



NATIONAL WOMEN'S  
BUSINESS COUNCIL



ADVISORS TO THE PRESIDENT,  
CONGRESS, AND THE SBA

# 2019 WOMEN IN SMALL BUSINESS

## ROUNDTABLE SERIES REPORT



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## ABOUT THE COUNCIL

The National Women’s Business Council (“NWBC” or “Council”) was created under Title IV of H.R. 5050, the Women’s Business Ownership Act of 1988, as amended (U.S.C. § 7105, et seq.). The legislation was authored by Congressman John LaFalce (D-N.Y.) and signed into law by President Ronald Reagan. NWBC is a non-partisan federal advisory committee, which operates in accordance with the Federal Advisory Committee Act (FACA).

NWBC serves as an independent source of advice and policy recommendations to the President, the U.S. Congress (the Committees on Small Business of the Senate and House of Representatives), and to the Administrator of the U.S. Small Business Administration (through the Assistant Administrator of the Office of Women’s Business Ownership) on issues of importance to women business owners and entrepreneurs.

In its current form, the Council includes fifteen members—one presidentially appointed chair, four small business owners of the same political party as the President, four small business owners not of the same political party of the President, and six representatives of national women’s business organizations.

The NWBC is committed to:

- Analyzing research and data on issues of importance to women business owners and their organizations;
- Communicating these findings widely;
- Connecting members of the women’s business community to one another and to public policy makers;
- Providing a platform for change to expand and improve opportunities for women business owners and their enterprises.



## WHY A ROUNDTABLE SERIES?

Liz Sara was appointed to serve as Chair of NWBC in August 2018. Soon after, Ms. Sara spearheaded the formation of a new Council, which quickly identified a significant gap in its information-gathering methods. The Council's work was missing the critical perspectives of women business owners and entrepreneurs at the ground level.

While the Council had conducted several research projects on a wide range of topics related to women's business enterprise in previous years, there was a lack of comparative analysis between the research conducted and the perspectives of women business owners and entrepreneurs representing diverse concerns from across the country. As such, to better address this significant gap in information and more effectively advocate for female founders and business owners, the Council needed to hear from them directly.

### *WOMEN IN SMALL BUSINESS ROUNDTABLE SERIES*

In March of 2019, the Council launched its signature Women in Small Business Roundtable Series across the country to convene women business owners and entrepreneurs and connect their voices to policymakers in Washington, DC. NWBC traveled to states in which Council Members live and grow their businesses and tapped into their local networks of female founders, entrepreneurs, and ecosystem stakeholders. The Council also engaged federal policymakers and local government officials, particularly those from the Small Business Administration and its resource partners, to join the discussion. Each roundtable was open to the public.

In order to facilitate candid and insightful conversations, the names and companies of roundtable participants were not disclosed. While members of the press were also invited to attend, the personal information of the participants remained embargoed unless the individual participants offered express consent to release.

Each roundtable discussion focused on one of the Council's three main policy priorities:



**Access to Capital & Opportunity** - NWBC recognizes that access to capital remains the largest barrier to market entry and success for female founders and women-owned firms. The Council strives to propose solutions pertaining to credit access, federal procurement, and venture capital funding for women entrepreneurs.



**Women in STEM** - NWBC is dedicated to encouraging women to start and grow their businesses in STEM, an industry with proven high-growth potential. Efforts to spur entrepreneurship in these underrepresented fields center on education and capital.

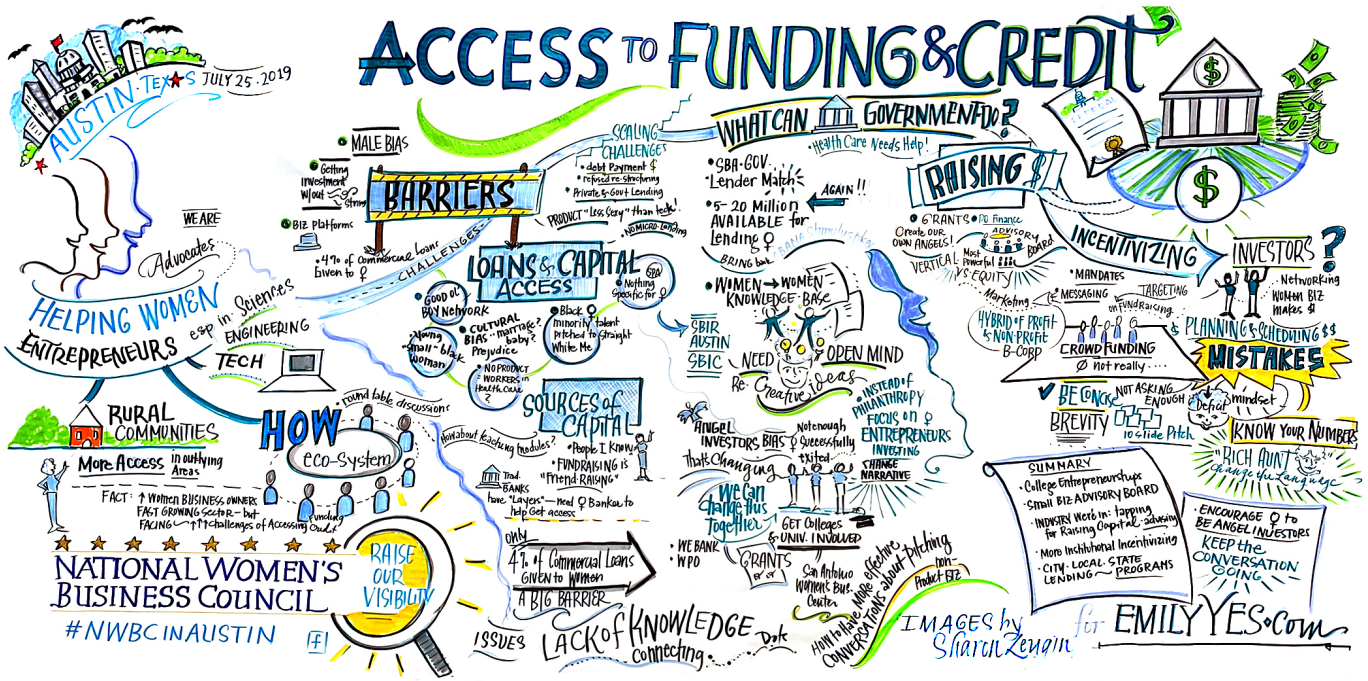


**Rural Women's Entrepreneurship** - NWBC remains committed to gaining further insight on the unique challenges faced by rural women entrepreneurs and identifying untapped opportunities for growth.

Prior to each roundtable, 15 to 20 of the confirmed attendees were selected to take a seat at the physical table. Staff ensured that the group represented a variety of industries and included relevant organizations and government officials. Participants were provided with a briefing memo of relevant data points and questions to consider for the discussion. Roundtables were usually three to four hours long (including an opportunity to network) in order to touch on several subtopics within our overarching policy priorities.

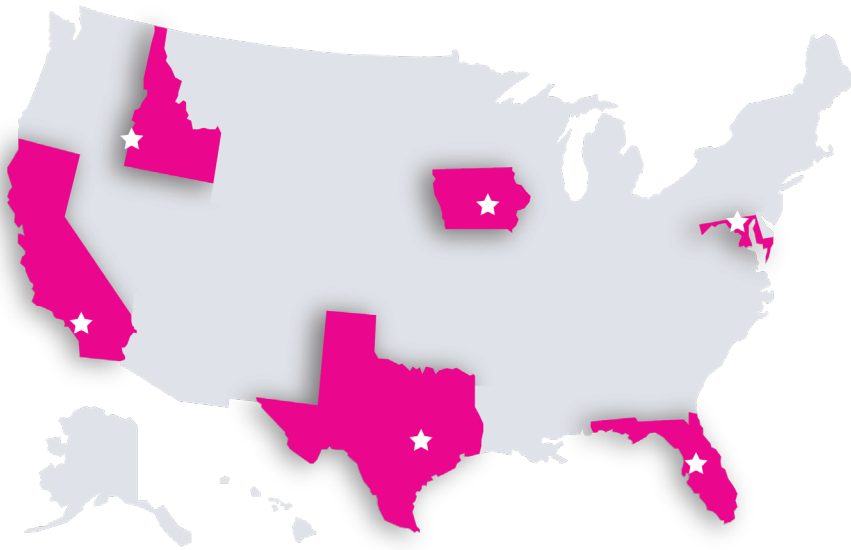
The locally based Council Member, her fellow subcommittee members, Chair Liz Sara, and Executive Director Nina Roque facilitated the discussions and posed questions to encourage free and open dialogue. Audience members with relevant expertise were also invited to join the conversation as appropriate.

Legislative Aide Ashley Judah and Communications Manager Temren Wroge captured the roundtable discussions via written notes, aerial photos, and social media postings. Graphic recorders also memorialized the discussion on canvas at four of the roundtables.



— Access to Capital & Opportunity Roundtable Graphic Recording, Austin, TX

WHERE WE WENT



- 1 Pella, IA
- 2 Baltimore, MD
- 3 Austin, TX
- 4 St. Petersburg, FL
- 5 Los Angeles, CA
- 6 Nampa, ID



MARCH 21, 2019

At Central College with U.S. Senator Joni Ernst (R-IA) and Local Council Member Barbara Kniff McCulla, Owner, KLK Construction  
**Policy Focus:** Rural Women’s Entrepreneurship



JUNE 25, 2019

At Hilton Baltimore Inner Harbor with Local Council Member Shelonda Stokes, President & CEO of greiBO Entertainment  
**Policy Focus:** Women in STEM



JULY 25, 2019

At The Riveter: Austin with Local, Former Council Member Rebecca Contreras, President & CEO of AvantGarde, LLC  
**Policy Focus:** Access to Capital



AUGUST 6, 2019

At University of South Florida St. Petersburg with U.S. Senator Marco Rubio (R-FL) and Local Council Member Monica Stynchula, Founder & CEO of REUNIONCare, LLC  
**Policy Focus:** Women in STEM



SEPTEMBER 17, 2019

At The Riveter: Marina del Rey with Local Council Member Vanessa Dawson, Founder & CEO of Vinetta Project  
**Policy Focus:** Access to Capital



OCTOBER 9, 2019

At Idaho Women’s Business Center at the Nampa Business Accelerator with U.S. Senator Jim Risch (R-ID) and Local Council Member Jessica Flynn, Founder & CEO of Red Sky  
**Policy Focus:** Rural Women’s Entrepreneurship

## CITY PROFILES



### PELLA, IA

Population: **10,243** | Median Household Income: **\$64,527**  
Employment Rate: **68.6%** | Education: **Bachelor's degree - 25.3%**  
No. of Women-owned firms, 2012: **194**



### BALTIMORE, MD

Population: **619,796** | Median Household Income: **\$46,641**  
Employment Rate: **55.3%** | Education: **Bachelor's degree - 15.9%**  
No. of Women-owned firms, 2012: **24,599**



### AUSTIN, TX

Population: **916,906** | Median Household Income: **\$63,717**  
Employment Rate: **70.1%** | Education: **Bachelor's degree - 30.8%**  
No. of Women-owned firms, 2012: **34,253**



### ST. PETERSBURG, FL

Population: **256,031** | Median Household Income: **\$50,622**  
Employment Rate: **58.7%** | Education: **Bachelor's degree - 20.8%**  
No. of Women-owned firms, 2012: **10,846**



### LOS ANGELES, CA

Population: **3,949,776** | Median Household Income: **\$54,501**  
Employment Rate: **61.0%** | Education: **Bachelor's degree - 21.8%**  
No. of Women-owned firms, 2012: **192,358**



### NAMPA, ID

Population: **89,576** | Median Household Income: **\$43,058**  
Employment Rate: **59.3%** | Education: **Bachelor's degree - 12.9%**  
No. of Women-owned firms, 2012: **2,098**

2017 American Community Survey 5-Year Estimates  
2012 Economic Census: Survey of Business Owners

## WHAT WE HEARD



# ACCESS TO CAPITAL AND OPPORTUNITY

### Key Themes:

- ◇ Narrow pool of angel investors
- ◇ Perils of an unfocused pitch
- ◇ Knowledge gaps in the banking industry
- ◇ Institutionalized cultural biases
- ◇ Poor marketing of resources
- ◇ Challenges identifying the right fit for funding

### AUSTIN, TX

The roundtable in Austin, TX convened local women entrepreneurs, investors, lenders, and community leaders to discuss issues related to venture capital and credit access for female founders. According to the 2019 AMEX State of Women-Owned Businesses Report, Austin is the fourth-best city in the country in terms of economic clout (a combination of growth rates for number of firms, employment, and revenues) for women in business.<sup>1</sup>

Chair Liz Sara opened the roundtable discussion by providing some statistical background, noting that startups accounted for a larger share of businesses in Austin than in nearly all major U.S. metro areas in 2016, and the number of women-owned firms in Austin had increased 11.5% in the last year.<sup>2</sup> Local former Council Member Rebecca Contreras then invited participants to share their insights and address why, despite the burgeoning economic climate, women received only 4.4% of small business commercial loans, especially considering women pay back their microloans at a 97% rate of return.<sup>3</sup>

A cupcake shop owner recounted how she was initially turned away by a traditional lender who asked, “Isn’t it in your culture to get married at 25?” Following the denial, she found support from her local chamber of commerce. After building a network within this group and utilizing the knowledge base of more established entrepreneurs, she was able to return to that lender and acquire the capital she needed to grow. She encouraged other entrepreneurs to seek assistance from local business organizations and argued that industry-specific lenders catering to niche fields would be beneficial, as businesses like hers in the food service industry must look for alternative routes to secure funding.

Another participant, the founder of a baby product manufacturing company, obtained \$3 million in private investments and a \$3.5 million SBA loan. She noted the difficulties in keeping pace with the SBA loan repayment and lamented that her loan terms prohibited investors from re-capitalizing the company. After alluding to the regulatory burdens involved with agency programming, she shared, “In hindsight, I wish we would have just done private capital only. My company would still be alive.”

A financial counselor and community lender noted that traditional banks tend to be less flexible in their loan portfolios. She shared that her organization relaxes their underwriting and does not look for traditional collateral. As a result, she was proud to reveal that 60% of the loans made that year were to women entrepreneurs, and the average loan size was \$160,000.

A beauty boutique owner recognized that the finance sector is predominately male and declared that women’s business enterprise trends like those featured in the American Express State of Women-Owned Business Report should be





— Access to Capital and Opportunity Roundtable in Austin, TX.

required reading for those in the banking industry. She even suggested a layer of accountability within routine bank portfolio audits to ensure that the report was distributed to decision makers.

Council Member Vanessa Dawson noted that according to Pitchbook, female founders only received 2.2%, or \$2.88 billion, of the total \$130 billion in Venture Capital (VC) funding in 2018.<sup>4</sup> She went on to share that all-male teams received 76%, or \$109.36 billion, of that sum. She asked those at the table to share personal successes and failures and offer possible solutions.

Notable differences as to how women and men raise money soon became apparent. One participant, a self-described serial female entrepreneur, declared, “Men write checks to other men on the golf course.” NWBC research demonstrates that women are 9% more likely than men to receive funding on crowdfunding platforms like Kickstarter, yet their participation rates are far below those of men.<sup>5</sup>

Many participants shared a general sense that women enter a pitch room with a higher burden of proof. The CEO of a proprietary technology company opined, “Men can get an investment on an idea. Women need to go in with their product already built and show some sales first.” The owner of a specialty cosmetics brand and lingerie line suspected that women get tangled in the story and fail to demonstrate a comprehensive understanding of the numbers. She advised, “Go in and ask for what you know you can pay back and give them the terms in which you can pay it back. They may retort: What if we gave you more?” She went on to share the unique challenges in seeking funding for a female-specific product. “Pitching a bra to any man is difficult. I’ve been through the NOs from banks and angel networks. They wanted to go online and look at our website and couldn’t from their corporate side—blocked.”

The discussion revealed a few pointers for women entrepreneurs making a pitch:

- Be sure to ask for enough money.
- Remember that you are offering the investor an opportunity.
- Limit the pitch to 10 PowerPoint slides.
- Keep in mind that all angel money is local money.

Other attendees highlighted the shortage of female investors, a theme also echoed at the Los Angeles roundtable. The president of a regional organization advocating for women entrepreneurs stressed, “There are opportunities that women are unaware of. We need to connect the dots for women-owned small businesses. People do business with people they know and trust. We need more women investors, and we need to know where the investors are.”

A partner at an early state VC fund shed light on regulatory issues in her field and questioned the need for federal accreditation of investors. She challenged, “Why does the government get to tell you that you are not allowed to take that risk? Why do they tell you how to spend your money?”

## LOS ANGELES, CA

Participants at the Los Angeles, CA roundtable highlighted some of the same themes as those in Austin but also shared some additional insights on the problems at hand. The discussion convened local entrepreneurs, investors, and lenders for another deep dive on the challenges in accessing capital for women business owners. Chair Liz Sara noted that California is home to the greatest number of women-owned businesses in the nation with about 1.55 million according to estimates in the seventh annual American Express analysis of U.S. Census Bureau data.

Taking those numbers into account, a media consultant lamented the perception of women-run firms in the larger economic ecosystem and noted that the successes and failures of female founders are discussed in exaggerated terms. “We set people up to fail because they are an exception to the rule.” Those around the room agreed that women’s business enterprise should be considered a part of the mainstream rather than an anomaly.

Former Council Member Rebecca Contreras revealed that women-owned businesses receive only 18% of SBA-backed loans, and women pay an average of 6.4% higher rates for personal loans and 5.4% higher rates on short-term loans than their male counterparts.<sup>6</sup> The managing director of an economic development center noted that not as many women are applying for loans, and when they do, they do not apply for as much.

One loan officer at the table admitted that one of her clients, the founder of a tech ed company for skin care, was asked by a potential investor if she was planning on having children. She was turned down for funding but eventually received a loan from SBA for \$250,000. The participant went on to highlight a gap in technical assistance and mentoring available to women entrepreneurs. Based on a show of hands at the Access to Capital and Opportunity roundtables, about 30% of attendees were familiar with SBA programs.



— Access to Capital and Opportunity Roundtable in Los Angeles, CA

A local SBA representative stressed the need to increase the number of available microlenders in the community. “Too often, women-owned businesses get lender fatigue. We need to integrate information from SBA’s Lender Match with data from WBCs,” he declared. An entrepreneur and investor at the table divulged that many of her clients were hesitant to take advantage of the agency’s programming, as they considered their very best asset to be their time and would seek assistance elsewhere to avoid a wait.

The co-founder of a finance and accounting firm suggested that female founders could benefit more from existing entrepreneurial support services noting, “Many women are behind from the beginning. They tap out all resources before seeking professional access to capital. I wish we had the same marketing campaigns as Nike or Apple.” Another participant representing a community development financial institution (CDFI) added that only larger institutions have the marketing budgets to target clients and suggested grants for CDFIs to better reach underserved audiences.

One of the lenders in the room noted that commercial banks do not track the number of women-owned businesses assisted and stressed that a women-specific lending program is considered discriminatory. She added that individual institutions are trying to identify creative ways to reach female founders using existing products. Chair Liz Sara suggested targeting any marketing dollars for relevant programs to female audiences.

Several participants asserted that the funding gap for women entrepreneurs would never change until more women joined the pool of investors. Local Council Member Vanessa Dawson shared a 2014 study by Babson College which found that VC firms with women partners were more than twice as likely as firms without women partners to invest in companies with a woman on the management team or in a CEO role.<sup>7</sup> She then noted that only 22% of angel investors are female.

One participant recognized that over 95% of VC senior partners are men.<sup>8</sup> She shared her observations and experiences after several years in the field and revealed, “10-year [female] General Partners with great track records will not get the SBIC grant money.<sup>9</sup> Men get the money.” She also noted that her all-woman VC fund was consumer focused, as women hold the buying power in the country.

A partner at an investment firm noted that 80% of her founders were women but stressed that this was not because of a set quota. “I put out a platform that is equal access, but I do not invest through a gendered lens,” she shared. She went on to question the relationship between the SBA and sources of third-party capital, as she had never heard of the types of loans available through the agency and lamented several missed opportunities to send women that way. She suggested stronger channels of communication with the angel community and early-stage growth investors. Another prominent partner stressed that VC is not the right kind of capital for most businesses.



# WOMEN IN STEM

## Key Themes:

- ◇ Gendered standards for business credibility
- ◇ Difficulties identifying the right mentorship
- ◇ Poorly tailored STEM curriculums at the K-12 level
- ◇ Inadequate entrepreneurial education & training
- ◇ Challenges commercializing an idea
- ◇ Lack of funding for female founders in tech

## BALTIMORE, MD

The Baltimore, MD roundtable convened local women business owners, educators, investors, organizational representatives, and government officials to share their perspectives on the educational pipeline and barriers to accessing capital for women entrepreneurs in the STEM fields.

Local Council Member Shelonda Stokes shared findings from NWBC's 2017 report, 'On the Commercialization Path: Entrepreneurship and Intellectual Property Outputs Among Women in STEM,' which revealed that men are roughly twice as likely to be self-employed in STEM fields relative to women. Additionally, women who choose to be self-employed in STEM occupations work predominantly (77.8%) in health occupations (e.g., physicians, dentists, physical therapists, opticians).<sup>10</sup>

Testimony from female STEM entrepreneurs offered some context on these trends. All participants recognized the difficulties of establishing credibility as the subject matter expert in a room full of men and noted that confidence, rather than capital, was often the most significant factor to determining success. Faculty from the state university found that women in computer science were dropping their major due to perfectionist mentalities. In comparison, men earning a C average thought they were doing well.

The need for mentorship was a prominent theme around the table. Some found mentorship within their client base, while others forged connections with personal role models in their industry. Representatives from a local state university shared that tech entrepreneurs had trouble finding properly tailored advice on campus, and the university was considering ways to leverage alumni in specialized fields for better guidance. The founder of an IT consulting firm admitted that her mentors were more like sponsors—those willing to “vouch for your work, even when you are not present.”



— Women in STEM Roundtable in Baltimore, MD

A non-profit organization focused on computer science education stressed a need for relevant curriculum that caters to the interests of young girls and noted that early, consistent exposure is key when attracting females to these underrepresented fields. Council Member Sandy Robert, CEO of the Association of Women in Science (AWIS), consistently notes that in order to encourage more female participation in STEM, community leaders should direct their attention to helping young women identify how their career choice can empower them to solve real-world problems—especially those that hold a deep, personal significance.

In addition to education and effective counseling, multiple participants referenced the trials and tribulations of acquiring capital to grow an enterprise in a male dominated sector. According to Crunchbase, only 1.5% of funding infused into artificial intelligence (AI) companies goes to women-owned businesses.<sup>11</sup> The owner of a global software manufacturing company noted that obtaining access to equity capital has been her toughest charge. “I have one competitor, and he is growing faster than me, but we define our success based on our circumstances.” The owner of a software and cyber security services firm struggled to acquire traditional funding from banks due to what she perceived to be an entrepreneurial knowledge gap on the part of lenders. When prompted for advice to other female STEM entrepreneurs seeking capital, she declared, “You cannot lead with ‘I am a woman.’ Lead with a success story.” Notably, women-led tech startups have a 35% higher ROI when venture-backed and generate 12% higher revenue than male start-ups.<sup>12</sup>

The conversation also shed light on existing entrepreneurial support networks in Baltimore, specifically the presence of women-focused coworking centers and makerspaces. The manager of one local meeting space shared that patrons can showcase their products and services to fellow innovators for feedback. Another participant noted that her facility builds bridges to the right programming for specific clientele and consistently collaborates with a local Women in Tech group.

**ST. PETERSBURG, FL**

The roundtable discussion in St. Petersburg, FL revealed additional themes. In a ‘Fireside Chat’ with Council Member Marygrace Sexton, U.S. Senator Marco Rubio (R-FL) alluded to preferences in the tax code that drive investment away from innovation and expressed a desire to modernize SBA programs to reflect the challenges of the 21st Century. Rubio also noted, “We have a wealth of talent leaving the service, and they are equipped with unique skills. It is particularly important for our women in uniform to utilize their skills for STEM careers or to start their own businesses.”

When pressed by local Council Member Monica Stynchula about the prerequisites for entrepreneurial endeavors, multiple participants challenged the notion that a STEM degree is necessary to start a STEM-related business. The founder and CEO of a financial data platform admitted that most of her engineers do not have computer science degrees, but they are better assets to the company than those who do. Others echoed that experience and stressed that while STEM education was important, STEM degrees were not as essential to a start-up’s success as the ability of the founder to learn and adapt to ever-changing technologies.



— Women in STEM Roundtable in St. Petersburg, FL

A representative from the entrepreneurship department at a local college noted that the majority of the natural science majors at the institution were women and lamented, “They identify as scientists but not necessarily entrepreneurs. Everyone can be a problem solver. Everyone can be innovative. Our introductory courses are about mindset.” While participants in Baltimore highlighted the need for early exposure to STEM fields, those in St. Petersburg acknowledged the absence of basic transactional business education in the beginning stages of K-12 education and suggested that entrepreneurial courses be interwoven throughout all areas of study from a young age.

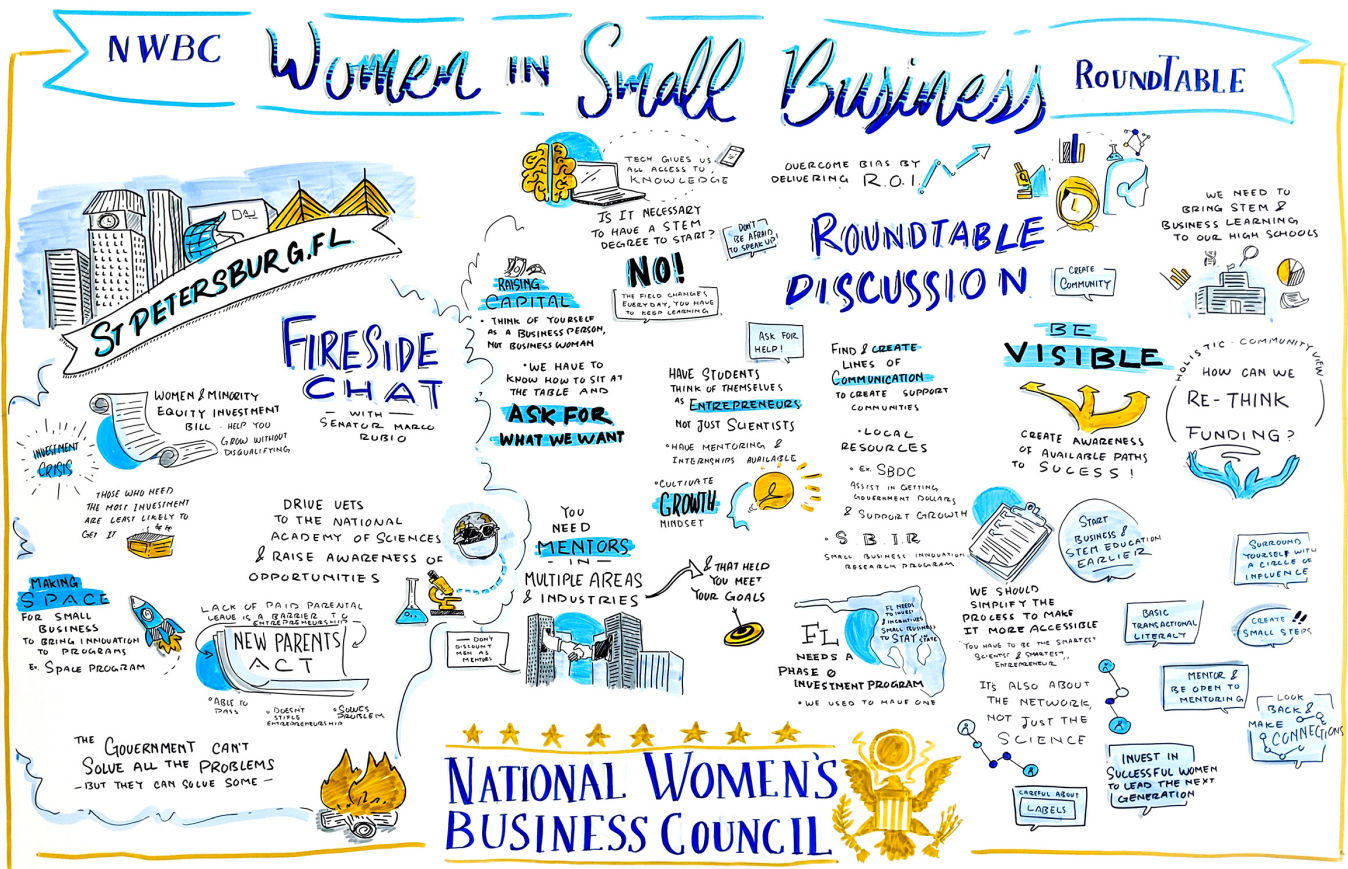
As in previous roundtable discussions, the value of well-tailored mentorship was a consistent theme. The owner of a software platform urged her cohorts to challenge traditional perceptions of mentorship. “I am running a technology business, and I am a lawyer. Often times, my mentors are my employees,” she shared. An instructor at a local university urged female entrepreneurs not to pigeonhole themselves by gender and added, “Be open to seeing a male counterpart as a mentor.”

Participants also shared their tips for overcoming initial biases during a pitch for funding. “The offer is a little less generous because I am a woman, but we immediately right that when we talk about the vision and the ROI,” the president and CEO of a printing and graphic design company shared.

A representative from one of the local SBA resource partners highlighted a gap in support for those hoping to commercialize technologies. He referenced the experiences of several clients who struggled to navigate the application process for the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. One business owner shared the difficulties in obtaining reference letters from credible experts in her field and questioned whether the social network mattered more than the science. The owner of an engineering design and manufacturing company admitted that she had acquired 17 SBIR grants before attracting investors.

A few participants recognized the benefits of an initial project pitch for entrepreneurs and startups applying for Phase 1 SBIR/STTR funding, a program that was no longer funded in the State. Individuals could then receive feedback on whether their proposal met the key objectives of the program before attempting the full-scale bid for the grant.

WHAT WE HEARD



— Women in STEM Roundtable Graphic Recording, St. Petersburg, FL



# RURAL WOMEN'S ENTREPRENEURSHIP

## Key Themes:

- ◇ Lack of reliable broadband and adequate infrastructure
- ◇ Shortage of childcare options
- ◇ High rates of necessity entrepreneurship
- ◇ Crippled resource networks

## PELLA, IA

NWBC's Women in Small Business Roundtable Series began in Pella, IA. Council Member Barbara Kniff-McCulla invited U.S. Senator Joni Ernst (R-IA) and local women business owners from a variety of fields to attend a discussion focused on rural entrepreneurship at Central College. Numerous participants represented traditionally male-dominated industries, such as trucking, construction, and microbrewing among others.

Chair Liz Sara shared initial findings from the Council's 2019 report, 'Rural Women Entrepreneurs: Challenges and Opportunities,' noting that the share of new startups forming in rural areas had declined since the 1980s from approximately 20% to 12% in 2017. She then referenced access to capital and reliable internet as key gaps for small businesses in rural America.

In a 'Fireside Chat' with Council Member Kniff-McCulla, Senator Ernst recognized the importance of sustained infrastructure and noted that broadband connects rural communities to urban centers of commerce. In order to combat a general hesitancy on the part of providers to run cables deep into the countryside to connect just one or two customers, she suggested more federal and state grant opportunities incentivizing companies to expand their reach into rural areas.

A couple of takeaways emerged from the individual testimonials of the 16 women business owners who participated in the conversation. Multiple women were compelled to take ownership of their business to fulfill the generational transfer of a family venture or continue operations after the sudden death of a spouse. Their stories underscored the importance of succession planning in rural communities, especially as younger generations often have a greater economic incentive to leave their hometowns and pursue both a degree and career in outside urban hubs rather than take over a family business.



— Rural Women's Entrepreneurship Roundtable in Pella, IA

Necessity entrepreneurship—starting a business to supplement income or gain the flexibility to attend to other demands in one's life—is a common thread for women business owners and an underlying reason for a shortage of high-growth firms among this demographic.

The owner of an online floral art shop praised sites like Etsy for giving her the flexibility to earn a living from home while caring for her young son and tending to both personal and spousal health issues. Her testimony reflected the importance of consistent, affordable broadband connectivity in rural areas,

especially for those reliant on digital platforms to operate. She stressed that such platforms allow entrepreneurs in particularly secluded regions to expand market reach, sometimes even internationally, as in her own case. According to the 2017 U.S. Seller Census, most Etsy sellers (87%) are women, and 28% live in rural areas.

The director of a local community development group noted a major shortage of childcare options in rural America. The NWBC's 2018 report, 'Profile of Millennial Women: The Future of Entrepreneurship in America,' asserts that family leave alternatives would afford women greater ability to approach entrepreneurship as an aspirational pursuit rather than a fallback mechanism to resolve work-family conflict.

## NAMPA, ID

The roundtable discussion in Nampa, ID highlighted similar issues. The director of an organization devoted to youth education declared, "Half of the population in Idaho lives in a childcare desert." She shared that the average cost of childcare in the state was approximately \$7,500 a year and underscored the need for a public private partnership to solve the problem, including workplace flexibility measures. The owner of a wholesale food company added that stay-at-home moms could be a strong addition to the workforce, but most would net very little money after accessing childcare.

The effects of workforce shortages drew special attention throughout conversation, especially during a question and answer session between U.S. Senator Jim Risch (R-ID) and the roundtable participants. The president and CEO of a household cleaning company expressed frustration at the difficulty in locating and hiring new employees to grow her business. The owner of an online floral distribution system divulged, "Expanding in technology in Idaho is extremely challenging because the talent is not here." While Senator Risch applauded Idaho's 2018 rank of 3rd in the nation for fastest growth of small business, he recognized that rural regions must work a bit harder to ensure that their communities attract and retain a skilled and diverse workforce.

Convincing small businesses to stay and re-invest in their communities can be a challenge when the cost to operate is so high due to a lack of adequate local infrastructure. The founder & CEO of an e-commerce apparel brand revealed the toll that subpar local infrastructure took on her bottom line, noting that she spent more capital upgrading her 'Main Street' block than the costs associated with maintenance of her own brick-and-mortar building. "I start asking myself: 'Do I want to use a fulfillment center in L.A. or even have [merchandise] produced overseas?' I am taking out loans to build infrastructure." Economic development priorities within the region came into question as participants called on state and local officials to more closely consider the voids impeding small business owners' ability to generate commerce.

Scarce access to consistent, reliable broadband connectivity is perhaps the largest infrastructure void. Idaho is the 43rd most connected state, and only 17% of residents have access to fiber-optic service.<sup>13</sup> Local Council Member Jessica Flynn lamented, "Broadband continues to be a major barrier to local entrepreneurial success and, even more, to scaling the economy." Council Member Barb Kniff-McCulla referenced a similar situation for Pella, IA business owners and highlighted initiatives in her home state of Iowa where private entities were partnering with colleges and universities to tackle the issue.



— Rural Women's Entrepreneurship Roundtable in Nampa, ID

Key stakeholders recognize the potential ripple effect of such reforms. For example, dependable internet is critical to the operation of childcare centers and ensures unobstructed correspondence with parents and guardians, including in emergency situations. Additionally, local SBA representatives lamented that the agency's online programming was underutilized in rural communities due to poor or non-existent connectivity.

An organizational representative referred to the benefits of Main Street, a national community revitalization program focused on downtowns and historically significant business districts.<sup>14</sup> She highlighted the challenges involved for rural communities to participate. Specifically, the program requires a full-time paid coordinator, which can be an especially burdensome requirement on small towns.

As evident in the stories by both the Pella and Nampa roundtable participants, efforts to preserve a decades-old family venture can be riddled with financial complexities, especially for those firms in the farming industry. The owner of a long-standing orchard in the area noted, "Capital for multigenerational businesses is a whole different ballgame. Cash flow of [agriculture] does not pencil. My assets do not show enough even though I have land." A representative from the SBA recognized that many agricultural businesses are cyclical and advised that the best time to get a line of credit is when you do not need it. He encouraged owners to preemptively fundraise to combat anticipated profit lulls throughout the year.

One participant referenced the U.S. Department of Agriculture's Value-Added Producer Grants, which involve a working capital, dollar-for-dollar matching requirement (matching funds plus grant funds must equal proposed Total Project Cost), as a great resource for agriculture family businesses to grow.<sup>15</sup> Notably, few demonstrated an awareness of SBA's vast pool of resources. By a show of hands, half of those present at the roundtable had no prior knowledge of the agency's Lender Match tool, which could connect many entrepreneurs to the proper source of funding and support.

**NATIONAL WOMEN'S BUSINESS COUNCIL**  
#NWBCIND

**Small Business ROUNDTABLE**  
Nampa, ID  
October 9, 2019

**IDAHO**  
Working to grow business centers  
Getting start-ups off the ground  
Raising Women UP  
Bringing small biz back to Idaho  
Economic Growth  
Wages  
Unemployment  
3rd in the nation for small biz growth  
Two major grants to support women in business  
Challenges:  
Hiring/employment  
Real estate

**Access to Capital**  
Building from the crinkles of the American dream  
Minority women struggle in the system  
minority women advocate 4 each other  
Women are starting business, but need the support and capital  
Capital to BUILD business  
Micro-lending

**Barriers to growth**  
Must match funds  
Cashflow doesn't work on paper  
Financially viable for generations  
Healthcare  
Can't qualify for programs  
Access to Capital  
Loan sharks  
Cosigning issues  
Opportunity here is great, access to capital is limited  
21st Generation starts and grows to the 2nd  
Women feel ALONE  
Need to work together

**Workforce Development**  
IDAHO businesses growing nationally Fall after the world  
Childcare DESSERT in IDAHO  
Offer flexibility  
ID focus on economics  
Supporting each other  
OPENING the door for Small business SEA + WBC  
How get the right employees:  
Healthcare costs  
Specific labor needs (skilled/unskilled)  
Childcare support  
Employees How find them, calling grads ready to work  
How to bring immigrants into the system  
53% of college degrees to women but less in STEM  
STEM Growing in the State  
Angel investors  
Traditional investments vs new investment into rural biz  
INVESTMENT BEYOND Scaling  
People working night + day to afford Healthcare

**Women in Biz**  
"Encourage women to be investors"  
"Invest in each other"  
"We need to connect"  
"We are driven to create business"  
"Talk to each other"  
"We want to keep control of our companies"  
"Share information about what to fill the gaps"  
"It doesn't matter your age, if you have support you can do it"

**USDA**  
Growing agriculture  
How to expand generationally  
Main Street Program  
How to grow this rurally  
Coordinator position changes?

**SBA** support for business  
Lender Match  
Look Nationally and Locally

**Internet**  
Broadband in rural and urban  
tech limits forcing biz owners to look out of the state  
Expanding TECH Requires more infrastructure  
Infrastructure CHALLENGES  
Systems-level  
New vs. Traditional  
Bring new people in  
Urban/rural relationships

**3 Take Aways from TODAY:**  
1 Stay focused + visible  
2 Get a band wagon  
3 Break the rules!

**Next Steps**  
"Today is the start of this conversation"  
FOCUS recommendations will go forward this year

Visual notes by AGNEW BECK agnewbeck.com

— Rural Women's Entrepreneurship Roundtable Graphic Recording, Nampa, ID



## WHAT'S NEXT?

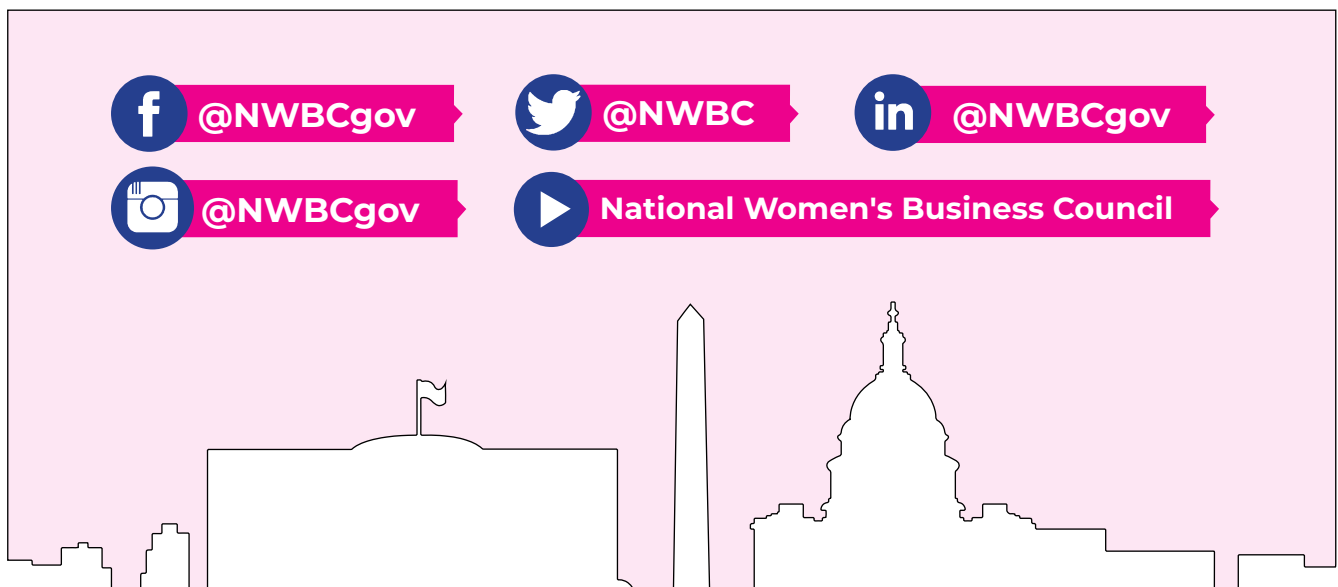
These roundtable discussions served as the foundation for the Council's FY19 policy recommendations as reflected in its Annual Report submitted to the President, Congress, and the Administrator of the U.S. Small Business Administration on December 20, 2019.

The feedback and input received also informed the Council's FY20 policy priorities. The recurring themes across all roundtables—including financial literacy and creditworthiness—will serve as the Council's focus areas for 2020.

The Council plans to continue this successful endeavor in 2020 to further engage women founders across the country. The initiative has been rebranded as the #LetsTalkBusiness Roundtable Series. Confirmed stops include San Juan, PR; Houston, TX; Gilsum, NH; Grand Rapids, MI; and more. The Council's 2019 roundtables laid the groundwork for the upcoming FY20 roundtables, which will follow the same model.

*#LETSTALKBUSINESS 2020 ROUNDTABLE SERIES*

## CONNECT WITH THE COUNCIL





# 2019 WOMEN IN SMALL BUSINESS

## ROUNDTABLE SERIES REPORT



1 "The 2019 State of Women-Owned Business Report: Summary of Key Trends." American Express, 2019. [https://about.americanexpress.com/files/doc\\_library/file/2019-state-of-women-owned-businesses-report.pdf](https://about.americanexpress.com/files/doc_library/file/2019-state-of-women-owned-businesses-report.pdf)

2 This data comes from the recent third release the U.S. Census Bureau's Annual Survey of Entrepreneurs (ASE) that was introduced as a supplement to the Survey of Business Owners, which is conducted every five years.

3 "State of Small Business Lending: Spotlight on Women Entrepreneurs." Fundera, 2020. <https://www.fundera.com/blog/the-state-of-online-small-business-lending-q2-2016>

4 Hinchliffe, Emma. "Funding For Female Founders Stalled at 2.2% of VC Dollars in 2018." *Fortune*, January 28, 2019. <https://fortune.com/2019/01/28/funding-female-founders-2018/>

5 "Crowdfunding as a Capital Source for Women Entrepreneurs: Case Study of Kickstarter, A Reward-Based Crowdfunding Platform." National Women's Business Council, 2018. [https://cdn.www.nwbc.gov/wp-content/uploads/2018/03/26142822/NWBC-Report\\_Crowdfunding-as-a-Capital-Source-for-Women-Entrepreneurs\\_Case-Study-of-Kickstarter-a-Reward-Based-Crowdfunding-Platform.pdf](https://cdn.www.nwbc.gov/wp-content/uploads/2018/03/26142822/NWBC-Report_Crowdfunding-as-a-Capital-Source-for-Women-Entrepreneurs_Case-Study-of-Kickstarter-a-Reward-Based-Crowdfunding-Platform.pdf)

6 "State of Small Business Lending: Spotlight on Women Entrepreneurs." Fundera, 2020. <https://www.fundera.com/blog/the-state-of-online-small-business-lending-q2-2016>

7 Brush, Candida G., Greene G. Patricia, Lakshmi Balachandra, and Amy E. Davis. "Diana Report Women Entrepreneurs 2014: Bridging the Gender Gap in Venture Capital," <https://www.babson.edu/media/babson/site-assets/content-assets/images/news/announcements/diana-project-executive-summary-2014.pdf>

8 Hinchliffe, Emma. "All Raise Will Match Underrepresented Investors With Big-Name VCs." *Fortune*, October 25, 2018. Accessed February 25, 2020. <https://fortune.com/2018/10/25/all-raise-venture-capital-vc-champions/>.

9 An SBIC, or Small Business Investment Company, is a privately owned and managed investment fund that is licensed and regulated by the SBA.

An SBIC uses its own capital, plus funds borrowed with an SBA guarantee, to make equity and debt investments in qualifying small businesses.

10 2015 ACS data are obtained from the IPUMS-USA database (Ruggles et al., 2015).

11 Perdomo, Daniela. (2019) "Women leading "non-female" startups raise 54% less VC than their fair share (and in deep-tech, it's worse)." *Industrial Felt*.

12 "Infographic: The Rise of Women Startups." Women Who Tech, n.d. <https://womenwhotech.com/startupinfographic>. Accessed February 25, 2020.

13 Reese, Nick. "Internet Access in Idaho: Stats & Figures Broadband Now." Last modified October 16, 2019. Accessed December 06, 2019. <https://broadbandnow.com/Idaho>.

14 The program was created by the National Trust for Historic Preservation and is currently managed through the auspices of the National Main Street Center (NMSC). Idaho's Department of Commerce serves as a bridge between the national initiative and localities.

15 The goals of the Value-Added Producer Grant (VAPG) program are to generate new products, create and expand marketing opportunities, and increase producer income. You may receive priority if you are a beginning farmer or rancher, a socially disadvantaged farmer or rancher, a small or medium-sized farm or ranch structured as a family farm, a farmer or rancher cooperative or are proposing a mid-tier value chain.