

Economic Recovery of Women and Minority-Owned Businesses

Hosted by:

Select Committee on Small Business and Entrepreneurship

Chair Petrie-Norris

&

Jobs, Economic Development and the Economy (JEDE) Committee

Chair Cervantes

Panel 1: Challenges in Re-Opening California

Nancy Swift

Chair of the CA Women's Business Center Network &

Founding Director of the Jefferson Economic Development Institute



Invest in California's Women Entrepreneurs

www.californiawbc.org



The California Women's Business Center Network is dedicated to ***securing economic equity and entrepreneurial opportunities for women by fostering collaboration and generating resources to build the capacity of its members.***

CA Network of Women's Business Centers

- 16 SBA-designated Women's Business Centers and 20+ offices strong
- Providing small business development services to over 12,000 women across the state in 14 languages
- To underserved populations such as women, rural, low income, low wealth, veterans, and in disaster-impacted areas.
- Technical Assistance services and lending that is tailored to meet the values and needs of these populations. (15 programs provide service in English and Spanish)
- Technical Assistance includes marketing financial management, business planning, succession planning, employee management, loan readiness, leadership, industry specific cohort training, access to capital, access to markets, procurement and contracting, digital commerce, commercial kitchens, access to markets and so much more.
- Producing impact at minimal cost (\$2,400 per business served) and maximum benefit (Business starts, jobs, increased sales, increased contribution to household income)



2020 Compared to 2019

12,300 People Served (56% increase)

9,000 Businesses Started & Sustained
(150% increase)

15,850 jobs created and retained (80% increase)

\$50 million leveraged (120% increase)

(See the Impact Flyer provided by CA WBC Network for 2020 data.)

2020 Profile



77%
Women

57%
Business
Owners of
Color



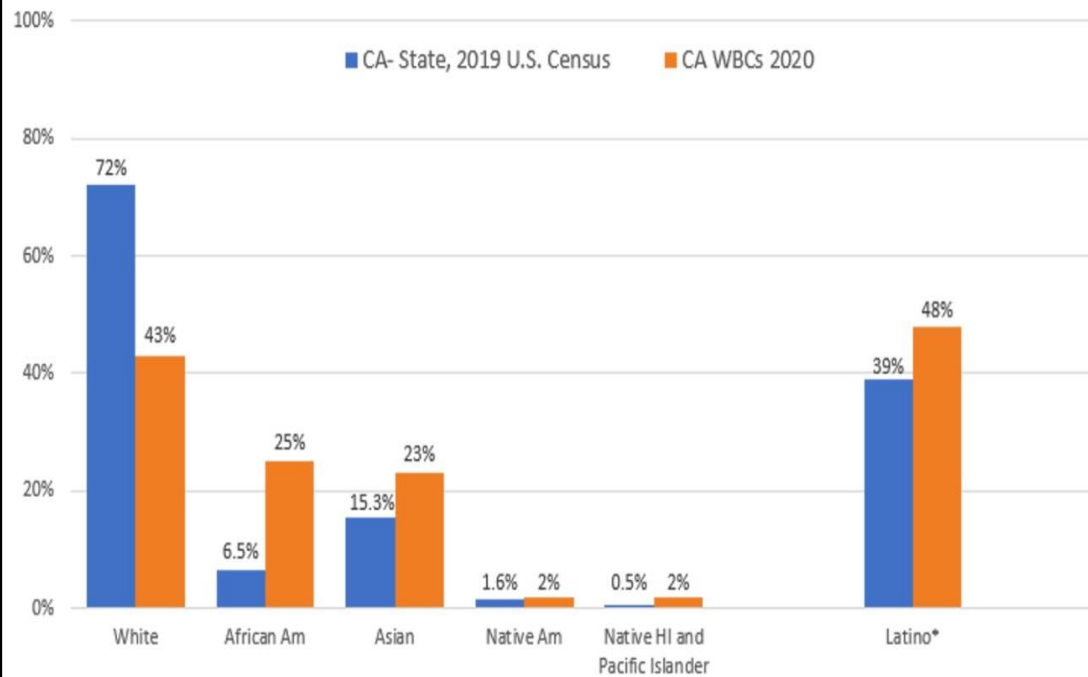
55% Low
Income
Households



WBC's Are Reaching the Underserved

California WBC Clients vs. California U.S. Census Race and Ethnicity

n = 14 CA WBCs, 12,302 clients



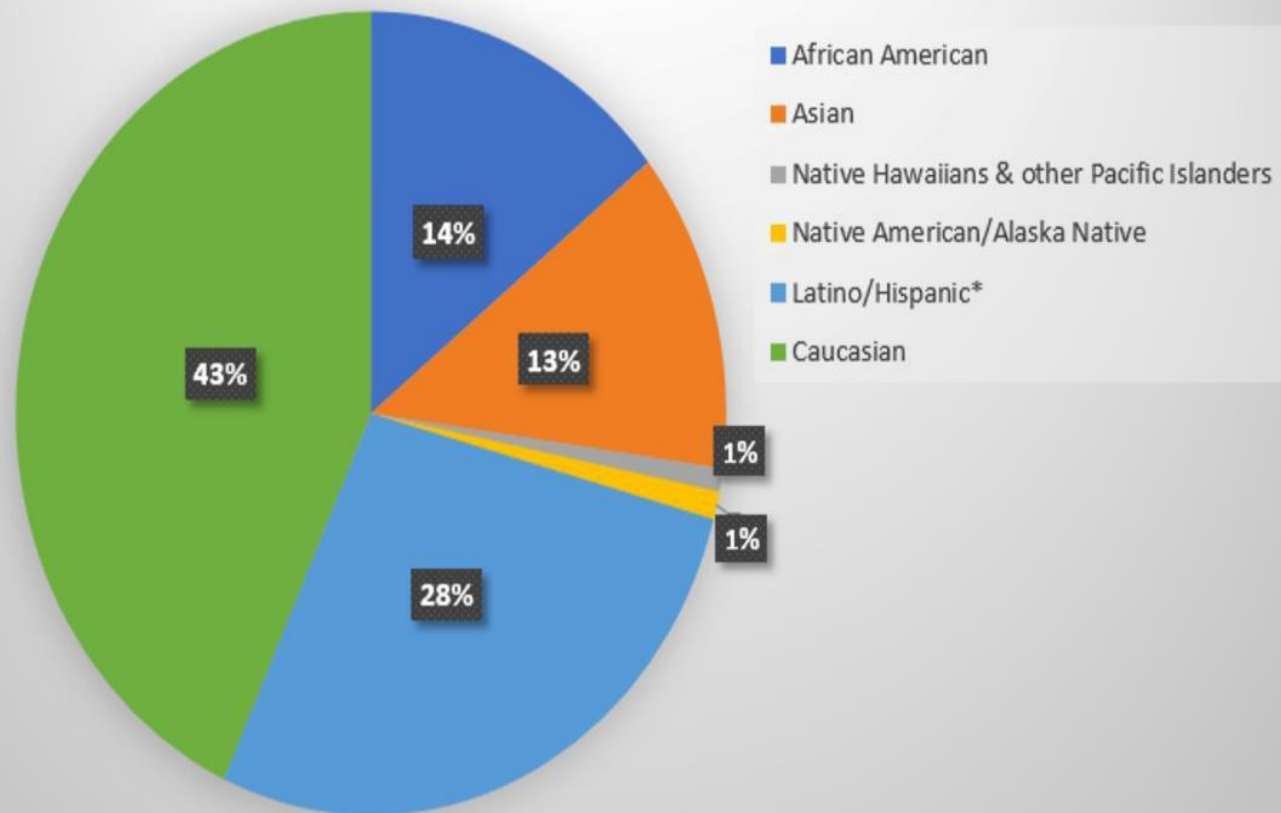
Source: CA = <https://www.census.gov/quickfacts> and WBCs = Measures Up! Annual Impact Survey

*Latino/Hispanics may be of any race, so also may be included in applicable race categories

California WBC Client Demographics by Race/Ethnicity in 2020

n = 14 CA WBCs, 12,418 clients

*Latino/Hispanics may be of any race, so also may be included in applicable race categories



“

The impacts of crises are never gender neutral, and COVID-19 is no exception.

”

UN Women Publication: *From Insight to Action*

Women are key to the economic recovery of CA.

Policy must recognize the key role women play in the financial security of their families; and therefore to the overall economic recovery in CA.

Why are women key to the recovery of the CA economy?

40% of all small business owners are women and most are microenterprises (<10 employees) Women-of-color are well-represented in these figures and are still starting at a faster rate than white-owned businesses.

Disproportionally affected by the economic affects of the pandemic (systemic bias, employment, industries hardest hit and role of business in household, rural divestiture and broadband/connectivity problems)

What a Small/Micro Business Means to a Household

Among entrepreneur mothers

1 in 4



reported being the sole provider in their household.

Among entrepreneur mothers

3 in 4



reported their income contributes to at least half of their household finances.

What the Network Hears from its Women Small Business Owners (people of color, in rural and low wealth areas, speaking many languages and in areas impacted by disasters)

Challenges

- ▶ Systemic barriers of sexism and racism in financing
- ▶ Lack of investment (small grants to equity investments) in firms starting or expanding and especially for women of color owned businesses
- ▶ Lack of networks for support and mentorship (Is the key to success)
- ▶ Isolation. Tens of Thousands of Ca Relief grant recipients who found the WBC Network portal to apply had never heard of any organization near them that could help their business. We became an emotional and educational lifeline for them and continue to receive business questions.
- ▶ Lack of Services provided in-language
- ▶ Women working in industries hardest hit
- ▶ Business provides significant % of household income so disruption is profound
- ▶ Success in increased numbers of vulnerable women served in CA is jeopardized by the loss of the CARES funding provided to the WBCs and SBDCS (<\$29M) and the flat funding of SBTAEP

Opportunities

- ▶ Put women at the center of policy and decision-making moving into recovery
- ▶ Conduct research on the overall household impact and the actual wealth creation mechanism of a small/micro business and what a business means to a women.
- ▶ Double the SB TAEP program this coming FY year to \$34M to increase services to all underserved small business owners through expansion and new partners.
- ▶ Support the complimentary service strategy: *TA + Capital = Successful Impact*
- ▶ Innovation among the CDFI's is answer to community-based lending (technology and delivery). Support them well.

Women are key to the recovery of the CA economy.

Thank you for your consideration.

Nancy T. Swift
JEDI Executive Director &
CA WBC Network Chair

nswift@e-jedi.org

1-530-859-1726