

WEBINAR



Black Women Entrepreneurs:

Past and Present Conditions of Black Women's Business Ownership

Hosted by:

U.S. Department of Commerce Minority Business Development Agency



PRESENTERS

Natalie Madeira Cofield, Founder
& CEO, Walker's Legacy



Dolores Rowen, Manager,
Research, National Women's
Business Council



THANK YOU MBDA



**MINORITY BUSINESS
DEVELOPMENT AGENCY**
U.S. DEPARTMENT OF COMMERCE

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#BLKWOMENBIZ

AGENDA

I. Introductions & Welcomes

- A. Representatives National Women's Business Council & Walker's Legacy

II. Research Discussion

- A. Exploring the Current US Entrepreneurial Landscape for Women - Dolores Rowen
- B. History & Overview of Black Women Entrepreneurship Past and Present Conditions
- C. Summary of Methodology
- D. Key Findings

III. Policy Recommendations

ABOUT THE NATIONAL WOMEN'S BUSINESS COUNCIL



ADVISORS TO THE PRESIDENT,
CONGRESS, AND THE SBA

The NWBC is a non-partisan federal advisory council created to serve as an independent source of advice and counsel to the U.S. Small Business Administration, Congress, and the White House.

It consists of 15 board members:

- 1 Presidentially-Appointed Chair
- 4 members of the President's party
- 4 members not of the President's party
- 6 representatives of national women's business organizations: **WIPP, WPO, WBENC, NAWBO, AWBCs, and Astia**

H.R. 5050 & NWBC

- H.R. 5050, the Women's Business Ownership Act, was passed on October 25, 1988.
- This act was instrumental in eliminating state laws that required a male co-sponsor for a woman's business loan.
- It created the National Women's Business Council (NWBC) and the Women's Business Centers program.
- H.R. 5050 has empowered women to start and maintain their own businesses. As a result, there are now nearly **10 million women-owned businesses** in the country.

NWBC FY2016 PORTFOLIO

To understand the story behind the numbers, the Council focused this year's research portfolio on looking more deeply at the diversity of the experiences of these entrepreneurs.

- **American Indian and Alaskan Native Women-Owned Businesses**
- **Asian Women-Owned Businesses**
- **Black Women-Owned Businesses**
- **Hispanic Women-Owned Businesses**
- **Hispanic Owned Businesses: A Deeper Look**
- **Native Hawaiian and Other Pacific Islander Women-Owned Businesses**
- **White (Non-Minority) Women-Owned Businesses**
- **Veteran Women-Owned Businesses**

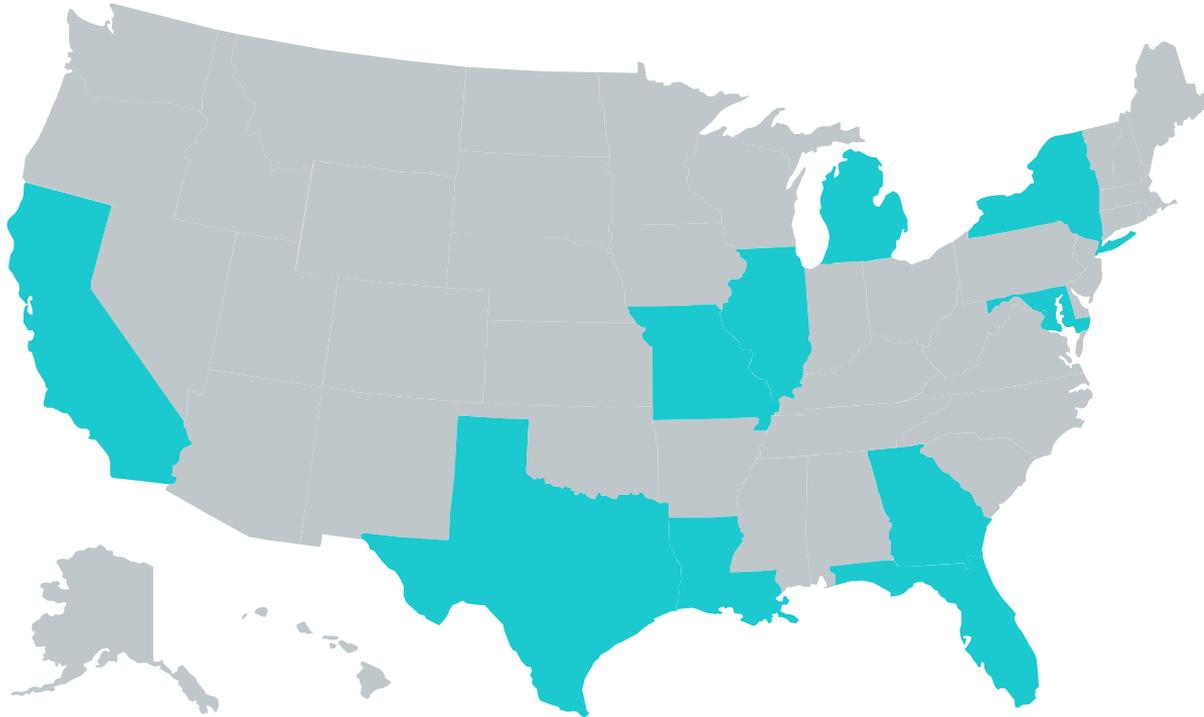
ABOUT WALKER'S LEGACY

Walker's Legacy is a national women in business collective with a mission to cultivate an ecosystem of access designed to inspire, equip and engage a global network of emerging and established business-women of color.



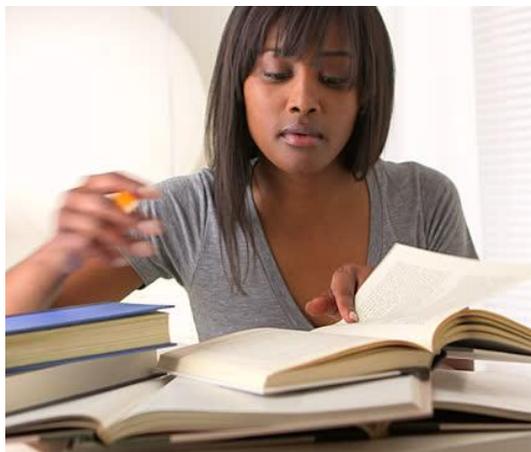
NATIONAL FOOTPRINT

a global network of professional and entrepreneurial business women of color



Cities

1. AUSTIN
2. SAN ANTONIO
3. HOUSTON
4. WASHINGTON, DC
5. CHICAGO
6. LOS ANGELES
7. ATLANTA
8. ORLANDO
9. PITTSBURGH
10. PHILADELPHIA
11. DETROIT
12. ST. LOUIS
13. OAKLAND
14. MIAMI
15. CHARLOTTE
16. NEW ORLEANS
17. NEW YORK
18. BALTIMORE
19. MEMPHIS



EDUCATIONAL CONTENT

Walker's Legacy delivers educational content on starting, running, and scaling your business via in-person and online training, regional and national pitch competitions



LOCALIZED & ONLINE NETWORKS

Operating in 20 cities with 14,000 connections worldwide providing bi-monthly Walker's Legacy engagement through eco-systems of support.



ENGAGING PROGRAMS

Annual and by occasion in-person programming designed to maximize learning and increase social capital through networking opportunities highlighting successful business women.

RESEARCH

- Challenges faced by minority women entrepreneurs
- Opportunities for policy improvement





ASSESSING THE US WOMEN-OWNED BUSINESS LANDSCAPE

STATE OF WOMEN'S ENTREPRENEURSHIP

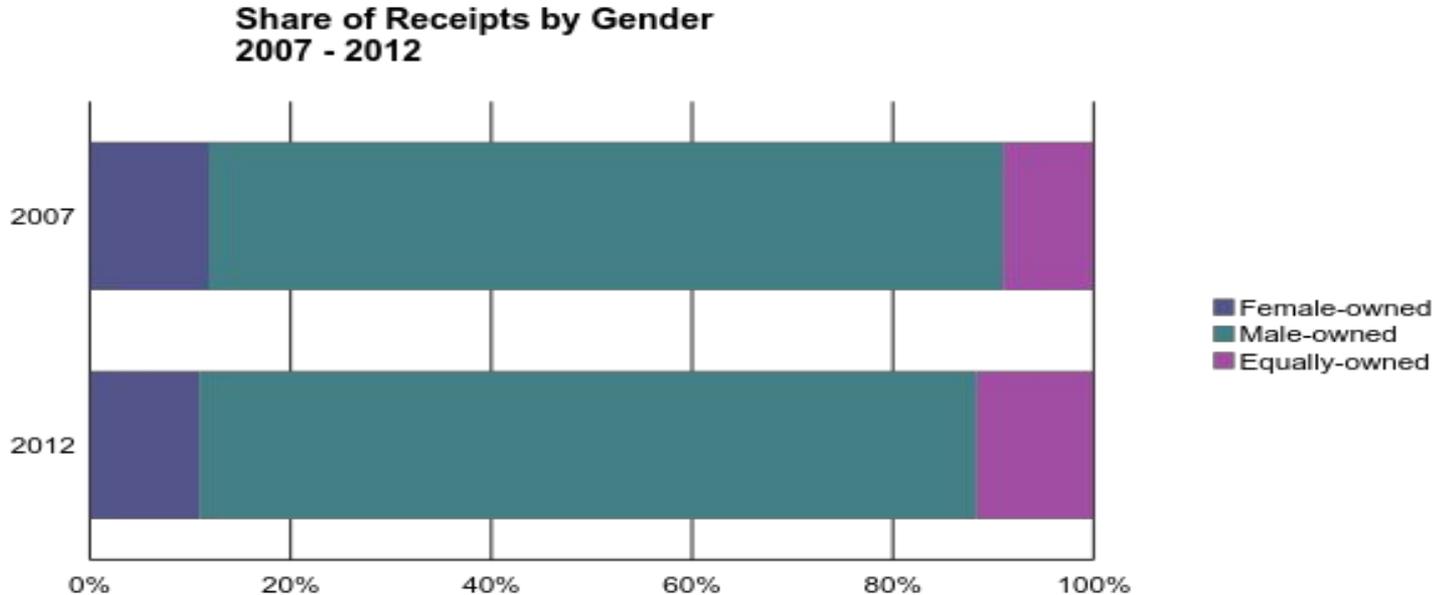
- 2012 SBO shows that there are nearly **10 million** women-owned firms.
- These firms generate over **\$1.4 trillion in sales** and employ over **eight million people**.
- Yet, only 2 percent of women-owned firms have more than 10 employees, while 91 percent of women-owned firms have no employees other than the owner.

The SBO conducts research every five years, in years ending with 2 and 7. The most recent data, released in 2015, was compiled in 2012. This data is collected through the U.S. Census.

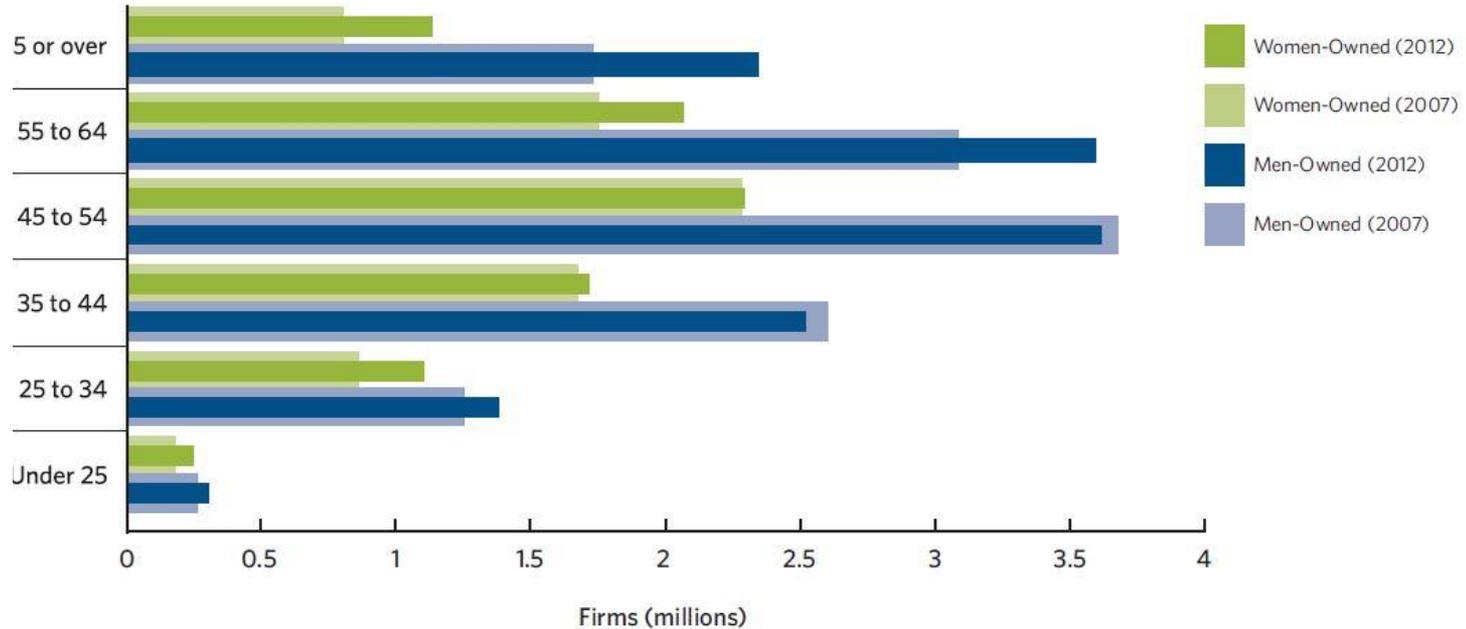
BUSINESS OWNERSHIP BY GENDER

As of 2012:

- Women own **36%** of all privately-held businesses but only make up **12%** of receipts.
- Men own **55%** of all privately-held businesses but make up **79%** of receipts.
- Equally-owned firms own **9%** of all privately-held businesses but make up **9%** of receipts.

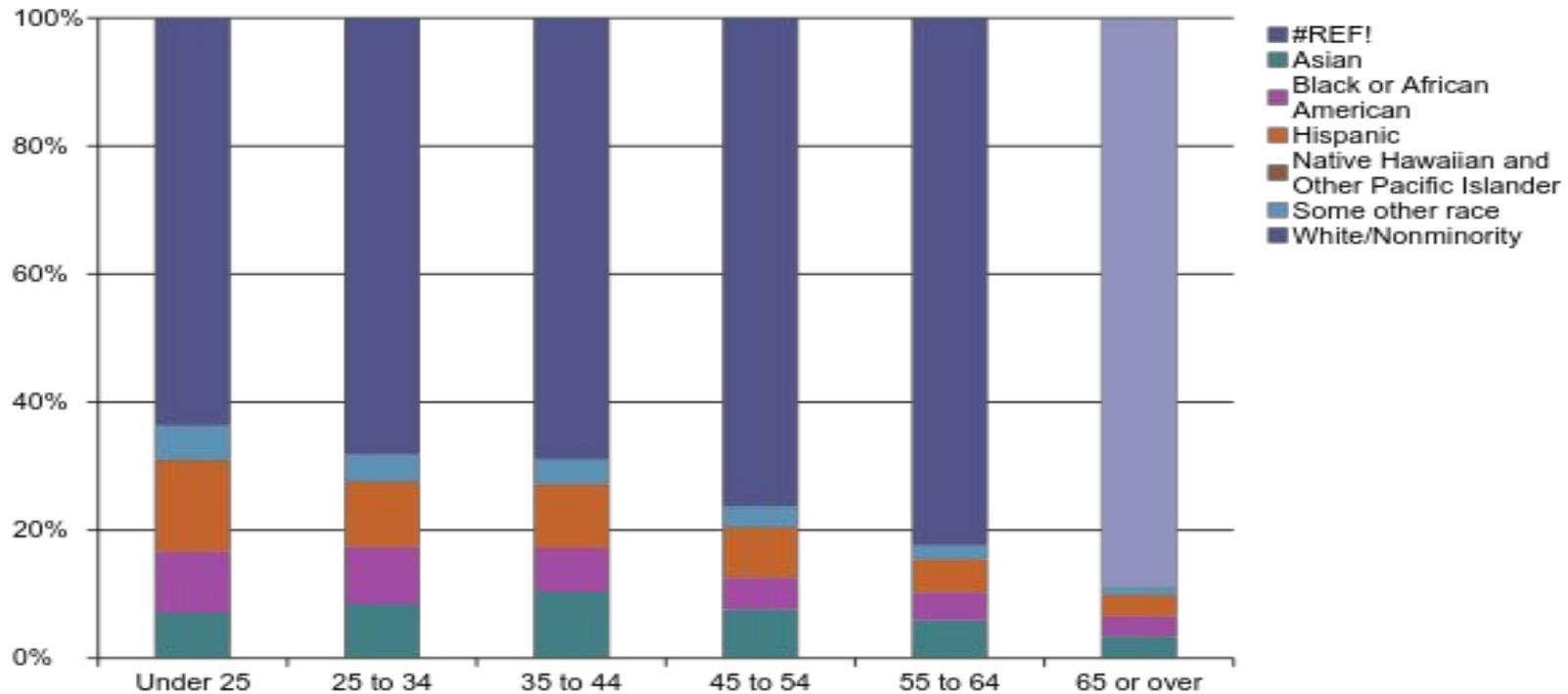


AGE & GENDER COMPARISONS



While men outnumber women in every age group, the difference is smallest for business owners under the age of 25.

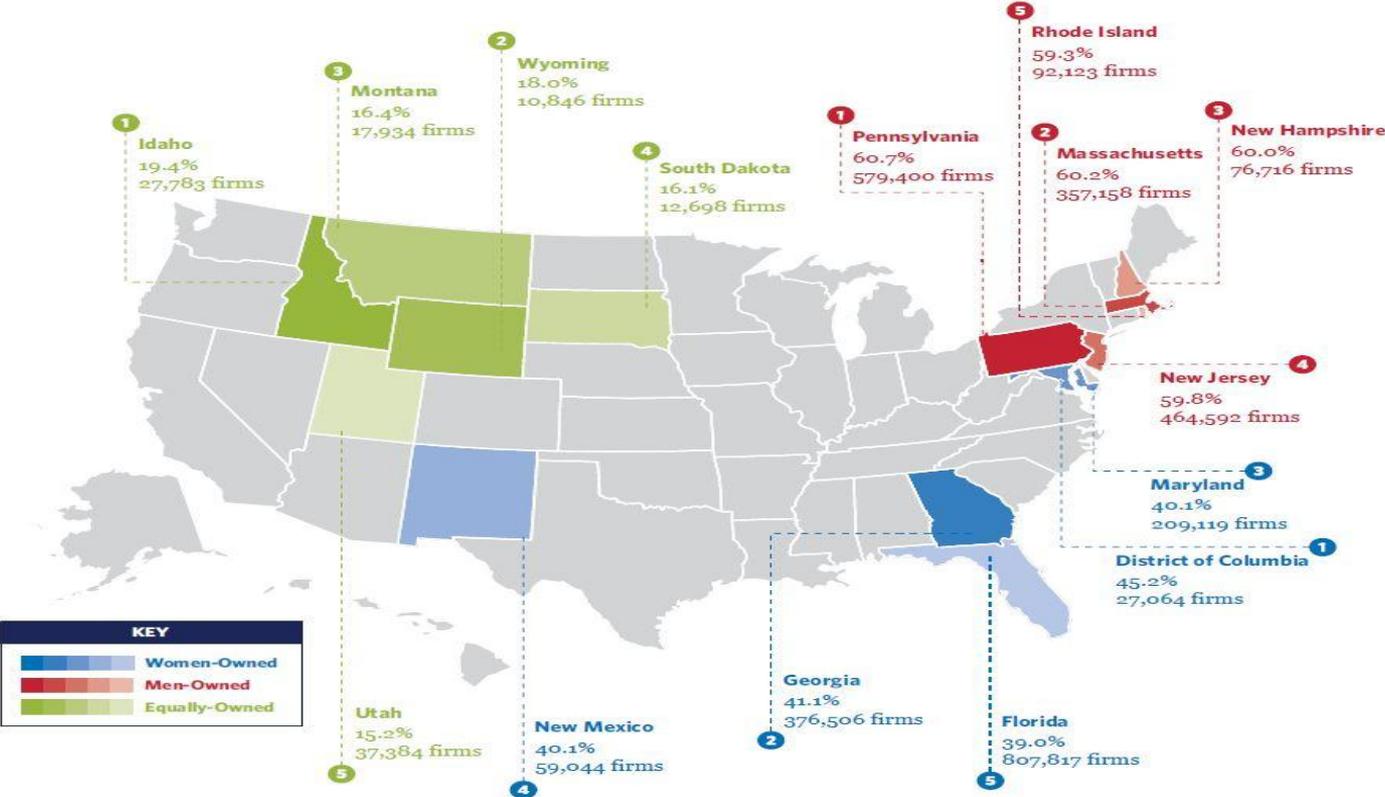
AGE & RACIAL/ETHNIC DIVERSITY



GROWTH OF WOMEN-OWNED BUSINESSES BY GEOGRAPHY

- The sharpest rise in the number of businesses is happening in the south.
- The top states for growth are: Georgia (+92%), Mississippi (+89%), Texas (+85%), Florida (+85%), and Louisiana (+74%), with four out of the five fastest-growing metropolitan areas for women-owned firms also in the South.
- There are 19 states in which post-recession growth in the number of women-owned firms is at least 10 points higher than pre-recession growth – and most are in the North Central or Midwest regions of the U.S.

TOP STATES BY PERCENTAGE OF OWNERSHIP



WOMEN-OWNED FIRMS BY RACE & ETHNICITY

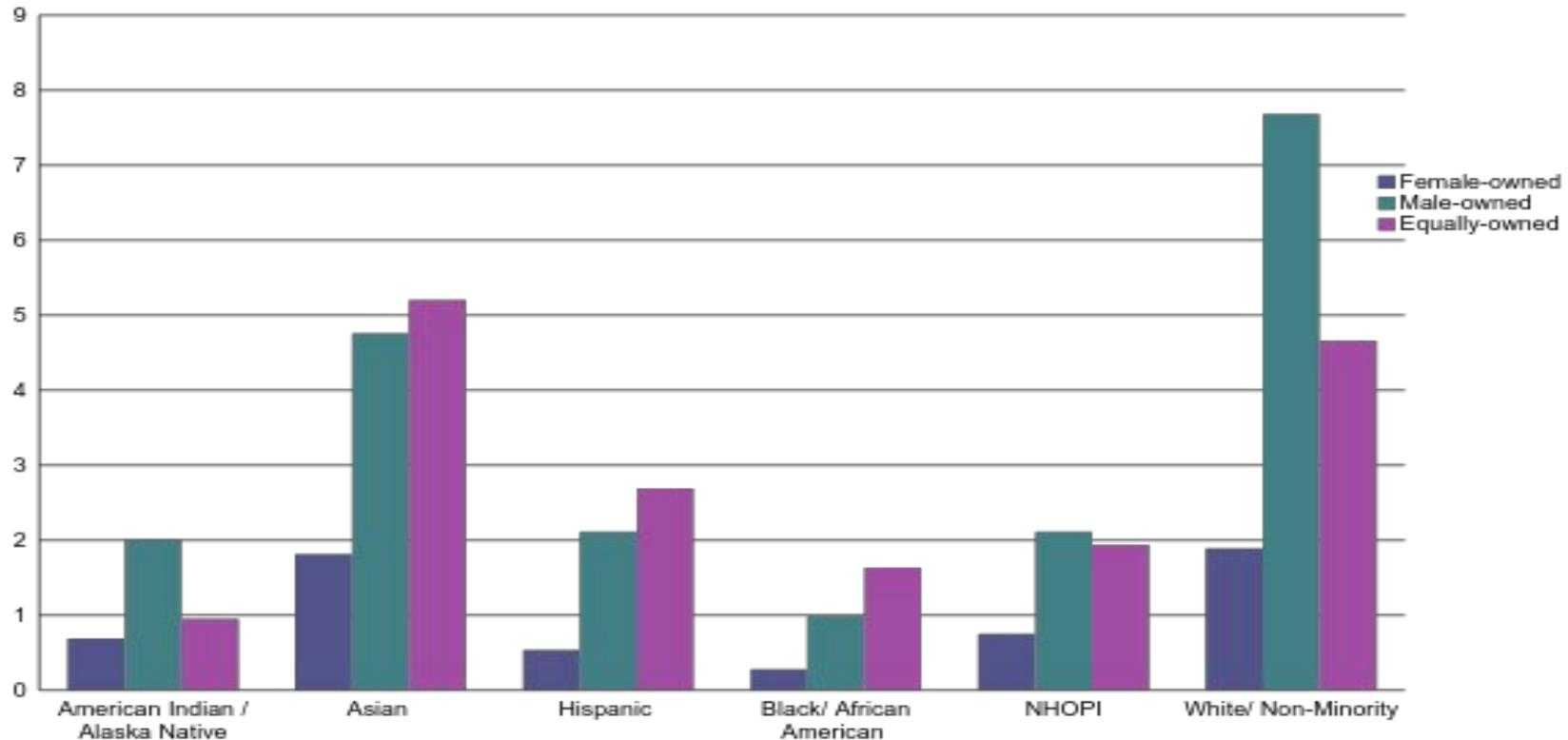
- As of 2012, there are nearly **3.8 million businesses** owned by women of color. In 2002, there were fewer than one million minority women-owned businesses.
- Between 2002 and 2012, the number of non-minority women-owned businesses grew by just 9 percent, while the number of minority women-owned businesses overall grew by 315 percent. This means that four in ten firms are minority women-owned.
- There are now **more than 383,000 female veteran-owned businesses** in the U.S. This is an **increase of 295 percent since 2002**.

WOMEN-OWNED FIRMS BY RACE & ETHNICITY

Women-Owned Firms by Race/Ethnicity, 2012

Race/ Ethnicity	Number of Firms in 2012	Share of Firms Racial/Ethnic Categories for WOBs	Receipts of all Firms (\$1,000)	Share of Receipts by Racial/Ethnic Categories for WOBs	Number of Employer Firms	Receipts of all Employer Firms (\$1,000)	Employment	Payroll (\$1,000)
Black or African American	1,521,494	58.9%	42,225,349	28.1%	38,609	21,508,074	316,977	7,703,359
American Indian /Alaska Native	131,064	48.0%	9,057,458	23.3%	7,759	6,729,184	55,011	1,662,642
Native Hawaiian/ Other Pacific Islander	24,982	45.6%	1,879,024	23.1%	1,467	1,367,951	11,701	376,744
Hispanic	1,469,991	44.5%	78,679,717	16.6%	67,079	51,379,695	470,726	13,151,297
Asian	749,197	39.1%	135,676,380	19.4%	126,328	112,941,356	804,276	22,618,160
White/Nonminority	6,091,716	32.1%	1,151,560,159	11.0%	793,515	994,463,632	6,754,361	217,546,451

AVERAGE RECEIPTS BY RACE/ETHNICITY, 2012





REVIEWING THE RESEARCH: BLACK WOMEN'S ENTREPRENEURSHIP

58.9%

Total percent of **all** Black owned firms started and owned by Black women

KEY NUMBERS HIGHLIGHTS

1.5 M

Total number of Black women owned firms in US

97.5%

Number of Black women owned firms with **no** employees

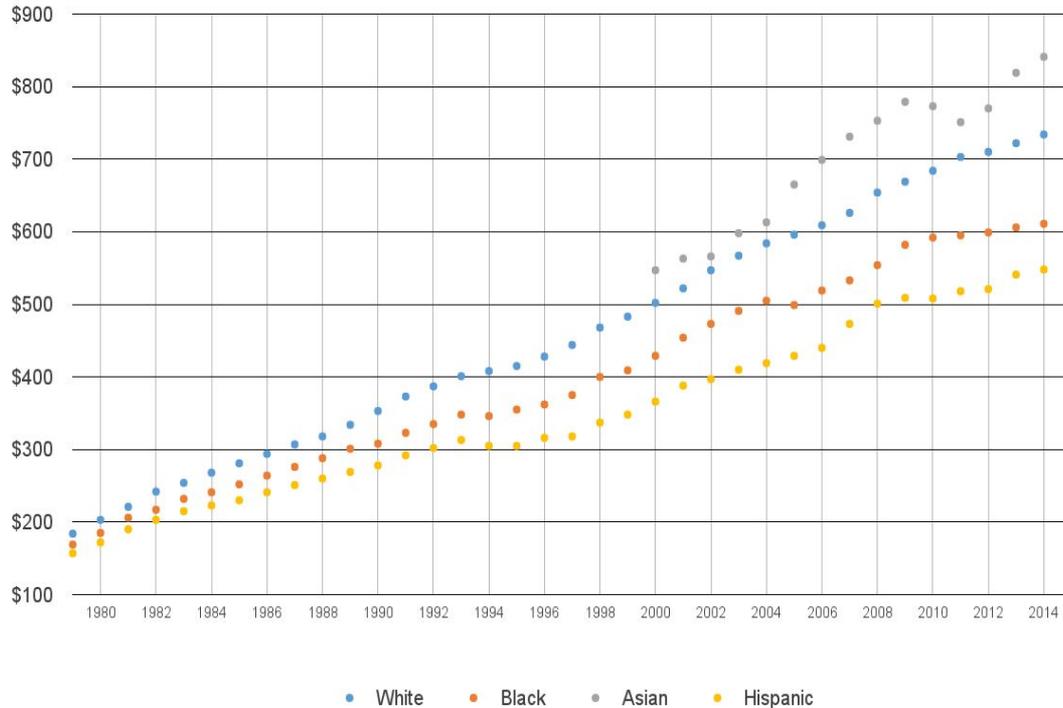
0.2%

Percentage of Black women owned firms that receive venture capital investment

\$42 B

Total gross receipts by Black women-owned firms

HISTORICAL WAGE GAP



Black women have participated at **higher rates than any other ethnicity of women in the US labor force**, however Black women continue to experience a **weekly wage gap of roughly \$123** against their white female counterparts

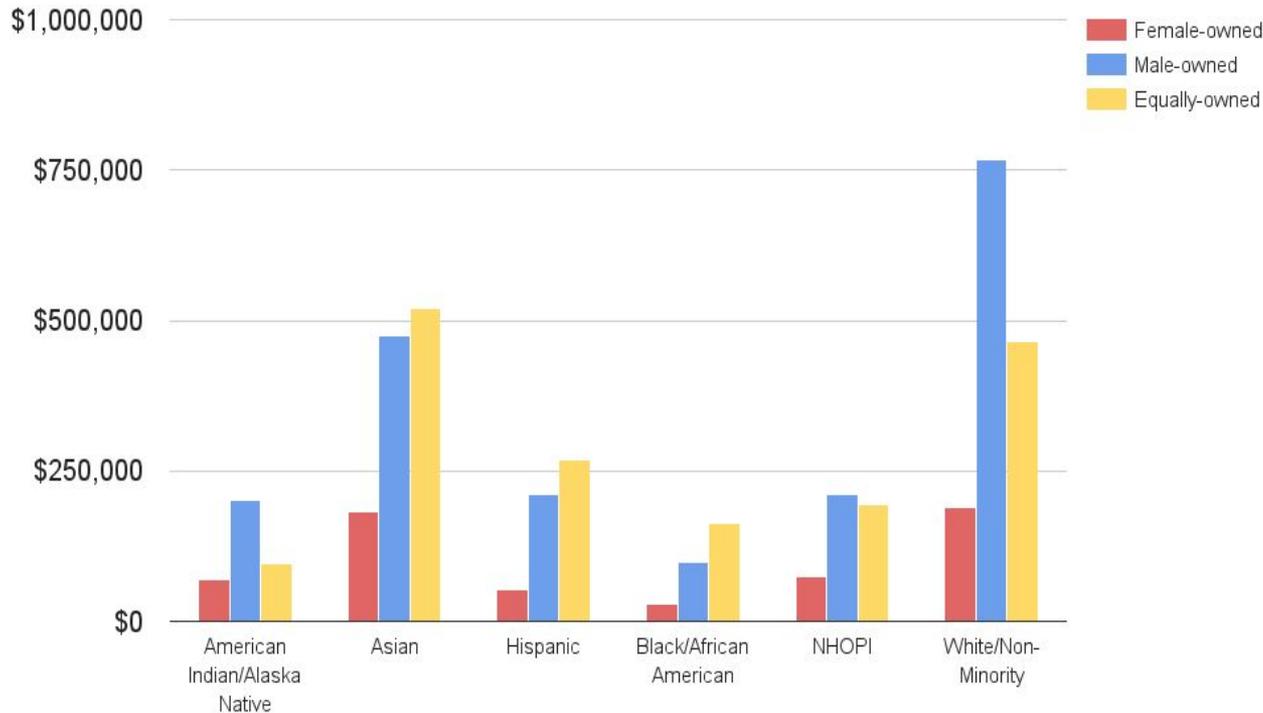
(Source: U.S. Bureau of Labor Statistics. BLS Report: Women in the Labor Force: A Data Book. December 2015.)

\$100

Median net worth of single Black woman

(Source: Insight Center for Community Economic Development, 2010.)

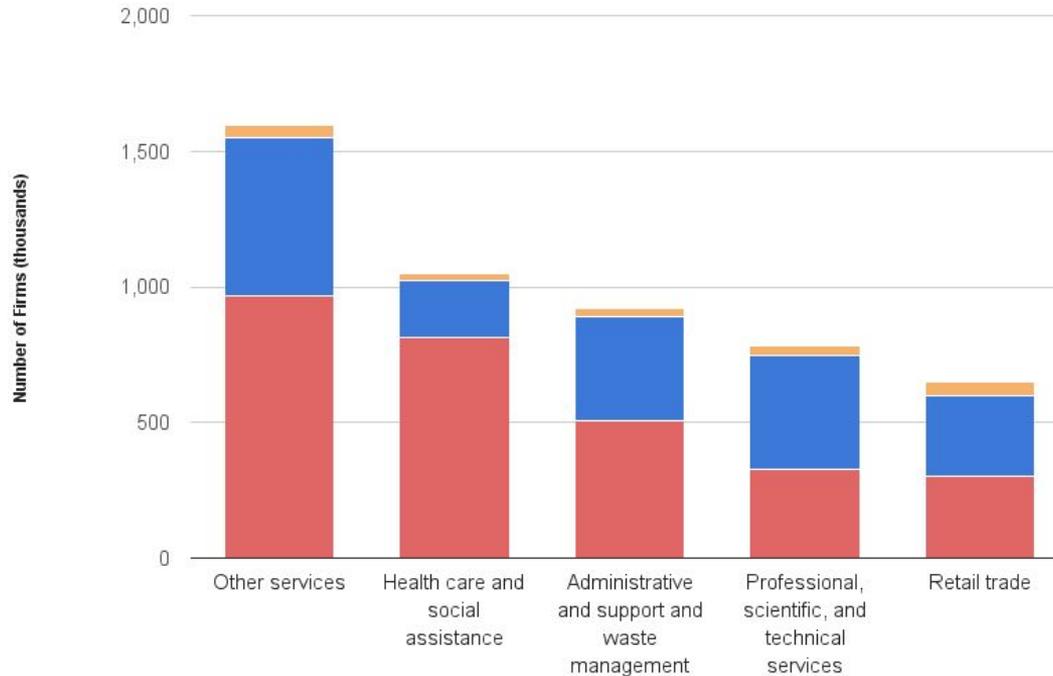
AVERAGE GROSS RECEIPTS BY RACE/SEX/ETHNICITY



Despite representing the largest proportion of Black owned firms, Black women business owners still maintain **lower than average receipts** against their counterparts in both gender and ethnicity at **\$27,735 for Black women vs. \$98,665 for Black men.**

(Source: U.S. Bureau of Labor Statistics. BLS Report: Women in the Labor Force: A Data Book. December 2015.)

TOP 5 INDUSTRIES BY MINORITY WOMEN-OWNED BUSINESSES



Social services and administrative and support waste management remain two of the largest sectors for women-of-color and black-women-owned firms.

(Source: Survey of Business Owners and Self-Employed Persons (SBO), US Census Bureau, 2012.)

KEY MOTIVATORS FOR BLACK WOMEN ENTREPRENEURS

OVERCOMING DISCRIMINATION

Black women experience the impacts of both gendered and racialized discrimination. Discrimination in the workplace is cited as a motivator for Black Women starting their own businesses.

COMMITMENT TO PROVIDING FOR THEIR FAMILIES

According to the National Women's Law Center, seven percent of household income is spent by families who are paying for childcare. Black women may pursue entrepreneurship due to work-life balance and family needs.

SOCIAL ENTREPRENEURSHIP

Research has revealed a relationship between Black women's entrepreneurial endeavors and their spiritual callings, passions, engagement in social activism, and community as key motivators for business ownership.

KEY CHALLENGES FOR BLACK WOMEN ENTREPRENEURS



ACCESS TO FINANCING

Recent studies have shown that businesses owned by women of color are less likely to be selected for funding from angel investors, venture capitalists, and financial institutions.



ACCESS TO BUSINESS EDUCATION

In addition to limited capital many minority owned businesses lack access to applicable business training and education needed to scale



ACCESS TO MENTORS & SUPPORTS

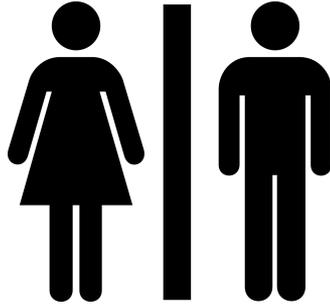
Challenges with obtaining mentorship have presented a much greater hurdle to women of color due to: lack of access to existing networks, lack of early entrepreneurship exposure, and cultural challenges.

KEY CHALLENGES FOR BLACK WOMEN ENTREPRENEURS



FEAR

Recent studies have shown that businesses owned by women of color are less likely to be selected for funding from angel investors, venture capitalists, and financial institutions.



DISCRIMINATION

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FAMILY RESPONSIBILITY

Challenges with obtaining mentorship have presented a much greater hurdle to women of color due to: lack of access to existing networks, lack of early entrepreneurship exposure, and cultural challenges.

EXAMPLES OF SUCCESSFUL BLACK WOMEN ENTREPRENEURS

Madam C. J. Walker: Sarah Breedlove

United States First Female Self-Made Millionaire
& Founder Madam Walker & Co.



Maggie Lena Walker

First Woman to Serve as President & Charterer of a
Bank in the United States;
Founder & CEO, St. Luke Penny Savings Bank



EXAMPLES OF SUCCESSFUL BLACK WOMEN ENTREPRENEURS

Janice Bryant Howroyd,
Founder and CEO of the Act-1 Group



Cathy Hughes
Founder, Radio One and TV One





OUR RESEARCH: RECOMMENDATIONS FOR BLACK WOMEN ENTREPRENEURS

METHODOLOGY

Walker's Legacy, in partnership with the National Women's Business Council, conducted breakout sessions in three cities identified for their significant population of Black female entrepreneurship. Each event was attended by 50+ women.

National Breakout Sessions Conducted in:

- Houston, Texas
- New York, NY
- Washington, DC* (independent breakout session event)

REC #1

Increase the number of Black women investors

- Research conducted by the Diana Project also found that venture capital firms with women partners were more likely to invest in companies with women in leadership.
- Given the lack of angel investors who are both women and of color, qualified Black women should seek to become accredited angel investors for Black women-owned businesses.

REC #2

Improve and expand intentional information and resource sharing targeting Black women business owners.

Intentional dissemination of information and marketing are necessary to ensure that Black women business owners are aware of available resources, know how to access them, and are supported through the application or participation process.

This includes but is not limited to:

- Churches
- Business Associations
- Sororities
- Colleges/Universities
- Community Groups & Organizations

REC #3

Improve and develop local community enterprise resource programs.

- Cultivate flexible and alternative funding sources, and funders who understand the realities of Black women business owners. Participants in this study repeatedly described this as an important business need.
- Create strategies to monitor, train, and support existing financial institutions and funders in engagement and specialties associated with Black female entrepreneurs.
- Congress should continue to allocate needed resources to support Community Development Financial Institutions (CDFIs) the establishment and impact of Community and their respective educational and training programs for women-owned businesses.

REC #4

Further develop mentorship programs and networking opportunities for Black women-owned businesses.

Participants frequently highlighted the need for increased opportunities to network, share, collaborate, and locate high quality mentors. Given that literature identifies a lack of adequate networks as an important barrier for women business owners, support to develop mentorship programs specifically for Black women business owners and to assist them in broadening their business networks is a key intervention.

This includes but is not limited to:

- Development of a database that lists local resources and business owners in the area to assist with this networking process
- Creation of formalized programs like those established by Walker's Legacy, which directly connect Black women business owners to mentors and sponsors

REC #5

**Encourage
Entrepreneurship
Curricula at Historically
Black Colleges and
Universities (HBCU) and
Encourage Universities
and Colleges that
Currently have
Entrepreneurship
Programing to Expand
and Incorporate Diverse
Curricula**

- Research has shown that institutions within the HBCU network, regardless of gender focus, both enroll and graduate more Black women than men.
- These institutions should continue this trend as this will help create the next generation of entrepreneurs and should consider partnering with HBCUs to develop curricula that meets the needs of minority business owners.
- Creating curricula across institutions that address the challenges of women entrepreneurs and minority women entrepreneurs ensures that a greater percentage of minority women can take advantage of these courses.

REC #6

Conduct additional qualitative and in-depth research on Black women business owners.

- Additional in-depth and qualitative inquiry is needed to further illuminate Black women's experiences.
- Potential opportunities include meaningfully study the use and impact of government programs such as 8A or the women-owned business certification process. Research could also include investigations of need-based entrepreneurship, the impacts of fear on business start-ups, or loan application processes.



FOR MORE INFO: www.walkerslegacy.com or www.nwbc.gov