



*...Securing economic equity and
entrepreneurial opportunities for women
by fostering collaboration and
generating resources to build the
capacity of its members.
californiawbc.org*

March 25, 2022

Asm Sabrina Cervantes, Chair
JEDE Committee

Asm Wendy Carrillo, Chair
Assembly Budget Committee

RE: JOINT HEARING ON SSBCI FUNDS –IMPACT ON WOMEN BUSINESSES

Dear Assembly Members Cervantes and Carrillo:

On behalf of the CA Women's Business Center Network of sixteen programs throughout our state, I am writing to affirm the critical opportunity offered by the pending SSBCI capital for the almost 2 million women business owners in California, most of whom are still struggling to recover from the past two years of the pandemic impacts on our economy.

As you both know, women have been disproportionately affected by the pandemic, leaving the workforce in droves and still struggling to re-enter due to lack of childcare and general economic uncertainty. During this time, Women's Business Centers stepped up and more than doubled their services to women entrepreneurs, the vast majority of whom were Women of Color and lower income. In the past two years, WBCs were able to leverage over \$106 million in loans and grants and provided intensive technical assistance to enable women to pivot their businesses, sell online and sustain operations.

SSBCI funds are targeted specifically to the segment of women owned businesses served by our state's WBCs. For this reason we are asking you to ensure that the SSBCI capital be structured, allocated and managed so that women will be able to access and benefit from this historical opportunity. Goals set with the IBank and State Treasurer's Office need to be crystal clear and outcome data analyzed on a quarterly basis. Underwriting guidelines need to be scrutinized. More risk needs to be factored in, since SSBCI will support extensive loan guarantees. For example, research shows that women and minority owned businesses are turned down for credit because of a lack of personal guarantees. Taking more risk may in fact produce more loan defaults. But it will also result in more high growth businesses and more job creation in LMI regions.

Furthermore, the key to credit access is credit technical assistance (TA), e.g., credit counseling, preparation of financials and cash flow projections. This TA is delivered in culturally competent models and among the 16 centers, we provide services in 12 languages. This TA can take time and requires adequate funding if we are to achieve a pipeline of loan-ready women applicants.

We understand that credit TA funding will be part of the SSBCI program, and that it will be administered through the Governor's Office of the Small Business Advocate. We strongly support this direction because CalOSBA and its leadership with Tara Lynn Gray, has demonstrated its capability and commitment to reaching underserved populations and business owners. Ms. Gray is open to creative solutions and has the trust of our community. It will be critical to make sure her office has the support and infrastructure to implement a successful and effective technical assistance program.

Thank you for your attention to this significant source of new capital directed to our women entrepreneurs who have been historically under-served and under-appreciated, due to their small size. SSBCI could be a game-changer, enabling women to obtain the growth capital they need to create jobs, revenues and stronger local economies.

Most sincerely,



Nancy T. Swift
Chair, CA WBC Network