with her second child, she took time off and returned to the company in 1968 as director of community relations.

It was a time when the women’s movement was growing and the nation was debating the



changing roles of women. The discussion about women’s roles in society in general quickly extended to the private sector, and Marilyn became part of a growing group of advocates of supportive legislation for women in business.

Key accomplishments at the time included the passage of the 1972 Equal Employment Opportunity Act, which prohibited gender discrimination in hiring, and the 1974 Equal Credit Opportunity Act, which prohibited discrimination against credit applicants based on sex and enabled women to get bank loans and credit cards on their own. In 1975 the National Association of Women Business Owners (NAWBO) was formed, to share resources and provide a unified voice for women in business in order to shape public policy.

The passage of the Women’s Business Ownership Act in 1988 was another milestone. The Act eliminated any state laws that required women to have a male relative co-sign a business loan; required the Census Bureau to accurately count all woman-owned companies; and established the Women’s Business Centers. There are over 100 chapters today across the country that are now united through the Association of Women’s Business Centers. The Act also created the National Women’s Business Council (NWBC) to advise the President, the Small Business Administration, and Congress on the status of women’s enterprise

development. From 2002 to 2005, Marilyn Carlson Nelson served as its influential Chair.



Marilyn began to advocate for women’s interests in the national and global policy arena, as well as business.



Left to Right: Deborah Cundy - Vice President, Carlson; Julie Weeks - Executive Director, Womenable; Marilyn Carlon Nelson - Chair, Carlson

In speeches delivered from the World Economic Forum in Davos to the OECD in Istanbul, she advocated for greater inclusion of women as an economic force for positive change. “We know that women in emerging countries are four times more likely than men to reinvest their earnings in the family, often in the form of better nutrition, health care and education proving what we’ve known for some time: a society’s investment in women and girls offers one of the highest returns on investment,” she says.

In the U.S., many initiatives have been launched in recent years in support of women business owners, including the 1994 Federal Acquisition Streamlining Act, which includes a target of 5 percent of all federal contracts for women-owned businesses.²

In a parallel effort to increase access to markets for women-owned businesses, the Women’s Business Enterprise National Council (WBENC) was established in 1997 to help facilitate access to corporate markets for women-owned

businesses. Approximately half of all Fortune 500 corporations are actively committed to supplier diversity as members of WBENC, including Carlson which is the largest certified woman-owned business in America. The experience is being replicated in Canada, China, India and the United Kingdom through WEConnect International, which facilitates the launch of women’s business enterprise certification organizations internationally. Other countries will be invited to join in the future.

This positive policy environment has transformed the landscape for women’s entrepreneurship, leading to an explosion in the numbers of women business owners, including many larger women-owned businesses whose founders often join organizations such as the Women Presidents’ Organization. Still, there is room for improvement. According to Marilyn, “Several decades after these initiatives began to level the playing field for women in business, we must admit that women at the highest levels of major American corporations are still quite scarce – just 3% of

the Fortune 500 firms are led by a woman. And women make up fewer than 16% of corporate board directors. There is work to be done.”

Going for Growth: Obstacles and Opportunities

In 1998, when Marilyn’s father turned Carlson over to her she found herself in a position to make change. “One of my first priorities was to transform the corporate culture. I was determined to create a meritocracy where all employees had the same chance for promotion based on merit,” she says. “I was confident that my greatest contribution to the sustained competitiveness of Carlson in a knowledge based economy would be to position it to be able to attract and retain employees from the largest talent pool possible.”

One of Marilyn’s first actions as CEO was to provide on-site day care. Other benefits now include adoption assistance, tuition for continuing education, financial planning services, a health clinic, and paid maternity and paternity leave. (While employers are required to give new mothers time off, the United States remains one of only four countries in the world that does not guarantee paid maternity leave.)³ Carlson offers alternative work arrangements, and access to a comprehensive resource and referral program, Lifeworks, to help employees balance work and family responsibilities.

“As the culture gradually changed, I was gratified to see that a family-friendly, fair environment was also one that was attractive to men,” says Marilyn. This is important because, while the United States gets the top score in the Doing Business report for employing workers, retaining them is often less easy for companies. The goal for Carlson is to retain current employees and remain attractive to people who leave the workforce to start a family. Today women make



up 56 percent of Carlson’s employees and 49 percent of its management team. Carlson has been ranked as one of the best companies to work for and named among the 100 Best Companies for Working Mothers by *Working Mother* magazine.

Under her leadership, Carlson’s brands have become well recognized worldwide producing nearly US\$40 billion in sytemwide revenues. Brands include Radisson Hotels & Resorts, Carlson Wagonlit Travel, Regent International Hotels, Country Inns & Suites by Carlson, T.G.I. Friday’s restaurants, and the Carlson Marketing Group.

Next Steps

Marilyn left her position as CEO in 2008, but remains Chair of the Board of Directors. She continues to serve on the boards of the Exxon Mobil Corporation, The Committee Encouraging Philanthropy, The Foreign Policy Association, the Mayo Clinic Foundation and the Kennedy Center for the Performing Arts. She is also a member of the World Economic Forum, and was Forum Co-Chair in Davos in 2004. As a

way of sharing her experiences, Marilyn published in 2008 a book, entitled *How We Lead Matters: Reflections on a Life of Leadership*.

Reflecting on her decades of advocacy on women's empowerment, Marilyn notes: "In a sense we are all born 'into a story' – into a particular moment and place – and it is our charge during our time to help shape its outcome." She is especially proud that other governments are starting to incorporate some of the models developed in the United States to promote women's economic empowerment through entrepreneurship.

Footnotes

1. Center for Women's Business Research. 2008. "New Numbers Show Women-Owned Firms Comprise 40 Percent of All Firms." Press Release, September 11.
2. Olson, Elizabeth. 2008. "Women Business Owners Seek Better Access to Federal Contracts." *New York Times*, Oct 1.
3. The other four countries include: Lesotho, Australia, Papua New Guinea, and Swaziland. Project on Global Working Families. 2004. "The Work, Family and Equity Index: Where Does the US Stand Globally?" Harvard School of Public Health, Boston, MA.

Sources for the Boxes

Population: *World Development Indicators 2008*
Gross National Income per Capita: *World Development Indicators 2008*
Female Literacy Rate: *World Development Indicators 2008*
Percent of Women in Formal Labor Force: *World Development Indicators 2008*
Seats in Parliament (% held by women): *World Development Indicators 2008*
Gender Equity Index: *Social Watch Gender Equity Index 2008*

BUSINESS ISSUE: ENCOURAGING WOMEN'S ENTREPRENEURSHIP

OPPORTUNITIES TO LEARN AND REFORM

- Women's advocacy and organization, through business associations or similar groups, can help with sharing of resources and information, and help shape policy by ensuring a voice for women in business.
- Legislating for women's equality of economic opportunity can spur the growth of women-owned businesses. This helps create jobs and benefits the economy as a whole.
- Promote the registration and certification of women-owned businesses so they can benefit from supplier diversity procurement opportunities in the private and public sectors.

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Australian Government
AusAID



THE WORLD BANK



International
Finance Corporation
World Bank Group



World Bank Group Gender Action Plan

