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STRENGTHENING THE ENTREPRENEURIAL ECOSYSTEM FOR MINORITY WOMEN

HEARING

BEFORE THE

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

MAY 8, 2013

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STRENGTHENING THE ENTREPRENEURIAL ECOSYSTEM FOR MINORITY WOMEN

WEDNESDAY, MAY 8, 2013

UNITED STATES SENATE,
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP,
Washington, DC.

The committee met, pursuant to notice, at 10:03 a.m., in Room 106, Dirksen Senate Office Building, Hon. Mary L. Landrieu (Chair of the Committee) presiding.

Present: Senators Landrieu, Heitkamp, Cowan, and Risch.

OPENING STATEMENT OF HON. MARY L. LANDRIEU, CHAIR, AND A U.S. SENATOR FROM LOUISIANA

Chair LANDRIEU. Good morning, and if the witnesses and staff would take their seats, welcome to our hearing this morning on minority women in business and the challenges facing them and the success that they have achieved. I am happy to be joined by my Ranking Member, Senator Risch. I am going to start with an opening statement and then turn it over to our first panel.

Today's hearing will focus specifically on identifying what Federal, State, local, private, and nonprofit solutions work best to strengthen women business ownership opportunities for minority women.

Today's hearing is timely, because this year marks the 25th anniversary of the enactment of the Women's Business Ownership Act of 1988, a landmark piece of legislation that laid the foundation for increased Federal support of one of the largest and most important segments of our nation's economy, women-owned businesses.

Specifically, the Act extended Equal Credit Opportunity of 1974 to include business credit. It may be a surprise to the young women in the room that prior to 1974 and into the 1960s in some States, women could get no credit, personal or business. It was not protected by the law, and it took acts of Congress to make sure that women could get credit personally and in business on their own credit, not having to go through a male partner or a husband.

It required the Census Bureau to more completely count women-owned business enterprises. If you cannot count, then you cannot measure, and the United States has a great interest in measuring the extraordinary contribution that women business owners make to our economy.

And we established the National Women's Business Council, and most significantly to today's hearing, initiated a pilot program of entrepreneurship training that led to the establishment of the U.S.

Small Business Administration's Women's Business Centers, which have been widely supported by men and women in Congress.

Since the law's enactment, women-owned firms have grown and continue to grow in number and economic stature. Broadly, women-owned firms are holding their own, meeting or exceeding average revenue and employment growth when compared to all privately-held firms. According to a recent report by American Express OPEN, from 1997 to 2012, when a number of businesses in the United States increased by 37 percent, the number of women-owned firms amazingly increased by 54 percent, a rate of one-and-a-half times the national average, which is, indeed, impressive.

According to that same report, in 2012, these firms had revenues of nearly $1.3 trillion, employed 7.7 million workers. In that year, the number of women-owned companies increased by 200,000, which if you think about that, that is 550 new businesses a day.

For minority women, the rates of business starts are just as impressive. Since the SBA Women's Business Centers program was formally authorized in 1991, entrepreneurship and small business ownership among women of color has increased significantly. According to estimates by the Center for Women Business Research, between 1997 and 2004, the number of privately-held firms that are 51 percent or more owned by women of color grew by 55 percent, while all privately-held firms in the United States grew by only nine percent. Today, women of color own 1.9 million of the 7.2 million firms with a majority female ownership, generating $165 billion in revenue and employing 1.2 million people.

Among minority women, Latina-owned businesses are the fastest-growing segment of this group. Currently, one in ten of all women-owned businesses are owned by Latinas, with total receipts of $555 billion.

Additionally, according to the Center for Women Business Research, African American women are starting businesses at three to five times the rate of all businesses, despite facing financial obstacles. Companies owned by African American women grew by 67 percent by 2002 to 2007.

So while this hearing is specifically focused on minority women's business enterprise and entrepreneurship, addressing these issues is a win for all business owners in America.

As I mentioned earlier, women-owned businesses are growing at extraordinary rates, but women business owners, like all business owners, are still struggling, with limited access to capital and credit. Access to Federal contracts is sometimes difficult, and local and State contracts. Limited funding for technical assistance and counseling programs, sometimes it is difficult to access. And, I would say, regulations at the local, State, and Federal level also inhibit—unnecessary regulations—the growth of some businesses. So there are challenges out there and our committee would like to review them.

As we examine ways to solve these problems, we will have opportunities to find ways to grow our economy, and that is our overall goal. In addition, any time small business owners achieve success, it leads to more job creation, which boosts our overall economy. As President Kennedy once said, and has been often repeated, a rising tide lifts all boats. We would like to see small businesses grow and

expand and accelerate, creating the jobs that Americans need and opportunities for entrepreneurship to really boost our economy and push our economy forward.

In closing, it is critical to the nation's economic future that we create more of these success stories, not less. The more direct way to achieve this goal is to adequately invest in programs that work, that harness the entrepreneurial potential of minority women that are such a tremendous untapped, unrealized asset in this nation.

I look forward to hearing from our committee members on both sides of the aisle as well as our witnesses today, from the administration. We have Marie Johns, Deputy Administrator of the Small Business Administration. Marie, I know you have announced that you are retiring. We are sorry to see you go, but we thank you so much for the years that you have spent after an extraordinary career in the private sector helping the Small Business Administration reshape and refocus its entrepreneurship endeavors. You have done that on behalf of the 28 million small businesses in our country and we are very, very grateful.

We also have Alejandra Castillo, National Deputy Director of the Minority Business Development Agency within the Department of Commerce, and then I will introduce our second panel at the time that they come forward.

Let me recognize my Ranking Member, who is going to have to leave for a Joint Meeting of Congress, very important, but I thank him for attending this morning.

OPENING STATEMENT OF HON. JAMES E. RISCH, RANKING MEMBER, AND A U.S. SENATOR FROM IDAHO

Senator RISCH. Well, Madam Chairman, thank you very much, and thank you for holding this hearing. I think everyone certainly agrees with you that the rising tide lifts all boats and it is important that we focus on that. When we do have a rising tide, every single member of our community has more opportunities than they would otherwise. So it is important that we do focus on that and look at all aspects of the community, including the one we are going to focus on today.

Thank you so much for the hearing.

Chair LANDRIEU. Thank you very much.

Ms. Johns, you can begin.

STATEMENT OF MARIE C. JOHNS, DEPUTY ADMINISTRATOR, U.S. SMALL BUSINESS ADMINISTRATION, WASHINGTON, DC

Ms. JOHNS. Thank you, Chair Landrieu. Thank you, Ranking Member Risch. I am very pleased to be here today.

Twenty-five years after the enactment of the Women's Business Ownership Act, women-owned and minority-owned businesses are two of the fastest growing segments of new businesses in today's economy. Recent estimates show the number of women-owned businesses alone have grown 59 percent since 1997, nearly double the rate of men-owned firms during that period.

We know that minority women-owned firms are leading the charge in growth in terms of business creation. For example, from 1997 to 2007, the number of African American women-owned firms increased by more than 191 percent, and Hispanic women-owned

firms increased by more than 133 percent. However, we know that gaps remain. While women today own 30 percent of businesses, they are still receiving only about ten percent of revenues.

And while the nation's economic recovery is moving forward, that recovery has been uneven, particularly for small business owners in traditionally underserved communities. As Deputy Administrator, I have had the opportunity to visit many of these communities and to work with small businesses to access the tools and resources they need to succeed.

To further our efforts, SBA convened our Council on Underserved Communities in 2011 to create a more comprehensive approach to addressing the needs of small businesses in underserved communities. And the following year, we led an administration-wide effort in conjunction with the White House Business Council to hold a series of urban economic forums across the country.

Building on these conversations, SBA has tailored programs to improve access and opportunity in underserved communities through our "three Cs": Counseling, contracts, and capital.

As you know, the Women's Business Ownership Act helped pave the way for the Women's Business Centers program. Today, SBA oversees a national network of more than 100 Women's Business Centers that support women who want to start or grow their business. In the last year alone, we provided counseling to more than 500,000 women entrepreneurs and small business owners with the help of our resource partners and successful education programs, such as Start Young, which leverages our Federal and resource partner network to educate young Job Corps participants about small business opportunities.

Across its programs, SBA has also learned that intensive entrepreneurship education for existing business owners, especially in underserved communities, has a powerful positive impact, filling gaps in training and access. And research suggests individuals in underserved communities are 50 percent more likely to become business owners and business growth in underserved communities equals job growth closer to home.

Building on our current efforts, President Obama's fiscal year 2014 budget invests $40 million in entrepreneurial education to leverage private and public sector best practices and to help boost existing small businesses to the next level of growth. In addition to counseling, SBA is working to ensure that small business owners in underserved communities have access to the capital they need to start and grow their business. According to the Urban Institute, SBA loans are three to five times more likely to go to women and minority-owned businesses than conventional loans. And we are working to fill existing market gaps for underserved communities across the board with both micro loans and smaller-dollar loans.

We have already expanded and simplified our Community Advantage program and streamlined our signature Small Loan Advantage program, and the President's fiscal year 2014 budget plans to eliminate fees for borrowers and lenders for all 7(a) loans under $150,000 in fiscal year 2014.

Additionally, SBA is working to ensure that more qualified women-owned and minority-owned small businesses are able to compete for government and commercial supply chain opportuni-

ties. Over the past four years, SBA has made significant progress to create more opportunities for entrepreneurs from underserved communities, and I have seen firsthand the benefits of these initiatives for small business owners in communities nationwide.

Senator, as this is my last time appearing before this committee, I would like to conclude by noting that my tenure as SBA's Deputy Administrator has been more than just a job for me. It has been a fulfillment of my lifelong passion for supporting small business growth and economic empowerment. I am very proud of the work we have done at the agency, and I am deeply grateful to you for your support. Thank you.

[The prepared statement of Ms. Johns follows:]

U.S SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

WRITTEN TESTIMONY OF

MARIE C. JOHNS
DEPUTY ADMINISTRATOR
U.S. SMALL BUSINESS ADMINISTRATION

BEFORE THE

U.S. SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

MAY 8, 2013

Chair Landrieu, Ranking Member Risch and members of the Committee – I'm pleased to be here today.

Twenty five years after the enactment of the Women's Business Ownership Act, women-owned and minority-owned businesses are two of the fastest-growing segments of new businesses in today's economy. Recent estimates show the number of women-owned businesses alone has grown 59% since 1997, nearly double the rate of men-owned firms during that period.[1]

We know that minority, women-owned firms are leading the charge in growth in terms of business creation. For example, from 1997 to 2007, the number of African American, women-owned firms increased by more than 191% and Hispanic women-owned firms increased by more than 133%.[2]

However, we know that gaps remain—while women today own 30% of businesses, they're still receiving only about 10% of revenues.[3]

And while the nation's economic recovery is moving forward, that recovery has been uneven, particularly for small business owners in traditionally underserved communities. America's largest inner cities account for 30% of minority poverty, and analysis by the Institute for a Competitive Inner City shows 71% of firms in those communities lack the capital they need to expand.

As Deputy Administrator, I've had the opportunity to visit many of these communities, and to work with small businesses to access the tools and resources they need to succeed.

To further our efforts, SBA convened our Council on Underserved Communities in 2011 to create a more comprehensive approach to addressing the needs of small businesses in underserved communities.

[1] U.S. Census Survey of Business Owners
[2] Ibid.
[3] Ibid.

And the following year, we led an Administration-wide effort, in conjunction with the White House Business Council, to hold a series of Urban Economic Forums across the country. The forums reached more than 30,000 participants in-person and online.

Building on these conversations, SBA has tailored programs to improve access and opportunity in underserved communities through our "three C's": counseling, capital and contracting.

As you know, the Women's Business Ownership Act helped pave the way for the Women's Business Center program. Today, SBA oversees a national network of more than 100 Women's Business Centers that support women who want to start or grow their business.

In the last year alone, we provided counseling to more than 500,000 women entrepreneurs and small business owners with the help of our resource partners and successful education programs such as Start Young, which leverages our federal and resource partner network to educate young Job Corps participants about small business opportunities.

Across its programs, SBA has also learned that intensive entrepreneurship education for existing business owners, especially in underserved communities, has a powerful positive impact—filling gaps in training and access.

Research suggests individuals in underserved communities are 50 percent more likely to become business owners, and business growth in underserved communities equals job growth close to home: inner city businesses create three times more jobs for residents than similar businesses established elsewhere in the region.

For example, through one of SBA's intensive entrepreneurship education programs focused on urban and Native American communities, the 2011 graduating class created 908 jobs; over 60 percent of graduates increased revenue; and together graduates accessed over $26 million in new financing and over $330 million in government contracts.

Building on these efforts, President Obama's FY 2014 budget invests $40 million in entrepreneurial education to leverage private and public sector best practices, and to help boost existing small businesses to the next level of growth.

In addition to counseling, SBA is working to ensure that small business owners in underserved communities have access to the capital they need to start and grow their business.

According to the Urban Institute, SBA loans are 3 to 5 times more likely to go to women and minority-owned businesses than conventional loans. In 2012, we created our Office of Economic Opportunity. The office is dedicated to leveraging SBA's loan programs across the board to better serve small business owners in underserved communities.

And since President Obama took office, SBA has supported more than $12 billion in lending through more than 35,000 SBA loans to women-owned businesses.

We're also working to fill market gaps for smaller dollar loans and loans to underserved communities across the board.

Since January 2009, SBA has supported more than 16,300 microloans for a total of nearly $188 million, and we know that microloans are a critical resource for minority small business owners. Since 2003, over 27% of microloans supported by SBA have gone to African American small business owners, and nearly 21% have gone to Hispanic small business owners.

We've also expanded and simplified our Community Advantage program, and have streamlined our signature Small Loan Advantage program.

These changes have resulted in a more than 140 percent increase in SLA loans and an over 200 percent increase in the number of lenders using the program.

In FY 2013 alone, SBA has already surpassed total SLA loans and approved SLA dollars for FY 2012 and 2011 combined, with more than 1,700 loans approved for a total of more than $258 million since the start of the fiscal year.

And the President's FY 2014 Budget plans to eliminate fees for borrowers and lenders for all 7(a) loans under $150,000 in FY 2014.

Additionally, SBA is working to ensure that more qualified women-owned and minority-owned small businesses are able to compete for government and commercial supply chain opportunities.

That's why we implemented the Women-Owned Small Business Federal Contract Program, and why we're continuing to enhance our 8(a) Business Development Program for disadvantaged small business owners.

Over the past four years, SBA has made significant progress to create more opportunities for entrepreneurs from underserved communities, and I've seen firsthand the benefits of these initiatives for small business owners in communities nationwide.

As this is my last time appearing before the committee, I'd like to conclude by noting that my tenure as SBA's Deputy Administrator has been more than just a job for me – it has been the fulfillment of a passion rooted in my commitment to entrepreneurship and job creation.

I am very proud of the work we have done at the SBA, and it has been my pleasure to work with you all.

Thank you again.

Marie C. Johns, Deputy Administrator
U.S. Small Business Administration



Marie C. Johns is Deputy Administrator of the U.S. Small Business Administration (SBA), where she is responsible for management of the agency and development of SBA programs and policies. Mrs. Johns was nominated by President Obama on December 17, 2009, and confirmed by unanimous consent in the Senate on June 22, 2010.

Under the Deputy Administrator's leadership, SBA had back-to-back record years in lending, supporting more than $30 billion in loans annually in 2011 and 2012. That is the most capital going to small businesses in the history of the SBA. As the economic recovery takes root, Deputy Administrator Johns is focused on ensuring that entrepreneurs in underserved communities have the resources, relationships, and tools they need to start businesses and create good-paying jobs. She also works closely with President Obama's most senior advisors at the White House to ensure that more federal contracts are awarded to small businesses. In addition to other duties, the Deputy Administrator has the privilege of serving as the chair of the President's Interagency Task Force on Veterans Small Business Development.

Prior to joining the SBA, Mrs. Johns held senior positions in the telecommunications industry, including serving as President of Verizon Washington. In that role, she was responsible for nearly 2,000 employees and more than 800,000 customers, including many small business owners. And she's an entrepreneur herself. After retiring from Verizon, Mrs. Johns started L&L Consulting, LLC, an organizational effectiveness and public policy consulting practice.

Deputy Administrator Johns is very active in her local community, and has made mentoring the next generation of business leaders a cornerstone of her career. Among other honors, she was inducted into the Greater Washington Business Hall of Fame in 2004, named one of the "100 Most Powerful Women" by Washingtonian Magazine, and most recently, was recognized by the Washington Business Journal as a 2012 Minority Business Leader.

Mrs. Johns earned her BS and MPA degrees from Indiana University's School of Public and Environmental Affairs, and was awarded an honorary doctorate of humane letters from Trinity University in Washington, DC.

Mrs. Johns has been married for 42 years to Wendell Johns. They reside in Washington, DC, and have one son, Richard, an attorney in private practice in Washington, DC and Maryland. They are the proud grandparents of Richard Franklin II and Lauren Marie Johns.

Chair LANDRIEU. Thank you very much.
Ms. Castillo.

STATEMENT OF ALEJANDRA Y. CASTILLO, NATIONAL DEPUTY DIRECTOR, MINORITY BUSINESS DEVELOPMENT AGENCY, U.S. DEPARTMENT OF COMMERCE, WASHINGTON, DC

Ms. CASTILLO. Good morning, Madam Chairwoman Landrieu, Ranking Member Risch, and members of the committee. Thank you for inviting the Minority Business Development Agency to appear before the committee and speak on strengthening minority women-owned businesses during the 25th anniversary of the passage of the Women's Business Ownership Act. I ask that my statement be submitted for the record in its entirety.

I would also like to take a moment to thank my friend and colleague, SBA Deputy Administrator Marie Johns, with whom I have had the pleasure of working closely with over the last four years. It is through this partnership that our respective agencies have been able to better assist and enhance the achievements of minority-owned businesses as well as the small business community writ large.

Minority-owned businesses contribute significantly to this nation's economy. According to the Census's 2007 Survey of Business Owners, minority-owned business firms contribute $1 trillion in total economic output and employ nearly six million Americans. They strengthen our global competitiveness. Minority-owned firms are twice as likely to export their goods and services than non-minority-owned firms. They are also three times as likely to derive 100 percent of their revenues from export, and also three times as likely to transact business in a language other than English.

While minority-owned firms, on the whole, are helping grow our economy, minority women entrepreneurs are driving that growth. According to a recent study commissioned by American Express OPEN, there are nearly three million minority women-owned firms. Minority women-owned firms also generate $226.8 billion in total revenue and employ 1.4 million Americans.

In particular, Latina-owned firms have seen tremendous growth over the same period. These firms have tripled in numbers while they have employed—their employment numbers have increased by 74 percent, outpacing women-owned firms in general.

The growth of minority women-owned firms is a positive accomplishment. However, there is still much room for growth. They continue to encounter many obstacles. These obstacles include access to capital, access to contracts, as well as the lack of informal networks to assist in the pursuit of business opportunity.

MBDA helps firms realize their full economic potential through technical assistance, public and private contracting opportunities, and serving as a strategic partner in their growth and development. MBDA is the only Federal agency dedicated to the growth and global competitiveness of the nation's 5.8 million minority businesses.

The bulk of our work is accomplished through our nationwide network of MBDA Business Centers. Each center provides businesses with services to assist them in accessing capital, contract, and new markets, as well as helping them grow in size and scale.

Over the course of the last four years, the MBDA Business Centers have been instrumental in the agency's achieving the highest performance in its history. Since 2009, MBDA has assisted clients in accessing $14.6 billion in contracts and capital, while helping them create and retain over 33,000 jobs. Some of MBDA's biggest successes have been with firms owned by women of color. I would like to take a moment and share a success story with you.

For Mariana Oprea, failure is not an option. After being laid off, she founded Interavia Spares and Services. Her company is a distributor and reseller of aviation parts and materials to an international market of airlines, with 95 percent of her business in export. ISS, Inc. had annual revenues of $3 million until 2009, when it dropped to $1.3 million, due in large part to the recession. With the help of Miami MBDA Business Center, ISS was able to not only recover, but double its profits.

This is just one of the agency's successes with minority women-owned businesses. Soon, MBDA will release its annual report for fiscal year 2012, and I encourage you to review this document and take notice of our ability to work with a business and grow it into a driver of job creation.

Looking ahead, I want to assure each of you that MBDA is committed to strengthening the minority women-owned business community. If we are to create an economy built to last and have a nation that competes globally, the strength of this segment will be a determining factor.

I look forward to working with the committee in this important topic and I look forward to answering your questions.

[The prepared statement of Ms. Castillo follows:]



WRITTEN TESTIMONY OF

ALEJANDRA Y. CASTILLO, ESQ.
NATIONAL DEPUTY DIRECTOR

MINORITY BUSINESS DEVELOPMENT AGENCY
U.S. DEPARTMENT OF COMMERCE

Before the Senate Committee on Small Business and Entrepreneurship

May 8, 2013

Madam Chairwoman Landrieu, Ranking Member Risch, and Members of the Committee,

Thank you for inviting the Minority Business Development Agency (MBDA) to appear before the committee to speak on such a critical topic as strengthening the minority women-owned business community. I ask that my statement in its entirety be submitted for the record.

Minority-owned businesses in general contribute significantly to this nation's economy. According to the *2007 Survey of Business Owners,* minority-owned firms contributed $1 trillion in total economic output to the economy and employed nearly 6 million Americans.[1]

Additionally, minority-owned firms are a driving force for the global competitiveness of the United States economy. As more than 70 percent of the world's purchasing power and 95 percent of its population live beyond U.S. borders,[2] the ability of firms to compete in the global marketplace is a major source of strength for the national economy. To that end, minority-owned firms have the best export statistics of any segment in the U.S. economy. These firms are more likely to export their products and services as non-minority-owned firms, three times as likely to derive 100 percent of their revenues from global transactions, and three times as likely to transact business in a language other than English.[3] With their ability to break down cultural and linguistic barriers, minority-owned firms are helping lead the way to securing our economic prosperity.

While minority-owned firms on the whole are helping grow this nation's economy, minority women entrepreneurs are a driving force of the minority business community. According to a recent study commissioned by American Express OPEN, there are nearly 3 million firms owned by women of color in the United States, comprising one third of all women-owned firms.[4] Minority women-owned firms also generate $226.8 billion in total revenue and employ nearly 1.4 million Americans.[5] Indeed, these encouraging numbers represent a tremendous increase over the last 16 years. For example, in 1997 the same American Express report found that in the United States women of color owned fewer than 1 million firms, and comprised less than 17 percent of all women-owned firms.[6] Latina-owned firms in particular have seen tremendous growth over the last 16 years; the number of these firms has tripled, while their employment has risen 74 percent, outpacing all women-owned firms.[7]

We see that the growth of minority women-owned firms is a positive accomplishment, however, there is still much more room to grow. Though the growth of this segment has generally outpaced the growth of non-minority women-owned firms, firms owned by women of color still lag behind in terms of average employment and revenues. For example, in 2007 the average gross receipts of minority female-owned firms amounted to only $84,000 per firm, less than half

[1] U.S. Department of Commerce, U.S. Census Bureau, 2007 Survey of Business Owners, Preliminary Estimates of Business Ownership by Gender, Ethnicity, Race and Veteran Status (2010), *available at* http://www.census.gov/econ/sbo/ (accessed, April 25, 2013).(2007 Survey of Business Owners).
[2] U.S. Department of Commerce, MBDA, Characteristics of Minority Businesses and Entrepreneurs, An Analysis of the 2002 Survey of Business Owners (March 2008)
[3] 2007 Survey of Business Owners.
[4] American Express OPEN, *2013 State of Women-Owned Businesses Report* (accessed April 25, 2013); http://www.openforum.com/womensbusinessreport.
[5] Id
[6] Id
[7] Id

the average gross receipts of their non-minority female counterparts ($181,000).[8] They continue to encounter obstacles to their continued growth and economic success. These obstacles include access to contracts, access to capital, as well as the lack of informal networks to assist in the pursuit of opportunities. MBDA seeks to help firms realize their full economic potential by facilitating business development opportunities act as a strategic partner in their growth and development.

As the committee is aware, MBDA is the only federal agency dedicated exclusively to the growth and global competitiveness of the nation's 5.8 million minority businesses. Created in 1969 through Executive Order 11458 and later enhanced by Executive Order 11625, MBDA has worked with the growing minority business community to expand its economic footprint and impact on U.S. competitiveness.

The bulk of our work on behalf of minority-owned firms is accomplished through our integrated nationwide network of 39 MBDA Business Centers. Each center provides businesses with a wide range of services to assist them in accessing contracts, capital, new markets, as well as helping them grow to size and scale. The Centers are located in areas with the largest concentration of minority populations and the largest number of minority businesses. Further each center is staffed by business specialists who have the knowledge and practical experience needed to run successful and profitable businesses. Recently, with cost savings realized through a reorganization of the Agency, MBDA was able to further invest in the centers to enhance their reach and service offering to the minority business community.

Over the course of the last four years, the MBDA Business Centers have been instrumental in the Agency achieving the highest performance in its history. Since 2009, MBDA has assisted clients in accessing $14.6 billion in contracts and capital, while helping them create and retain over 33,000 American jobs. This performance represents increases of 108 percent and 48 percent respectively over the period between 2005 and 2009.[9]

Some of MBDA's biggest successes in this four-year period resulted from the assistance provided to firms owned by women of color. I would like to take a moment to share some of our success stories with you:

- Crystal Enterprises is an African American woman-owned food service and facilities maintenance firm based in Maryland. In 2012, with the assistance of MBDA, it received a $6.2 million contract to provide janitorial services for the U.S. Holocaust Memorial Museum. The District of Columbia MBDA Business Center provided support by reviewing the technical and pricing proposal and helping the company to develop a strategy for successfully winning the contract.

  Assistance from the MBDA Business Center directly contributed to Crystal's stellar track record, which recently earned it the "Client of the Year" award by the District of Columbia MBDA Business Center. With continued engagement of MBDA, and over $40

[8] 2007 Survey of Business Owners.
[9] MBDA performance data is maintained in the Agency's CRM and legacy.

million in potential contracts in the pipeline, Crystal Enterprises is positioned to achieve its increasingly high revenue goals for FY 2013.

- Ashford International is a Native American, woman-owned company that offers strategic sourcing solutions to state and federal agencies. Established in 2008, Ashford International initially only offered office products and medical equipment, but through joint ventures and teaming agreements, was able to add a multitude of products and services.

  This was a solid base from which the Indianapolis MBDA Business Center helped expand Ashford's business ventures. The Center has been an invaluable source of consultation and strategic planning that has helped accelerate sales. During 2012, it also helped the company obtain a contract worth $8 million that will ultimately allowed Ashford to retain a dozen jobs and generate another 400 new jobs.

- When Donnelly & Moore Corp., a technology staffing and recruiting firm, got off the ground in 1997, it was a one-woman operation in one of the most competitive business sectors in the country, system conversions. Today, with revenues in excess of $10 million, the firm has broadened its services, providing information technology staffing and full life cycle software development solutions to both public and private organizations.

  Despite major setbacks from September 11, 2001 to super storm Sandy, the company has continued to grow — in part thanks to the help from the New York (Manhattan) MBDA Business Center. The Center provided marketing, consulting, and access to private contract opportunities, which have helped Donnelly & Moore generate 30 new jobs with $15 million in contracts during the past year.

- For Mariana Oprea, failure is not an option. After being laid off due to her employer's restructuring, she founded Interavia Spares & Services (ISS) Inc. in 2003 building on what she knows best – selling aircraft parts. Her company is a distributor and reseller of aviation parts and materials to an international market of airlines, repair stations and other brokers abroad, with 95% of her business in exports. As an international supplier, she communicates in six languages: English, Spanish, Italian, French, Portuguese and Romanian.

  ISS, Inc. had annual revenues of $3 million until 2009, when it dropped to $1.3 million, due in large part to the recession. With the help of the Miami MBDA Business Center, ISS was able to not only recover but double its profits and build a select customer network.

In addition to the work done through MBDA Business Centers, the Agency maintains close relationships with external partners to further our assistance to minority women-owned firms. For example, MBDA works closely with the Women's Business Enterprise National Council, which is the largest third party certifier of women-owned businesses. We have been happy to

have them participate in our event, the National Minority Enterprise Development (MED) Week Conference.

These are just a few of the Agency's successes with minority women-owned business. In the coming days, MBDA will release its Annual Performance Report for Fiscal Year 2012. In it are more examples of the Agency's successes with this sector. I encourage the Members of the Committee to review this document and take notice of our ability to work with a business and grow it into a driver of job creation. For all of our successes, we know that there are many minority women-owned firms out there that are on the verge of taking off and realizing their full potential. All they need is a spark and they will be able to grow, put Americans back to work, and strengthen the national economy. MBDA Business Centers can provide that spark.

President Obama also recognizes the importance of the minority women-owned business community. In terms of women-owned businesses in general, the Obama Administration understands that this sector is a critical part of building a 21st century economy, one that is built to last.

The Administration has been committed to putting in place an effective program to support access to federal contracting opportunities for women-owned small businesses. In 2010, the Administration published a comprehensive women's contracting rule that will help federal agencies meet the 5% contracting goal with women-owned firms and assist these firms to compete in more than 80 industries where they are underrepresented. Moreover, in 2012, to further support the President's commitment to parity in federal contracting, MBDA opened its first Federal Procurement Center in Washington, DC. This center has a unique focus on helping minority-owned firms gain access to the federal marketplace. The center accomplishes this through facilitating relationships between businesses and federal acquisition professionals, encouraging teaming arrangements, and leveraging the center's strategic partnerships.

The Obama Administration has also undertaken several initiatives to increase access to capital, which has long plagued not just minority women-owned firms, but the minority business community as a whole. As I noted earlier, access to capital has been an obstacle to the continued growth of minority women-owned firms, preventing them from competing for contracts or making payroll. In January of 2010, MBDA released a report, *Disparities in Capital Access between Minority and Non-Minority-Owned Businesses: the Troubling Reality of Capital Limitations Faced by MBEs.* Some of the key findings of the report include:

1. Minority-owned firms are less likely to receive loans than non-minority owned firms regardless of firm size. According to an analysis of data from the Survey of Small Business Finances, for firms with gross receipts over $500,000, 52 percent of non-minority-owned firms received loans compared to 41 percent of minority-owned firms.[10]

2. When minority-owned firms receive financing, it is for less money and at a higher interest rate than non-minority-owned firms, regardless of the size of the firm. Minority-

[10] U.S. Department of Commerce, Minority Business Development Agency, *Disparities in Capital Access between Minority and Non-Minority-Owned Businesses: The Troubling Reality of Capital Limitations Faced by MBEs* (2010)

owned firms paid an average of 7.8 percent in interest rates for loans, compared to 6.4 percent for non-minority-owned firms. Among firms with gross receipts under $500,000, minority-owned firms paid an average of 9.1 percent in interest rates, compared to 6.9 percent for non-minority-owned firms.[11]

3. Minority-owned firms receive smaller equity investments than non-minority owned firms even when controlling for firm size, yet venture capital funds focused on investing in the minority business community are highly competitive. The average amount of new equity investments in minority-owned firms receiving equity is 43 percent of the average of new equity investments in non-minority-owned firms.[12]

In response to this issue, the President has taken steps such as infusing capital into community banks through the Small Business Jobs Act. In addition the President has enhanced and expanded loans through the Small Business Administration (SBA), with a focus on underserved communities.

Finally, the Administration is working to ensure the long-term survival and growth of women-owned businesses particularly through building their competitiveness in the global marketplace. Due to the Small Business Jobs Act, there are now more resources available to women-owned firms looking to export. An additional resource available to minority women is MBDA. The Agency has recently adopted a strategic focus on increasing export capacity of the minority business community. As I referenced earlier, this segment has the best export statistics of any other sector in the economy. Over the last two years, MBDA has been able to work with its clients to execute $100 million in export transactions.

I want to thank the Committee for holding this hearing on such a critical element of our nation's economy particularly on the 25th anniversary of the passage of the Women's Business Ownership Act. Looking ahead, I want to assure each of you that MBDA is committed to strengthening the minority women-owned business community. I would urge these businesses to engage our nationwide network of centers and utilize the resources the Agency can offer them. If we are to create an economy built to last and have a nation that can compete in the global marketplace, the strength of this segment will be a determining factor.

I look forward to working with the committee in the future on this topic and look forward to answering your questions.

[11] Id.
[12] Id.

Bio of Ms. Alejandra Castillo

Ms. Alejandra Castillo was appointed in 2010 to serve a s National Deputy Director of the Minority Business Development Agency (MBDA). In this role, Ms. Castillo serves as the principal advisor to the MBDA National Director and manages the day-to-day activities of the Agency and it's national network of more than 40 business centers [1]. This operation expands the U.S. economy and creates new jobs by providing services to promote the growth and global competitiveness of minority businesses.

Under the Obama Administration, MBDA has assisted minority-owned firms in obtaining nearly $4 billion in contracts and capital, creating nearly 6,000 new jobs in FY 2010. As National Deputy Director, Ms. Castillo is also responsible for executing the Agency's mission to help Minority Business Enterprises grow and succeed through access to capital, access to contract and access to business opportunities both domestically and a broad. She has forged important strategic stakeholder relations and key public-private partnerships

Prior to her appointment with MBDA, Ms. Castillo served as Special Advisor to the Under Secretary for the U. S. Department of Commerce's International Trade Administration (ITA) where she was responsible for business outreach and development of policy initiatives geared at trade promotion and enforcement of U.S. trade laws. Ms. Castillo's experience will also be valuable to MBDA as she will play an integral role in developing and implementing MBDA's Global Export Initiative for the minority business community as part of President Obama's National Export Initiative.

A practicing attorney for several years, Ms. Castillo has worked in the private, government and non-profit sector. Prior to joining the Obama Administration, Ms. Castillo served as the Executive Director of the Hispanic National Bar Association headquartered in Washington D. C. During her tenure at HNBA, she was instrumental in working with the White House, as well as other non-profit organization, such as the Latinos for a Fair Judiciary, in support of t he nomination and confirmation process to the Supreme Court of Justice Sonia Sotomayor. Ms. Castillo served in the Clinton Administration as a Senior Policy Analyst to the Deputy Director at the White House Office of National Drug Control Policy (ONDCP), and was responsible for developing and analyzing White House initiatives on anti-drug traffic and interdiction, anti money laundering policies, as well as drug prevention and treatment programs.

A native of New York, Ms. Castillo holds a Bachelor Degree of Arts from the State University of New York at Stony Brook in economics and political science. Ms. Castillo holds a Master's degree in Public Policy from the Lyndon Baines Johnson School of Public Affairs, University of Texas at Austin and has a Juris Doctorate degree from American University - Washington College of Law. Ms. Castillo is active in a number of civic and professional organizations, including: The Hispanic National Bar Association, and the Hispanic Bar Association of DC, the American Bar Association, and serves a Board Member of the Dominican American Society of Queens, NY among others. In 2010, Hispanic Business Magazine recognized Ms. Castillo among the Top 100 Influential Latino in the US; and received the 2010 Rising Star Award by the Hispanic Bar Association of t he District of Columbia.

Chair LANDRIEU. Thank you very much, and we do have a few.

Let me start with you, Ms. Johns. In your testimony, you mentioned the SBA's efforts to provide counseling, training, and other technical assistance through the Women's Business Centers program. Some have argued that this program is duplicative. There have been reports that have come out from any number of Senators arguing that there is too much duplication in this space between the Department of Commerce, Department of Agriculture, and the Small Business Administration. How do you answer those charges, and how are the Women's Business Centers unique, and what kind of partnerships do they provide with some of these other agencies?

Ms. JOHNS. Thank you for that question, Chair Landrieu. Our Women's Business Centers are part of what we like to describe as the ecosystem of our resource partner network on the ground. The SBA is a small agency, but we have one of the best ground games in the Federal Government in terms of the support that we provide through our 68 district offices. We have a Women's Business Center for the first time under this administration, a Women's Business Center in every jurisdiction, and they work closely with our Small Business Development Centers and our SCORE volunteers to provide the counseling, the training, all of the support that small businesses need across the continuum of their job—their business development.

People come to a Women's Business Center, a woman comes there with an idea, and they want to talk about how to actually get started. Our WBCs also provide a great array of training classes that are very important for the continuum that I have described.

But to get to some of the other elements that make the Women's Business Centers unique and why they are an important part of the network, and that is our Small Business Development Centers are also a very important part of what we do. They are often located on college campuses. For some women starting a business that can be a bit of an imposing atmosphere. Women's Business Centers are generally nonprofits. They are located often in underserved areas. I have had the honor of visiting many of our WBCs across the country and I am always moved and inspired by the stories that I have heard from women who started businesses and talk about the network, being able to talk with women, other women business owners and how important that has been in their business development.

And our WBCs do not operate in a silo. WBC clients are regularly referred to SBDCs for the next stage of the support they need, to SCORE counselors for one-on-one long-term business counseling. So it all works together, and we could no more take our WBCs out of the mix than we could lop off an arm and say that the body still works the same. They are part of the ecosystem and it all works together, and we get the feedback from the over one million entrepreneurs that we counsel every year that the system works.

Chair LANDRIEU. And how many SCORE chapters do we have in the country, approximately?

Ms. JOHNS. We have, roughly—well, we have, of course, SCORE chapters in every one of our jurisdictions. We have about 15,000 SCORE counselors nationwide.

Chair LANDRIEU. And I think it is about 350 chapters, I think. It is approximately 350 chapters, and so you have how many Women's Business Centers?

Ms. JOHNS. We have over 100.

Chair LANDRIEU. A hundred of the Women's Business Centers, about 350 SCORE chapters. We have about 1,000–2,000, actually, banks that are lending through the Small Business Lending programs. And then we have how many Minority Business Centers, Ms. Castillo?

Ms. CASTILLO. We have over 40 different Minority Business Centers throughout the country.

Chair LANDRIEU. Okay. And if the staff could put up, this is just one graph of the Small Business Women's Centers, but if you lay it on top of that, and I am sorry we do not have it to show, because it is fairly impressive, but if you laid on top of this the 39 Minority Business Centers and then the 350 SCORE chapters and then the 2,000 banks that are in almost every community lending through the small business programs, you can see the strong network of resource partners, and that is not including the non-bank lenders which exist in many places.

And I think what we are going to focus on going forward is the coordination, maybe better coordination between all of these. I think there is a lot of coordination going on, but we could always improve and enhance so you could literally get to the point where within a click of a mouse or within 20 minutes of almost anybody's home, even in a rural area, they can get to some partner in this network. Is that generally our idea going forward? What I have just described, is that something that you are thinking of or are already in the process of building?

We will start with you, Ms. Johns.

Ms. JOHNS. Well, Chair Landrieu, we know the budget situation that we are in and we would be remiss as an agency if we were not focused on making sure that we are making maximum value out of every taxpayer dollar. And so we have been very focused at the SBA on coordinating with other Federal agencies and ensuring that there is seamless alignment among our resource partners on the ground.

To give you a couple of examples of where I think our interagency partnerships have been primarily effective, if I may, the President created by Executive Order the Interagency Task Force on Veterans Business Development back in 2010, and the SBA was named Chair of that task force and I have been honored to serve in that position since the task force's inception.

We are working with other Federal agencies at the table—Treasury, GSA, DOD, Department of Labor, the Veterans Administration, OMB. And then we have four individuals representing Veteran Serving Organizations from around the country. And what that task force has been able to do is to provide recommendations for how the Federal agencies can work together more effectively to support veterans, who are very entrepreneurial as a group.

Why this is particularly germane for this hearing, women are serving in unprecedented numbers in the military. In fact, over 280,000 women have served in the Iraq and Afghanistan arenas, and those women are coming back, and just like their male coun-

terparts, many of them have the skills and the energy and the desire to start a business. In fact, I was just in Chicago at the launch of a V–WISE, which is our women veterans entrepreneurship training program in Chicago, where we focus on giving women an intensive opportunity to get the skills and the training that they need to start businesses.

We also have our Start Young initiative that is a partnership with the Department of Labor that I referenced briefly in my opening statement. We know that young people who are in Job Corps Centers around the country are often gaining the skills that are well suited for them to hang out a shingle and start their own small business, whether it is in barbering or computer technology, culinary arts. Those are all small Main Street businesses in the making.

And so the SBA has developed a curriculum for entrepreneurship specifically focused for Job Corps students that we are delivering around the country. We started a pilot in three cities in 2012. We have expanded that to 12 cities this year, and we hope to expand beyond. Our resource partners are very involved. In fact, I was at a Start Young graduation in Milwaukee and the Women's Business Center there has been the faculty for Start Young.

So that is an example. I hope you see those are examples of not only Federal coordination, but also very strong coordination of SBA's resource partner network.

Chair LANDRIEU. And so the fact is, there really are not any bright lines between these entities and we do not really want bright lines because it is sort of a blurring or a coordination of resource partners. Some are funded publicly. Some are funded privately. Some are part Federal, part State. Banks are private entities. They are not necessarily funded by the government. They access government programs of lending to some of their customers. So it is really a blending of, I guess, a resource partner network.

Ms. Castillo, could you comment about the closing of some of your MBDA, Minority Business Development, central offices and your reorganization, why you thought that was necessary, and have you been able to focus some additional investments in centers such as Atlanta, San Antonio, and San Jose, and can you explain a little bit about the actions that you have taken there.

Ms. CASTILLO. Sure. Thank you for the question, Chairwoman. We actually in 2010 started the process of the reorganization, looking at the Federal funding constraints that we had. We wanted to be innovative and really redirect some of our resources to where we actually needed them the most, and that was at our Business Centers. So, indeed, we did close the five regional offices, but we reallocated those funds into our centers and we were able to increase the amount of the grant in some cases and actually create new centers, such as in Fresno. We understood that the on-the-ground operation is really where it is at. This is where the business owners come into contact with the technical assistance that they so desperately need.

And just to add to the previous question in terms of the network, we are leveraging every possible tool that we have, whether it is technology, better technical assistance, and obviously leveraging our Federal partners, not only SBA, but, for example, EX–IM

Bank, making sure that minority-owned businesses that want to export have the proper tools to export successfully. We know that if you try to export and fail, it takes another five to seven years to even consider it. So in that realm, we are actually trying to bring together all of the technical assistance to help minority-owned firms take advantage of the 95 percent of consumers that live outside of the U.S. borders.

Chair LANDRIEU. Thank you.

And Ms. Johns, just a couple more questions. In the budget submitted by Karen Mills, the Administrator of SBA, she submitted to us a new request for $40 million towards an entrepreneurship education program with some guidelines and expressions of how the agency would go about implementing these additional funds.

Could you comment today about some of the thoughts that you are having about how this money, or a portion of it, could be allocated to help strengthen your efforts in entrepreneurship opportunity and expansion, accelerators, and growth for entrepreneurs, particularly with minority women?

Ms. JOHNS. Thank you, Chair Landrieu. I would be happy to do so. What we aim to do with that $40 million is really build on best practices that we know work. Thanks to your leadership and support with the Small Business Jobs Act, we were given $30 million for our Small Business Development Center network. That money was allocated on a competitive process and led to some very innovative programming that SBDCs implemented around the country.

We know that intensive entrepreneurship education is one of the best ways that we can support businesses that are a going concern and to help them grow to that next level. When we look at job creation—and really, this is all about job creation—when we look at job creation, a new business—every job that is started by a brand-new business, there is a factor of two-and-a-half jobs that a going concern can create if that business is given the resources to grow.

So by focusing the $40 million on intensive entrepreneurship education and borrowing from the best practices that we know work, whether it is elements of the Kaufmann Foundation's Fast Track Initiative, the Goldman Sachs 10,000 Small Businesses Initiative, the SBA's own Emerging Leaders program, we have data, we have the experience from those initiatives that we know if we can expand intensive entrepreneurship education for businesses that are already going along, doing well, and with this additional support can grow to the next level, that that is going to have a significant impact on job creation across the country.

So we are borrowing best practices. We are building on what we know works. And that is what the $40 million will allow us to do, to give our resource partner network the opportunity to bid, to bring their most innovative ideas for how to build on that model.

Chair LANDRIEU. So it is not creating a new program——

Ms. JOHNS. Absolutely not.

Chair LANDRIEU [continuing]. It is enhancing the best practices that you all have spent the last few years identifying really work to create jobs.

Ms. JOHNS. That is exactly what we are doing. As I say to my colleagues at the agency all the time, Chair Landrieu, we serve entrepreneurs. As a Federal agency, we must be entrepreneurial. We

must be the most entrepreneurial agency in the government. And competition is important. That is how we get the best ideas. That is how we get the best creative juices flowing and the best new ways of ensuring that we are supporting small businesses. And so this $40 million is giving us an opportunity to tap into the creativity that is resident in our resource partner network, but also building on the best practices that have been proven successes over the years and that we know will work.

Chair LANDRIEU. And let me end this round of questioning with just one last question, and then you are free to add another minute if there is something that I failed to ask you. But, Ms. Castillo, what would you say some of the biggest challenges still are for Latina women, for Latinas, for Hispanic women who are in the business world? What do you hear most often about some of their challenges? Is it lack of access to capital? Is it the lack of education and confidence? Is it the lack of opportunity for government contracting? All the above? But if you could be as specific as you can, based on your own personal experience.

Ms. CASTILLO. So, if we start with the birth of a business, it is education and information. How do I start that business? What type of information do—what type of documentation do I need to register my business? So that is one area.

But, by far, bar none, across the board, it is access to capital. How do I get the capital to start the business, but more importantly, how do I get the capital to grow the business?

MBDA is focused on helping minority-owned firms grow in size and scale. That is the only way that we are going to generate the type of job creation that this nation needs.

But it also goes further down. How do I have access to contracts? As my colleague mentioned, the White House, under the President's guidance, we did a review of the Federal procurement process. We came up with 13 different recommendations. One of the issues is bundling, as you well know. How do we provide information, transparency, level the playing field for small businesses, particularly women, minority, and service-disabled vets, to compete in that procurement process?

So there is a—we have used the word "continuum." There is a continuum as businesses begin, grow, and, one would even argue, succession planning, as well. These are the type of issues that we are all confronting. But in particular for Latina-owned businesses, they are extremely entrepreneurial. Sometimes it is helping them understand the importance of growth and assuring them how to manage that growth. Growth can also be a very challenging process, and that is a type of technical assistance that we provide, making our services available to them.

Just an example on the export, which I have mentioned before. The President announced the Free Trade Agreement with Colombia, Panama, and South Korea. These are the type of opportunities that Latinas are looking for. How do I export to Latin America, for example? They feel comfortable with the language, with the culture. And these are opportunities that our nation really needs to leverage if we are going to remain competitive in the global marketplace.

Chair LANDRIEU. Thank you.

And Ms. Johns, how about for African American women in the general context? Would you agree with the testimony that these are still obstacles and challenges, or in your own experience and what are you hearing, particularly from African American women and other minority women about still some of the most—the toughest problems they confront or the toughest challenges?

Ms. JOHNS. I think I would agree with the comments that the National Deputy Director just made. Many of the issues or challenges are the same.

What I hear often from women as I travel the country is awareness, that we still have work to do and we are working hard to build those awareness gaps to ensure that women business owners, African American, other communities of color, women in general, that all small business owners know about the power of the SBA network, how to connect and how to avail the resources that the agency can provide to the benefit of growing their businesses.

What we have done in our three C areas, we focused early on during our time at the agency in building the tool kit, fixing some of the things that we needed to do, adding new tools like Community Advantage, where we opened our loan portfolio for the first time to include non-depository lenders, those community development financial institutions and micro loan intermediaries who are excellent lenders. They also provide technical assistance. And now, for the first time, with Community Advantage, they are able to take advantage of the SBA's loan guarantee. That is making a difference in terms of providing access to capital, particularly for women-owned, minority women-owned businesses, businesses in underserved areas.

Our Start Young Initiative was an effort to delve more deeply into underserved communities to make sure that we are connecting SBA resources there.

We also have—as far as outreach is concerned, we have been very focused on building better partnerships, because, as I said before, we are a small agency and we need partners in order to be effective in reaching small businesses across this country. So I know that you will be hearing from the Honorable Marc Morial on the next panel, and we are partners with the Urban League. We are partners with the U.S. Hispanic Chamber. We have strategic alliances with these organizations, with the National Minority Supplier Development Council, the U.S. Black Chamber, Women Impacting Public Policy. And all of these strategic alliances have been very effective in helping us reach more women, particularly minority women, and help them grow their businesses or make that decision to start a business.

We just announced with Women Impacting Public Policy two weeks ago a new initiative, ChallengeHER, which is designed to—we are having a nationwide initiative to bring more women into Federal Government contracting. It is a $100 billion opportunity, as you well know. And we know that if we build that pipeline of women who are doing Federal Government contracting, their businesses will grow. They will create jobs.

And we thank you, Senator, for your support of the National Defense Authorization Act, which allowed the ceilings on contract opportunities for women-owned small businesses to be eliminated so

that there are no more barriers, no more boxes that women businesses have to fit in. They can take advantage of any Federal contracting opportunity. and that is why the ChallengeHER Initiative is so important. We want to make sure women know about this opportunity and that they are taking advantage.

Chair LANDRIEU. Thank you.

Do you all have any parting words or comments? We are going to move to the second panel. Anything that I did not ask you that you want to get into the record, something that you want to emphasize? You can take a minute to close. Ms. Castillo.

Ms. CASTILLO. Thank you for that time. I do want to emphasize several things. One is we have talked about building collaboration, public-private partnerships, and this is all under the umbrella of building synergy, building synergy, breaking down silos so that information transfers and flows throughout the network, but more importantly, to service our constituents who are minority-owned businesses.

I also want to emphasize, MBDA has tremendous partners, not just in the Federal Government, but also in the private sector, the National Minority Supplier Diversity Council, which helps us help minority-owned businesses in terms of contracting with the private sector. The Billion Dollar Roundtable is another tremendous effort, as well. We are also partners with the National Urban League with Mr. Morial, We Bank, and so many other organizations that really help to supplement or complement what the Federal Government is doing.

The growth of this segment of the business community is tremendous. I think for our nation, we need to pay attention. We need to invest, because this is the business community. This is what the business community is going to start to look more like in the coming years.

And again, I thank you for the time. I thank you for giving MBDA this opportunity. And to my colleague, I am a tremendous fan and thank you for all the work that she has done.

Chair LANDRIEU. Thank you.

Ms. Johns.

Ms. JOHNS. Chair Landrieu, I want to start my closing opportunity and thank you for this minute to say thank you to you. Your support—it is hard to describe how significant your support has been for so many of the initiatives that we have been able to undertake at the SBA.

The underserved agenda at the SBA is critical work. It is timely. It is important. And it is not yet finished. And so what I would like to emphasize is that what our agency—we are poised to really build on a great foundation, but there is more work to do, and with your support, we are eager and excited to continue that work.

You have held very important conversations about what we know is the very tough challenges of the wealth gap in this country. But I know that small business creation and the jobs that those small businesses create for our economy, that is the answer. And so the more that we can leverage the power of our partnerships, the power of the SBA's network, and bring more underserved communities into job creation, small business creation, that is the answer to building a stronger economy for all of us.

So, again, thank you for your support and for your continued support for this important work of the SBA.

Chair LANDRIEU. Thank you all very much.

We will move now to the second panel. We will hear from Ms. Eva Longoria, who, in addition to being a very impressive and well-known actress is also a nationally-known entrepreneur, has established a foundation dedicated to advancing Latina education and entrepreneurship.

We will also hear from Marc Morial, former Mayor of New Orleans and currently the President and CEO of the National Urban League, which hosts our New Orleans Women's Business Center. We appreciate his longtime work in this area.

And we will finally hear from Sophia Parker and other small business owners who can speak to the importance of Federal programs, specifically in helping their businesses to succeed. And I think we have Ms. Dixie Kolditz and Ms. Marianne Lancaster.

Let us start with Ms. Longoria to begin with on this panel, and you know to limit your opening statement to five minutes. We have your statement, so if you want to summarize it, it is fine, or however you have prepared it, and then we will have a series of questions. Thank you so much for joining us today. Welcome to the nation's capital.

STATEMENT OF EVA LONGORIA, FOUNDER, EVA LONGORIA FOUNDATION, LOS ANGELES, CA

Ms. LONGORIA. Thank you. Thank you, Madam Chair, Ranking Member Risch. I am honored to testify before you today regarding the potential of Latina entrepreneurs and how we can better facilitate their success.

You know me best as an actress, but I am also a Latina entrepreneur. I own two restaurants. I have two fragrance lines. I manage my own production company. And my experience as a Latina entrepreneur has inspired me to launch the Eva Longoria Foundation, which helps Latinas better their futures through entrepreneurial programs and educational programs.

So I am here today because I am dedicated to advancing the cause of my fellow Latina business owners who still face significant challenges in launching and growing their businesses. But I think with the proper interventions, we can create opportunity for more of these women to succeed and to help grow our nation's economy.

More than 25 million Latinas live in the U.S., making us the largest group of minority women in the country. Latinas are one of the most under-leveraged resources and are currently not reaching their potential to become an economic powerhouse. So for ordering them to succeed, we need to address some of the institutional barriers that exist. We also need to engage the private sector to have substantive supplier diversity programs that will help businesses grow.

Minority-owned businesses, especially Latina-owned businesses, are the future of our country, and in order for the U.S. to remain globally competitive, we need to leverage our diversity. Latinas are the fastest-growing segment in small business, as we have said before, and with access to capital, financial literacy, and high-quality

technical assistance and training, Latinas will continue to revitalize neighborhoods across the country.

Statistics show that Latinas are incredibly entrepreneurial, and according to the most recent survey of business owners, the number of Latina-owned businesses has increased at eight times the rate of businesses owned by men. Now, even though Latinas are clearly driven to launch their own endeavors, they face numerous obstacles that prevent them from growing, and many are held back because of lack of access to capital. But with proper training, financial literacy, Latinas could run profitable businesses and effectively scale their operations.

We are seeing women-owned businesses in non-traditional fields like engineering, design, construction, and IT, as well as health care IT, not to mention professional services. Latina-owned businesses are ahead of the curve, and therefore, it is imperative that we help these businesses now.

The question, then, is what can we do to change the trajectory for Latina entrepreneurs? A clear opportunity is to offer the critical resources that Latinas lack, obviously, business training and capital access. So together with Howard Buffett, my foundation launched a program to do just that. During the next four years, the Buffett-Longoria Initiative will issue more than $2 million in micro loans.

To illustrate our impact, I would like to share a story of one entrepreneur we sponsor, Maria. After years as an Avon saleswoman, Maria saw an opportunity to sell fashion products door to door. She had a great idea, but she lacked the capital to stock up on her inventory. So with a $5,000 loan from my foundation, Maria was able to buy merchandise and expand her offerings. In addition to the loan, she received training to create a solid business plan and financial literacy.

With the proper investments, there are many people like Maria out there who are starting businesses and creating jobs, and we can address the institutional barriers that Maria and other thousands of Latina entrepreneurs out there so that they can become the economic engine of this country.

So I have discussed a nonprofit intervention, but we know that government has an important role to play. And since 1988, the Small Business Administration has offered training and financial assistance programs through the WBC. However, without reauthorization from Congress, funding for this program is stuck at the 1999 level. So if Congress really wants to create jobs, it needs to invest in programs like the WBC Centers, which give Latinas the resources they need.

Similarly, the Minority Business Development Agency at Commerce has been able to deliver technical assistance through its Business Centers. They are also helping minority businesses to export, as Alejandra said, especially through Business Centers like in San Antonio, Texas.

So, to conclude, I want to just say, helping Latina entrepreneurs succeed is not only important for their personal livelihoods, but also for our country as a whole. By 2050, Latinas will comprise 15 percent of the U.S. population. And as Latinas become central to the future of America's workforce, I encourage Congress to invest

in their potential, particularly in the fastest-growing fields of science, technology, engineering, and math.

These women are our nation's greatest natural resources and we have to treat them as such. By investing and giving Latinas the tools to unlock their potential, we can create a brighter economic future for our country.

So thank you very much for the opportunity to testify today, Madam Chair.

[The prepared statement of Ms. Longoria follows:]

As prepared May 7, 2013

TESTIMONY OF EVA LONGORIA
FOUNDER, THE EVA LONGORIA FOUNDATION
BEFORE FOR THE
US SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP
WEDNESDAY, MAY 8, 2013
"STRENGTHENING THE ENTREPRENEURIAL ECOSYSTEM FOR MINORITY WOMEN"

Thank you, Madame Chair, Ranking Member Risch, and members of the Committee. I am honored to testify before you regarding Latina entrepreneurs and how we can better facilitate their success. You may know me best as an actress, but I am also an entrepreneur. I own two restaurants, Beso and SHe, and manage my own production company, UnbeliEVAble Entertainment. My experience as an entrepreneur and as a Latina inspired me to launch the Eva Longoria Foundation, which helps Latinas build better futures through entrepreneurship and education.

I am here today because I am dedicated to advancing the cause of my fellow Latina business owners. Latinas face challenges in launching and growing their businesses but, with the proper support, we can create opportunity for more of these women to succeed and help grow our nation's economy.

Challenges for Latina Entrepreneurs

More than 25 million Latinas live in the U.S., making us the largest group of minority women in the country.[i] Despite being such a huge resource, Latinas are currently not reaching their potential as an economic powerhouse, largely due to institutional barriers which we need to address. Let's consider the facts; 25% of Latinas live in poverty[ii] and about one in three drops out of high school.[iii] Latina unemployment is high at 9.3%, compared to 5.9% for white women.[iv] Despite their entrepreneurial track record, when Latinas are in the workforce, they earn lower wages than any other ethnic group of women. For every dollar that a white man earns, a white woman makes $0.89 but Latina earns only $0.59.[v] For context, when Congress passed the *Equal Pay Act* in 1963, women earned $0.59 for every dollar a man made, the same ratio Latinas face today, 50 years later.[vi] Given their lack of opportunity and earning power in the traditional workforce, it is not surprising that many Latinas turn to entrepreneurship as a means to increase their livelihoods.

Statistics show that Latinas are incredibly entrepreneurial. According to the most recent *Survey of Business Owners*, the number of Latina-owned businesses has increased at eight times the rate of businesses owned by men.[vii] However, while Latinas are clearly driven to launch their own endeavors, obstacles prevent them from growing successful businesses. Many are held back by lack of education and limited access to capital.[viii] With proper training and basic financial literacy, Latinas could run profitable businesses and effectively scale their operations. Without the financial history to qualify for a loan and given the demonstrated gender discrimination in the commercial banking sector, Latinas struggle to buy raw materials, pay employees and invest in growth.[ix] As a result, Latina-owned businesses are particularly susceptible to failure.[x] These failures are a missed opportunity for our economy, which depends on small businesses to create two out of every three new jobs.[xi]

Proposed Solutions

The question, then, is what we can do to help empower Latina entrepreneurs to reach their potential. A clear opportunity is to offer the critical resources Latinas lack – business training and capital access.

Together with Howard Buffett, my Foundation launched a program to do just that. During the next four years, we will issue more than two million dollars in micro loans.

To illustrate our impact, I would like to share the story of Maria, one of our clients.[xii] After years as an Avon saleswoman, Maria saw an opportunity to sell fashion products door-to-door. She had a good idea, but lacked the capital to stock up her inventory. With a $5,000 loan, Maria was able to buy merchandise to expand her offerings. In addition to the loan, she received training to create a solid business plan. And now she is earning more from her existing sales route. There are many Marias out there who have great ideas for starting businesses and creating jobs. We see women-owned businesses in non-traditional fields like engineering design, construction, IT and healthcare. With the proper investments and by addressing institutional barriers like access to capital, Maria and the thousands of Latina entrepreneurs out there will further grow the economic engine of this country. In addition, research shows that business ownership can be an important source of job creation and economic development in poor neighborhoods, and that low-income business owners tend to have more upward income mobility than low-income wage and salary workers.[xiii]

So far I have discussed what are currently nonprofit interventions, but we know that government plays an important role. Since 1988, the Small Business Administration has offered training and financial assistance programs through their Women's Business Centers. However, without reauthorization from Congress, funding for this program is stuck at the 1999 level. Similarly, the Minority Business Development Agency at Commerce has been able to deliver technical assistance throughout its Business Centers. They are also helping Minority Businesses to export, especially through the Business Center in San Antonio, TX. **If Congress really wants to create jobs and increase our global competitiveness, it needs to invest in programs like the Women's Business Centers, which give Latinas the resources they need to create thriving small businesses.**

Personally, I would also love to see the government further encourage commercial banks – which live in every town – to allocate a percentage of their lending to this important population.

Conclusion:

Helping Latina entrepreneurs succeed is not only important for their personal livelihoods and those of their families, but for our country. By 2050, Latinas will comprise 15% of the population.[xiv] As Latinas become a larger proportion of America's workforce, I encourage Congress to invest in their potential, particularly in the fastest growing technical fields - science, technology, engineering and math to both harness an untapped resource and help create America's entrepreneurs and innovators of tomorrow. **These women are one of our nation's greatest natural resources and we have to treat them as such.** If we invest in giving Latinas the tools to unlock their potential today, we can create a brighter economic future for our country.

Thank you again for the opportunity to testify.

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[i] National Characteristics: Vintage 2011, U.S. Census Bureau, http://www.census.gov/popest/data/national/asrh/2011/index.html

[ii] "Poverty Among Women and Families," National Women's Law Center, Sept 2011, http://www.nwlc.org/sites/default/files/pdfs/povertyamongwomenandfamilies2010final.pdf

[iii] "Trailing Behind, Moving Forward: Latino Students in U.S. Schools," Editorial Projects in Education, 2012, 4.

[iv] *Employment status of the Hispanic or Latino population by sex and age,* Bureau of Labor Statistics, 4 Nov 2011, http://www.bls.gov/news.release/empsit.t03.htm

[v] U.S. Bureau of Labor Statistics, *Median usual weekly earnings of full-time wage and salary workers by selected characteristics, annual averages* <http://www.bls.gov/news.release/wkyeng.t07.htm> (retrieved January 2013).

[vi] "The Wage Gap Over Time: In Real Dollars, Women See a Continuing Gap," National Committee on Pay Equity, Sept 2012, http://www.pay-equity.org/info-time.html

[vii] U.S. Census Bureau, American Fact Finder, http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SBO_2007_00CSA01&prodType=table

[viii] Valdez, Z., *The New Entrepreneurs: How Race, Class and Gender Shape American Enterprise*, Stanford University Press, 2011, 13.

[ix] Valdez, 79.

[x] Valdez, 74.

[xi] BA Office of Advocacy, Frequently Asked Questions, Sept 2012, http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf

[xii] Name changed

[xiii] Robert Fairlie and Christopher M. Woodruff (2010) "Mexican-American Entrepreneurship," The B.E. Journal of Economic Analysis & Policy: Vol. 10: Iss. 1 (Contributions), Article 10, p. 3, http://www.bepress.com/bejeap/vol10/iss1/art10

[xiv] "An Older and More Diverse Nation by Mid-Century," U.S. Census Bureau Newsroom, 14 Aug 2008, http://www.census.gov/newsroom/releases/archives/population/cb08-123.html

the Eva Longoria foundation

Mission

The Eva Longoria Foundation helps Latinas build better futures for themselves and their families through education and entrepreneurship.

Background

Latinas in the U.S. are a rapidly growing group with extraordinary potential, yet they disproportionately lack educational opportunities and face economic challenges:

- 27% of Latinas live below the poverty line
- 17% of Latinas drop out of high school
- Only 15% of adult Latinas hold college degrees

Despite these discouraging statistics, we are optimistic about the future. Ambitious and hardworking, Latinas are one of the nation's greatest untapped resources:

- 80% of Latina teens in the U.S. aspire to go to college
- In recent years, the number of Latina-owned businesses increased at more than 8X the rate of all businesses owned by men

Strategy

The Eva Longoria Foundation invests in three important areas: raising awareness about the potential of and challenges facing Latinas, increasing the reach of the highest-potential education and entrepreneurship programs, and researching the factors that make Latinas successful.

Awareness

- Inform the public about the massive potential of Latinas and engaging their support of Latina education and entrepreneurship
- Educate the Latina community about available opportunities
- Current projects: Leveraging Eva Longoria's public platform to highlight Latina issues and the Foundation's work in the media

Programs

- Highlight, support and scale effective programs which help Latina students and entrepreneurs
- Current projects: Sponsoring parent engagement courses at predominately-Latino schools, creating a microloan fund for Latina entrepreneurs

Research

- Fund research about Latinas' unique needs and how best to meet them
- Disseminate findings among the public, practitioners and policymakers to inform national efforts to better serve Latinas
- Current projects: Study to identify success factors for Latina high school students

Eva Longoria Bio

Eva Longoria is an actress best known for her role as Gabriel Solis on the hit show *Desperate Housewives*. Her film credits include *The Truth, Long Time Gone, The Sentinel*, and *Over Her Dead Body*, among others. In addition to acting, Eva has produced the National Council of La Raza's ALMA awards, *Harvest* – a documentary about the plight of child farm workers in the US, and *Latinos Living the American Dream* - a film documenting the contributions of Latinos in America. Eva is also co-owner of latin steakhouse Beso Hollywood and SHe Steakhouse in Las Vegas, and she released her New York Times best-selling cookbook, *Eva's Kitchen*, in 2011. In addition to her career, Eva is currently pursuing her master's degree in Chicano Studies at California State University – Northridge.

Eva is an active philanthropist. She founded the Eva Longoria Foundation in 2012 to help Latinas build better futures for themselves and their families through education and entrepreneurship. In her own words, "The growing Latina population is an untapped resource in this country. If we give Latinas the tools to unlock their potential, we will see amazing results." She also co-founded Eva's Heroes, a San Antonio nonprofit that benefits developmentally disabled children, and serves as a spokesperson for Padres Contra el Cancer, an organization supporting Latino families who have children with cancer. Additionally, Eva sits on the boards of the Mexican American Legal Defense Fund (MALDEF) and LA Plaza de Cultura y Artes. She has supported United Farm Workers and the Dolores Huerta Foundation, among other organizations.

In 2011, Eva was appointed by President Obama to the commission on the National Museum of the American Latino, which will house historical artifacts, images, and personal stories documenting more than 500 years of Latino contributions to the U.S. She has received numerous awards for her philanthropy from the Congressional Hispanic Caucus Institute, the National Hispania Leadership Institute, The National Civil Rights Museum, Variety, the Hollywood Reporter, and the Mayor of Los Angeles, among others. Eva served as a National Co-Chair for President Obama's 2012 re-election campaign and Co-Chair of the 2013 Presidential Inaugural Committee.

Chair LANDRIEU. Thank you very much.
Mr. MAYOR. Mr. Morial.

STATEMENT OF MARC H. MORIAL, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL URBAN LEAGUE, NEW YORK, NY

Mr. MORIAL. Thank you. First of all, good morning. And to Chairwoman Landrieu, Ranking Member Risch, let me thank you, and I want to thank the members of your staff and other members of the committee for the opportunity to testify today.

My written statement, of course, is available, and I ask that it be placed into the record.

As leader of the National Urban League, this nation's largest historic civil rights and urban advocacy organization, we serve over two million people a year through a network of 95 affiliates in 35 States plus the District of Columbia, and we serve 300 communities.

The economic empowerment of our nation's historically disadvantaged communities has guided our work for 103 years, and the National Urban League is proud to commemorate the 50th anniversary of the great 1963 March on Washington, a watershed moment in this nation's history that gave voice and momentum to a great movement for social and economic justice that continues to today.

We outlined a number of perspectives on that in this year's 2013 State of Black America Report. One of the most fundamental concepts of economic and social justice and economic self-sufficiency is entrepreneurship. I share with you that according to the Census Bureau, minority-owned businesses owned by women grew faster than all other groups of firms in gross receipts and employment between 2002 and 2007, and I encourage everyone to keep that point in mind throughout this testimony today.

So I commend you and this committee for also marking the 25th anniversary of the Women's Business Ownership Act, another important landmark piece of legislation on this road to social and economic justice which continues today.

Empowering minority and minority women-owned entrepreneurs and accelerating their levels of growth and productivity is critical to strengthening U.S. competitiveness and overall growth. The two are intertwined and linked together. And we believe that a disproportionate number of people of color, particularly women of color, enter the workforce through self-employment and through employment by businesses owned by other women of color. It is so critical to understand that.

Now, when we talk about black-owned businesses, black women-owned businesses, there are approximately 547,000 of them in this country. It is also crucial to note that 45 percent of all African American-owned businesses are owned by women. They comprise over $20.7 billion in revenues, and this is a very important point. They are also crucial sources of employment and job creation. Those 547,000 businesses employ 176,000 workers, and the average black women-owned enterprise employed the equivalent of 6.5 workers, or one worker for every $74,000 of revenue. And when we celebrate this important growth, it is important to note that if we simply empowered each of these 500,000 businesses to employ one

additional person, that would be 500,000 more people employed in this nation.

I would like to point out the important work that the National Urban League has done in this area. We manage ten—ten—Entrepreneurship Centers which serve 9,000 small businesses. These Entrepreneurship Centers are primarily funded through private support and private contributions, including support we receive through our relationship with Stonehenge Capital Corporation and the New Markets Tax Credits Program. We are also part of the Goldman Sachs 10,000 Small Businesses Program. And our Urban League of New Orleans, one of our Entrepreneurship Centers, also manages a Women Business Center, which has been enormously successful in helping people and helping women business owners.

And I just want to share with you the story, Senator, of Charmaine James, the owner of Condall Consulting Group in New Orleans and a client of our Women's Business Resource Center run by the Urban League of Greater New Orleans. Charmaine commenced her business in 2004, shortly before Katrina ravaged the Gulf Coast. Since then, she has rebuilt that business to four full-time employees, annual revenues of $500,000, and projections for this year of a million dollars in sales. She does business with the New Orleans Surging Water Board, the Louis Armstrong New Orleans International Airport, and other private and public agencies. Our work with her has helped her grow this business, and she indicates that without the 10,000 Small Businesses Education Initiative, the Women's Business Resource Center, she would not have been able to do what she has done.

So, since my time is coming to a close, I simply want to share with you that my testimony includes a number of very specific recommendations in terms of what we can do.

But I leave you with this very important thought. The fortunes of the overall economy of the nation cannot be separated from the fortunes and growth of women-owned businesses, specifically businesses owned by women of color. If we want to grow our economy, if we want to strengthen our families, if we want to make America more competitive, I can assure you that there are great rates of return from investing in businesses owned by women, specifically businesses owned by women of color. Thank you.

[The prepared statement of Mr. Morial follows:]



National Urban League | *Empowering Communities. Changing Lives.*

Testimony of Marc H. Morial

Before the

Senate Committee on Small Business and Entrepreneurship

Hearing On

"Strengthening the Entrepreneurial Ecosystem for Minority Women"

May 8, 2013

Madam Chairwoman Landrieu, Ranking Member Risch, members of the Committee, thank you for the opportunity to testify today on the economic significance, and the challenges faced by minority women in job creation and business ownership. I am Marc Morial, President and CEO of the National Urban League. Established in 1910, the National Urban League is the nation's largest historic civil rights and urban advocacy organization serving over 2 million people each year through 95 affiliates in urban communities in 36 states and the District of Columbia.

The economic empowerment of our nation's economically disadvantaged has guided the National Urban League throughout its 103-year history. As we continue our journey toward economic equality in this country, the National Urban League is commemorating the 50th anniversary of the 1963 *Great March on Washington for Jobs and Freedom* – a watershed moment in Black history that gave voice to the hardships facing Blacks as they sought a fair shot at the American dream. We marked this pivotal event and its subsequent impact on our nation by titling our signature publication, the *2013 State of Black America, Redeem the Dream, Jobs Rebuild America*. We have similarly themed our upcoming annual conference in Philadelphia this July given the current unemployment crisis in the communities we serve.

Madam Chairwoman, I commend this Committee for focusing special attention on the role that minority women play in the business ownership world by recognizing the 25th anniversary of the *Women's Business Ownership Act of 1988*. This discussion on how we can build upon this law to address the business environment today is timely and much needed.

One of the most fundamental elements of economic self-sufficiency is entrepreneurship. Small businesses have always played a critical role in the economic well-being of communities of color as job creators and wealth generators. That legacy continues as more minority business enterprises are created at every level, from small/micro operations to rapidly growing

technology companies. According to the most recently available data from the U.S. Census Bureau's Survey of Business Owners, minority female-owned firms once again grew faster than all other groups of firms in number of firms, gross receipts and employment between 2002 and 2007.

Empowering minority and *minority women-owned* entrepreneurs, and accelerating their level of productivity are critical to strengthening US competitiveness nationally and worldwide. Indeed, the implications of strengthening and expanding minority and Black women-owned businesses are especially great if we are to address the unemployment crisis in minority populations given that minorities disproportionately enter the workforce through self-employment or employment by minority-owned businesses (MBEs).[1] Therefore, there is a continuous need to implement programs that address the needs of minority businesses to help them grow faster, particularly in annual sales and employment, and to close the entrepreneurial parity gap.

According to the *State of Minority Business Enterprises, an Overview of the 2002 Survey of Business Owners*, minority business generated over $688 million in annual sales, and employed about 4.7 million people.[2] The report notes, however, that although minority owned firms are increasing in number at a faster pace than the rate of the minority population, the gap in annual gross receipts [only] slightly widened when compared to the share of the minority population.[3] Thus, with increased sources of financing for minority owned businesses at all stages, strategic alliances and access to the marketplace, many minority firms, including those owned by women, can expand and succeed.[4]

Black Women-Owned Enterprises are Integral to Economic Status of Black America

In our *The State of Black America 2008, In The Black Woman's Voice*, we highlighted the importance of Black women-owned businesses. Our commissioned article by Lucy J. Reuben, Ph.D., a professor at Duke University's Fuqua School of Business, provides a detailed analysis showing the significant impact that Black women-owned businesses have in generating economic activity as well as providing large numbers of jobs across our nation.[5] The article found that Black women-owned business enterprises (BWBEs) are increasingly integral to the enhancement of the economic status of Black America.[6] Based upon the latest available data from the U.S. Department of Commerce Census Bureau, the article found that:

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[1] "Make Room for the New "She" EOs: An Analysis of Businesses Owned by Black Females," by Lucy J. Reuben, Ph.D., in *The State of Black America 2008, In The Black Woman's Voice*, National Urban League, 2008, p. 118.

[2] *The State of Minority Business Enterprises, An Overview of the 2002 Survey of Business Owners: Number of Firms, Gross Receipts, and Paid Employees*, U.S. Department of Commerce, Minority Business Development Agency, August 2006.

[3] Ibid. p.1.

[4] Ibid.

[5] Ibid. p. 115.

[6] Ibid.

- Black women are the primary owners of at least 547,032 businesses, meaning that Black women hold at least 51% of the ownership in these important businesses, which are sole proprietorships, partnerships and privately held corporations.[7]
- These Black women-owned businesses represent 45.7% of the total 1,197,567 businesses owned by African Americans.[8]
- Businesses owned by Black women generated approximately $20.7 billion in revenues, which comprises over twenty percent (23.3%) of the revenues of all Black-owned businesses.[9]
- If BWBEs had generated a share of revenues proportionate to their numbers, the receipts would approximate over $40 billion.[10]
- BWBEs are also crucial sources of employment and job creation, where they employed more than 176,000 workers, or 23.4% of the 753,978 workers at Black-owned businesses. The average BWBE employed the equivalent of 6.5 workers, or one worker for every $74 thousand of revenue.[11]

Increasing Revenue for Black Women-Owned Businesses

While we celebrate the progress in expanding Black women-owned businesses, we find that a key challenge faced by such businesses, as well as by Black businesses overall, is revenue growth. The average revenue for all Black women-owned businesses (employer and non-employer firms) is very small – less than $40,000. This average revenue amount for BWBEs is only 54% of the $74,000 for all Black-owned businesses.[12] The research shows that if we are to significantly increase revenues for BWBEs, we must create the opportunity for Black women entrepreneurs to enter and concentrate in those industries that yield higher revenues and profits[13]:

- One of the more significant challenges to BWBEs is that they are concentrated in lower margin industries within the categories of health and social services as well as retail trade. These two industry sectors account for more than 45% of the industry distribution for BWBEs.
- Black women-owned businesses would need to participate in the higher skilled, higher technology sub-segments of these industries in order to realize significant revenue streams and profit margins.
- A tremendous boost to BWBE revenues and profitability would also result from increased participation in the retail related industry sector of wholesale trade.

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[7] Ibid. pp. 115-116.
[8] Ibid. p.116.
[9] Ibid.
[10] Ibid.
[11] Ibid. p. 118.
[12] Ibid. p. 117.
[13] Ibid. pp. 119-123

- Greater participation by BWBEs in the traditionally male dominated areas of the construction industry and manufacturing industry, as well as the higher skilled industry segments of the management services industry or the professional, scientific and technical services industry, are dramatic examples of how these would offer the prospects of much higher revenues. For example, while the 8,772 BWBEs in the construction industry comprise less than 2 percent (1.6%) of the total number of BWBEs, these construction businesses provide more than 5 percent (5.4%) of the total revenues of all BWBEs.

The National Urban League Entrepreneurship Center Program (ECP)

The National Urban League is playing a direct role in the development of minority entrepreneurs, including especially minority women entrepreneurs, in the business world through our Entrepreneurship Center Program (ECP). Now in its 6th year of operation, the goal of the Entrepreneurship Center Program (ECP) is to enable minority entrepreneurs to take advantage of new business opportunities to qualify for financing that will lead to high-level business growth through the provision of proper management skills. Currently, 60% of those served in our ECPs are minority women.

Entrepreneurs who qualify for the program receive individualized management assistance and group training services designed to increase their business acumen and ability to operate their businesses on a profitable basis, increase their market share and offer living wage employment opportunities to residents in their market area. Currently there are ten centers, which operate in Atlanta, GA, Chicago, IL, Cincinnati, OH, Cleveland, OH, Jacksonville, FL, Kansas City, MO, Los Angeles, CA, New Orleans, LA, Philadelphia, PA and Houston, TX (which was opened in 2011).

The overall program has shown steady growth since 2006.

- In 2006, the Centers provided 1,272 hours of management counseling and 1,777 hours of business skills training to 1,164 clients.
- In 2007, the Centers provided 4,102 hours of management counseling and 4,272 hours of business skills training to 2,182 clients.
- In 2008, the Centers provided 9,670 hours of management counseling and 9,424 hours of business skills training to 3,913 clients.
- In 2009, the Centers have provided 8,010.77 hours of management counseling and 7,113.50 hours of business skills training to 4,930 clients.

Given the current state of the US economy, more people are looking at entrepreneurship as a way to provide self-employment opportunities and be able to grow their businesses to a scale which would allow them to employ people in their community.

- In 2010, the Entrepreneurship Centers provided 10,911 hours of counseling and 11,242 hours of training services to 5,938 entrepreneurs. These services assisted entrepreneurs in receiving $20.19 million in new contracts and financing during the year.
- In 2011, the Centers provided 12,146.92 hours of individual counseling and 19,341.25 hours of business training to 8,435 clients. The Centers were also successful in creating and saving 5,453 jobs and assisting clients in receiving over $19 million in new contracts and financing, capping a very successful year.
- In 2012, the Centers provided 13,500.50 hours of business counseling and 23,137.03 hours of business training services to 9,987 clients. The Centers also assisted clients in receiving $447,883,094 in new contracts and business financing, while helping to create 879 jobs.

Program Components

The ECP combines direct entrepreneurial skills development assistance from business mentors with targeted referrals to insure that assistance received by entrepreneurs is specific to their skill level and needs. Components of the program are:

Management Skill Evaluation: Each program participant is evaluated to determine the type of assistance necessary and the source of that assistance.

Relationship Building: Each center develops relationships with outside resources that provide management and technical assistance in the areas such as idea development, operations management, business plan development, marketing, procurement and financing.

Strategic Group Deployment: The grouping of outside resource providers by skill level of clients to ensure that the client is receiving the necessary assistance from the proper resource.

Business Management Training: Clients receive group training sessions on business management topics that can advance their entrepreneurial skill level along with information on new business opportunities and financing options that can be accessed. Training sessions are held monthly through direct sponsorship or co-sponsorships with outside resource providers. Training session topics that are offered include:

- Developing a successful business plan
- Pre-venture business strategies
- Building and marketing your brand
- Conducting market analysis
- Assessing financing needs
- Steps to accessing prime and subcontracting
- Market Development
- Business Growth strategies
- MWBE Certification applications packaging
- Public/Private Sector Procurement matchmaker events

Selection of "Business Mentors": The ECP staff selects 'generalist' and 'specialist' skill set mentors, so that clients can benefit from a full range of management assistance.

Performance Evaluation: Center staff is responsible for monitoring the services of the Business Mentors and outside resource providers to ensure services delivered at the levels are beneficial to the clients.

Program Evaluation: Continuous evaluation of program components is provided and revision of any areas that show deficiencies.

Success of the program is contingent upon the development of a close working relationship between center staff, business mentors and resource providers. It is through these relationships that the development of the clients' entrepreneurial skills and the growth and development of their business model takes place.

All assistance is provided through a common framework and process:

- An assessment is performed
- A development level assignment is made for each client
- Assignment of the type and amount of service provided is based on the assessment
- Development of business skills and information training sessions that will enhance the client's ability to operate his/her business and provide information on new business opportunities and financing options that the client can access for the growth and development of the business
- The performance of "business mentors" and resource providers are assessed based on business results and client feedback

ECP Program Success Stories Involving Black Women-Owned Businesses

Among the National Urban League's Entrepreneurship Center sites, the following provides some of the minority women business client success stories that have been the result of assistance that business owners have received from the Entrepreneurship Center programs.

Philadelphia Urban League

T. McCall's Electric and Plumbing is a small family owned company which was established January 1, 2007, as a partnership between three siblings, Tyrone, Terrance and Tisheba McCall. The business provides electric and plumbing services for residential and commercial properties in Philadelphia and the surrounding counties. The business is located at 4834 Old York Road, Philadelphia, PA 19141 in the Logan section of the city.

The company has contracts with the City of Philadelphia and Loews and also does private residential work for a range of customers. The contracts have been

ongoing and the company initially funded these contracts by borrowing from a New York city-based hard money factoring company.

Ms. Tisheba McCall, who is responsible for the company's finances, met Urban League Entrepreneurship Center consultant Chris Chaplin through a previous business relationship with the Philadelphia Industrial Development Corporation (PIDC) and requested assistance. Chris Chaplin recommended that Ms. McCall become an Urban League member which she subsequently did.

Mr. Chaplin met with Ms. McCall and ascertained that she needed help with the preparation of the businesses cash flow projections and the preparation of the loan request to PIDC. He assisted her with the preparation of the cash flow projections and the loan package. The company was subsequently approved by PIDC for a $100,000 line of credit which will be used to support the City of Philadelphia contracts.

The company is now working on its minority certification and ULEC will be assisting her through that process as well as providing ongoing technical assistance as the company wins more contracts.

Houston Area Urban League

Doneika Mondaine is a client of the Houston Area Urban League Entrepreneurship Center and graduate of the Small Business Development Program.

When she first came to our Entrepreneurship Center she was working full-time searching for an outlet to help fulfill her dreams and aspirations as a business owner. Her goal was to open Juicy Measures, a lingerie company. Ms. Mondaine, like many of our other economic development clients, did not have the business acumen, network, or the technical resources to accomplish the task of entrepreneurship alone.

The affiliate enrolled her into our Small Business Development University Program. The program curriculum includes; Business Modeling, Marketing Principles, Marketing Strategies, Pricing Strategies, Human Capital and Business Technology Management, Legal Liability Issues, Record Keeping & Cash Management, Fundraising & Financial Management, Sales & Negotiation Strategies. Participants were held responsible for utilizing the facilitators, subject matter experts (SME), business mentors, and key technological resources to assist in learning and applying the course content to their businesses.

She completed 27 Hours of Business Development Training, business, customer model, business plan, and a formal business presentation. Upon making formal presentations to investors, bankers, senior executives and their business mentors, Doneika Mondaine and her fellow classmates were awarded certificates of completion through the Houston Area Urban League Economic Development training program. Doneika said, "I was so surprised and disappointed at the

negative responses and comments I received from people when I first came up with the idea of JM. To have a place like the Small Business Development University where people can relate to the same issues and support each other is a safe haven for entrepreneurs like me."

Since her completion of the small business program, we continually provide her with one-on-one counseling sessions to help develop and further grow her business. Through Juicy Measures, Doneika Mondaine's goal is to create bold collections that bring out the sexiness and confidence in every woman. Today, Doneika Mondaine is self-employed working for herself at Juicy Measures.

Los Angeles Urban League

Happy Baby Vending provides healthy organic snacks and eco-friendly products such as diapers & wipes in vending machines for children 0-5 years old at family-friendly locations. Ericka participated in the Big Bang! Business Plan Competition hosted by UC Davis in Berkley, CA. Ericka has also been accepted as 1 of 50 women to the "Make Mine A Million $ Business" Urban Rebound which is a business growth initiative for women business owners in the greater Los Angeles, Detroit and Charlotte, NC, regions funded by a grant from the Sam's Club Giving Program.

Urban Rebound was developed to bring 100 women business owners from each of these areas to $250,000 in annual revenues within 12-18 months using a proven combination of professional business coaching and education, confidence building, and support from a strong community of peers. Stop by the Baldwin Hills Crenshaw Plaza near the food court and see Happy Baby Vending. Erica currently has vending machines in 5 locations with anticipation of 5 more in the next year.

Women Business Center Operated by the Urban League of Greater New Orleans

Our Urban League of Greater New Orleans is a Small Business Administration (SBA) Women Business Center. The mission of the Women's Business Resource & Entrepreneurship Center is to aid in the creation of wealth and vitality of the region by assisting small business owners and aspiring entrepreneurs to develop, sustain, and grow business ventures.

The Women's Business Resource & Entrepreneurship Center (*The Center*), provides training, technical assistance and strategic business consulting services to owners of small and micro businesses. The Center operates in eight parishes throughout southeastern Louisiana. Since its inception in 2001, The Center has consistently provided diverse business services to some 700+ small business owners annually.

The primary goal of the organization is to empower small business owners and entrepreneurs, with an emphasis on businesses operating in low-wealth communities. Our approach is facilitated through three operating components:

education, training, and consulting, in addition to other resources that facilitate access to economic opportunity.

1. Business Education through diverse training resources
2. One-on-one strategic business consulting and coaching
3. Facilitation of economic opportunity & access to funding

An eight-module Entrepreneurial Training Boot Camp series, developed by staff is presented each month to individuals who are operating established small businesses or aspire to start new ventures. The seminars are designed and presented to provide the participants with exhaustive information and available resources necessary to start a new venture and to effectively operate and grow an existing enterprise. Other diverse training workshops and events are presented throughout the year addressing needs of the organization's clientele.

The Center offers personal consultations and coaching to its diverse business clientele. The consultations begin with a review of the business plan and a thorough assessment of the business' operations and proceed with the best course of action and advice for each individual business. Typically, the approach is one that is encroaching and comprehensive to foster the most successful outcome. Very often the interaction includes a collaborative effort among several members of the staff to embark upon the most effective course of action to accelerate the business's goals.

The Women's Business Resource Center operates with a staff of 5, including the Director, a Program Coordinator, 1 full-time and 2 part-time Business Advisors. Many business and banking professionals assist in facilitating some of the center's training workshops.

The organization remains active in its role of assessing the needs of minority and disadvantaged small business entities, especially as need relates to low-wealth neighborhoods and communities of color. At the forefront of our mission, the Center's work is prevalent in giving voice to underserved populations and advocating for fair and equitable policy on their behalf.

The Women's Business Resource & Entrepreneurship Center has developed numerous and diverse partnerships and affiliations with both public and private entities. These collaborative opportunities leverage the work we provide to our clientele, increases funding and investment opportunities and enhance the organization's credibility in the community, among other benefits. Partners include The U.S. Small Business Administration, Goldman Sachs 10,000 Small Businesses Initiative, Capital One Bank, Jacobs/CSRS (New Orleans School rebuilding economic inclusion initiative) and others.

Annual Service Stats	
Training Attendees	Approximately 800 at 90 Training Events
Clients Receiving Business Consulting/Coaching	300+ Clients 1100+ Hours of Counseling
No. of New Businesses Started	50+
Number of Jobs Created	100+
Number of Jobs Saved	35+
Funding Secured	$2.5M+

A substantial number of the clients have achieved significant successes and business growth, including receipt of public and private contracts; commercial and micro loans; grants; referrals to other diverse business resources, i.e. mentorship opportunities, advanced education programs, investment prospects, available economic resources and new project opportunities etc., which has led to job growth and a boost in neighborhood economies throughout the region.

SEE ATTACHMENT FOR THREE SUCCESS STORIES FROM THE URBAN LEAGUE OF GREATER NEW ORLEANS – WOMEN 'S BUSINESS RESOURCE AND ENTREPRENEURSHIP CENTER.

National Urban League Recommendations

In light of our experience through our Entrepreneurship Center Program and WBC, the National Urban League believes that the following recommendations will go a long way toward strengthening the entrepreneurial ecosystem for minority women:

- **"Unbundled Contracts"** – "Unbundling contracts" will be helpful in allowing more small- and minority-owned businesses to have the opportunity to bid on federal contracts. This should define the contract amounts at which unbundling will take place, and define what a small business concern is to clarify size standards. According to the National Urban League's *State of Urban Business, 2011* report, for young firms (5 years or less), the ability to expand the customer base beyond individuals and to conduct a larger share of business with other businesses and the government is critical to firm growth and survival[14]. *To this end we would recommend language stating that, the small business size standards shall be those that have*

[14] *State of Urban Business 2011: Metro Areas that Lead the Way*, National Urban League, December 2011.

been set by the US Small Business Administration and should be published on their web site for public viewing.

- **Increasing Federal Procurement Goals and Subcontracting Plan** – Increasing the federal procurement goals for small- and minority-owned businesses and the requirement of a subcontracting plan would need to include a non-federal monitoring system which ensures that each agency is working toward these goals. *We recommend that monitoring should be performed by an independent non- profit or for- profit firm that has experience in the oversight of public procurement programs for small and minority business owners.* This will provide an impartial overview of the program activities and can provide recommendations on how to make the program more effective if necessary. A good example of an independent monitor would be the Greater Baltimore Urban League which has been successful in monitoring and increasing small and minority business participation in public procurement in Baltimore over the past few years.

- **Access to Capital –** Access to capital is essential for starting and growing a business. Women-owned firms with revenues of $1 million or more are more likely than any other women-owned firms to access commercial loans or lines of credit.[15] Yet, even these businesses lagged behind those run by men in accessing credit (56% of women versus 71% of men.) Women-owned businesses also tend to rely more on their business earnings as their primary funding source.

  "Women start with less capital than men and are less likely to take on additional debt to expand their businesses," according to the report *Women-Owned Businesses in the 21st Century.* "They are more likely than men to indicate that they do not need any financing to start their business. It is difficult to distinguish preferences from constraints in these data. For instance, women may encounter less favorable loan conditions than men or they may be less willing to take on risk by seeking outside capital."

  Women business owners can take advantage of existing financing options and resources designed specifically to serve them–provided they are aware that these resources are available. The key policy recommendations on access to capital are as follows:

  - First, resource organizations such as SBA, MBDA could expand their outreach efforts to women business owners who need improved awareness of information resources on how to prepare to approach lenders and investors.

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[15] *Women-Owned Businesses in the 21st Century*, U.S. Department of Commerce Economics and Statistics Administration, for the White House Council on Women and Girls, October 2010, http://www.esa.doc.gov/WOB

- Second, resource organizations could improve their outreach efforts to women business owners who need an improved understanding of the different types of funding sources and the associated advantages and disadvantages of each program.

- **Federal procurement –** The set-aside has been in statute since 2000, so it is exciting news for women business owners that there will finally be a federal program to assist agencies in meeting the goal of awarding five percent of all federal contracts to women-owned small businesses. (In fiscal year 2009, women-owned small businesses received 3.68% of federal contracts.) To participate in the program, firms will need to either self-certify or be certified by a third party as a woman-owned small business. Despite the new requirement, some challenges remain that women business owners say they are eager for federal policymakers to address. They are as follows:

  Policymakers could simplify the registration process for becoming eligible for government contracts by:

- Linking the Central Contractor Registration (CCR) system with other systems used by contracting agencies so that if a business is entered in this registry at www.CCR.gov, its information would automatically be updated in other systems. Linking these systems would greatly simplify the process and remove potential errors.

- Clarifying which certifications, registration numbers and NAICS codes are necessary for eligibility. Certification does not translate directly into business opportunities. Some women business owners in our Entrepreneurship Center program expressed dissatisfaction with having to declare themselves "disadvantaged" to be eligible for certain types of certification.

- Agencies and resource organizations could offer additional matchmaking events to increase access to subcontracting opportunities with government contractors. This is an effective activity for businesses just starting out in government contracting. In terms of winning contract business, a database listing has limited utility; high-touch marketing efforts and in-person networking and matchmaking events with prospective clients are keys to success.

- Participants in our Cincinnati affiliate's women certification program with experience in government contracting advised that instead of trying to start a company based on doing business with the government, women business owners should start by working as a subcontractor for another firm that has a large federal contract. They also noted that "government work" doesn't necessarily have to be for federal-level entities since cities,

counties and their respective departments can be much more accessible to smaller businesses seeking contract work.

- These participants also noted that registering on the CCR will help counter the fact that women-owned small businesses are "woefully under-reported" in certain statistics. Women-owned small businesses can stand up and be counted by entering themselves into the CCR if they meet all the requirements of a woman-owned small business.

- The National Urban League agrees with the President's proposed FY2014 SBA budget proposal to waive loan fees for 7a loans under $150,000. These are the loans that many MBEs seek and waiving the fee makes these loans more attractive.

    - We also strongly agree with expanding entrepreneurship training as this benefits all minority, including minority-women, business owners that are looking for information that helps them grow their businesses. We urge further that this training be provided by community based organizations that provide direct business management services such as the National Urban League Entrepreneurship Center program. Analysis of Kauffman Firm Survey data in our 2011 State of Urban Business report showed that black-owned firms were more likely to receive assistance sponsored by the SBA or a non-profit association for small businesses (16.4% and 15.5%, respectively)[16].

Thank you for the opportunity to present our views and I will be pleased to answer any questions.

[16] *State of Urban Business 2011: Metro Areas that Lead the Way*, National Urban League, December 2011.

National Urban League

Empowering Communities. Changing Lives.

Brief BIO

MARC H. MORIAL

As President of the National Urban League since 2003, Marc H. Morial has been the primary catalyst for an era of change -- a transformation for the century-old civil rights organization. His energetic and skilled leadership has expanded the League's work around an Empowerment agenda, which is redefining civil rights in the 21st century with a renewed emphasis on closing the economic gaps between Whites and Blacks as well as rich and poor Americans.

Under his stewardship the League has had record fundraising success, and he has secured the BBB nonprofit certification, which has established the NUL as a leading national nonprofit.

A graduate of the prestigious University of Pennsylvania with a degree in Economics and African American Studies, he also holds a law degree from the Georgetown University Law Center in Washington, D.C.

Morial was elected Mayor of New Orleans in 1994, serving two terms, and left office with a 70% approval rating.

Morial, a history, arts, music and sports enthusiast, has an adult daughter, and is married to broadcast journalist Michelle Miller. Together they have two young children.

Urban League of Greater New Orleans
Business Resource & Entrepreneurship Center

Succeeding Against the Odds....



Sharmaine James, President/Owner
Condall Consulting Group, LLC
New Orleans, Louisiana
504-865-8429 *condall@bellsouth.net*

Business to Business Engineering and Management Consultants

Sharmaine James, owner of Condall Consulting Group, LLC and client of The Women's Business Resource Center (WBRC), has succeeded against the odds. In a male-dominated industry, Ms. James has fostered a growing engineering consulting enterprise, competing and succeeding in the highly competitive environment of a city rebuilding after a natural disaster. Commencing in 2004, shortly before Hurricane Katrina ravaged the Gulf Coast and her business, Ms. James has rebuilt the organization, and has steadily increased the capacity of the firm, which currently has 4 full time employees, with annual revenues of $500K and projections for 2013 of $1M. The firm was able to obtain a substantial line of credit that was critical in their pursuit of public and private contracts. The organization has been successful in obtaining contracts with the New Orleans Sewerage & Water Board, the New Orleans International Airport and other municipal and private industry work. WBRC Consultant, Winston Williams, MBA has assisted Condall Consulting over the course of 4 years, during its infancy and growing stages providing diverse assistance including setting up accounting and financial systems and training the organization's employees to efficiently maintain those systems. Sharmaine recently graduated from the Goldman Sachs' 10,000 Small Businesses Education Initiative. According to Ms. James *"I don't know how I would have made it through such a difficult and challenging period, tracking the financial data that was destroyed during Hurricane Katrina without the guidance, positive reinforcement and support from Winston Williams of the Urban League's Women's Business Resource Center. He has served a significant role in the growth of my firm by providing me with a clear understanding of how building a strong back-office support system in my business facilitated operational efficiency, which enabled me to access more opportunities and ultimately created significant growth for my business.*

Urban League of Greater New Orleans
Business Resource & Entrepreneurship Center

GCS Technology Solutions
www.globalcommserv.com

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Information Technology Contractor

Global Commerce and Services, LLC is an information technology firm based in Avondale, Louisiana. The company provides diverse services including systems engineering and Integration, software implementation, cyber security, and project/program management. Global Commerce has obtained contracts with the US Department of Agriculture, Department of Navy, Department of Army, Business Transformation Agency, Defense Information Systems Agency, Blue Cross Blue Shield of Louisiana and many others.

Awarded seven separate contracts, the firm's primary customer is the U.S. Department of Agriculture's National Finance Center (NFC). The NFC provides Payroll/Personnel Processing Services to the USDA, and 50 other federal departments. Global Commerce's work has included networking assessments, server-based assessments, data dictionary/error code documentation, SAP support services, Tivoli storage management, micro focus implementation, and human resources lines of Business. Global Commerce has also successfully completed projects for the Department of Defense and other federal agencies, Additionally the firm has been awarded a USDA blanket purchase agreement and provides services as an 8(a) prime contractor for the US Navy SeaPort-e and GSA 8(a) STARS II contract vehicles.

Global Commerce has won several prestigious awards for their work, including 2010 and 2011 USDA Office of Procurement and Property Management; "Hubzone Contractor of the Year" and U.S. Small Business Administration's Louisiana District "Minority Small Business Person of the Year." The firm was recently featured on "Inside Business", a live broadcast that features emerging Small Business issues. Certifications include Hubzone, Small Disadvantaged Business, and Minority and Economically Disadvantaged Woman-Owned Small Business. The company has annual revenue of $300K+ and employs 2 part-time and 1 full time workers.

Ms. Smith believes what differentiates her company from other technology firms isn't the many designations it has, or the awards received. It's the many successful accomplishments, multiple capabilities it has amassed and the staff's solid commitment to quality, exceeding expectations on all of the company's undertakings.

Ms. Smith recently graduated from the Goldman Sachs' 10,000 Small Businesses Education Initiative in New Orleans. She volunteers as an Ambassador for eCybermission, a free, web-based science, technology, engineering and mathematics, (STEM) competition. Joaneane also serves as a Team Advisor to Warren Eastern Public High School in New Orleans, and has established an internship program to create jobs for college students in the New Orleans area.

Danielle Griggs
Owner: Divine Care Hospice
Co-owner: RMDs Aesthetics
504-486-7070
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info@rmdsaesthetics.com

Danielle Griggs, a Registered Nurse and native New Orleanian, is a survivor. Despite Ms. Grigg's roots in one of New Orleans' low income neighborhoods, and a challenging childhood, Danielle obtained a nursing degree from The University of Southern California (USC). She returned to New Orleans to practice nursing; while she found her career to be rewarding, she desired to do more. That desire led to Ms. Griggs opening Divine Care Hospice.

Divine Care Hospice has served the New Orleans community for 8 years. Its success is tied to the owner's strong values and unwavering commitment to the best care for their patients and compassion shown to their families. Divine Care's unique and high quality services facilitates a better quality of life for its patients and comfort to the families. During the early stages of the business, Danielle was confronted with the worst misfortune of her life. She was involved in a tragic car accident that claimed the life of her husband and nearly claimed her life as well. Danielle was left with a small child and a severely broken body. She underwent months of rehabilitation and reflection, and eventually triumphed through her faith, family and friends. After her recovery, Danielle knew she had to continue.

She found love again and a new zeal for business. Danielle and her husband, Dr. Eric Griggs combined their respective businesses, Divine Care and Dr. Griggs' medical spa, starting a new venture. The organization operates with 5 staff persons and boasts annual revenues of nearly $400K. The Griggs now own and operate a state of the art facility that serves individuals from all walks of life. The business has added new services and continues to grow its client base. The couple is contemplating a second location and forming a non-profit to provide assistance to individuals who can't afford hospice care in their weaning moments of life.

Don Lawhorn, a Senior Business Advisor with the Urban League's Women's Business Resource Center worked extensively with The Griggs on their new venture and continues to advise the owners on growth strategies.

Chair LANDRIEU. Thank you very much, Mr. President. We really appreciate your passionate and so focused remarks and for your leadership, not only here in Washington, but around the country. Thank you——

Mr. MORIAL. Thank you.

Chair LANDRIEU [continuing]. For being such a strong partner.

Ms. Parker.

STATEMENT OF SOPHIA PARKER, FOUNDER AND CHIEF OPERATING OFFICER, DSFEDERAL, INC., GAITHERSBURG, MD

Ms. PARKER. Good morning, Madam Chair Landrieu, Ranking Member Risch, and distinguished members of the Senate Small Business and Entrepreneurship. My name is Sophia Parker and I am the owner of DSFederal, Inc. I would like to thank you for this opportunity and like to thank the U.S. Pan Asian American Chamber of Commerce for the encouragement.

I came to this country from Taiwan 33 years ago. Growing up, I did not know what it meant to have big dreams. I had to focus on putting food on the table at the age of seven. One day, a relative returned from the United States and told me that the streets in America were paved with gold, and I was told that as long as I would work hard and study hard, I would have a future. The rest is history.

My transformation into entrepreneurship did not happen overnight. After graduating from school in the United States, the next 20 years of my life were dedicated to raising two beautiful children and working for the U.S. State Department in places like Pakistan, China, and Russia.

At the age of 50, I left a comfortable job and started my own company. I mortgaged my home and put my life savings into starting the business. My dream was to connect the brightest mind with the best technology, and I believed I could do it with a better customer focus than my larger and more established competitors. It was difficult at first, and there were times we nearly lost everything. I had some very trying experiences and could tell you plenty of stories of how we were not treated fairly by larger companies. We could have given up, but that is not the American way.

In 2008, we gained our 8(a) status. The process of becoming an 8(a) company was arduous, but fair and honest. My children always call me a "Tiger Mom," a mother who is extremely demanding with high standards, and I will argue that SBA could give any "Tiger Mom" a run for her money.

[Laughter.]

In all seriousness, the SBA's strict standards and procedures helped our company. DSFederal could not be where it is today without the guidance provided by the SBA and the 8(a) program.

Nine years in the 8(a) incubator helped us to graduate, and then, with the hope of mentoring other new business. The SBA District Office assisted us and mentored us with good business practices. DSFederal, in return, has thrived to fulfill our role by providing opportunities for minorities and women. We are proud to say—I checked yesterday—that 59 percent of our staff are women, 60 percent are minorities, and we look for ways to mentor our employees to help them to follow their dreams.

Rhea Somaiya's parents came from India—Bombay, actually—30 years ago, and she is an example of why it is so important to give women opportunities to excel in this country. Rhea is a high school student living in Virginia. She is part of a winning team that received a "Mirror Me" award, and they are matched with entrepreneurs who coach them with the help of business focused curriculum. When interviewed, Rhea said how the program has changed what she wants to do in college for her career. She wants to be a Washingtonian entrepreneur and at the same time be involved in public service. It is young women like Rhea who are great examples of why it is so important to empower young women to become entrepreneurs and leaders.

DSFederal has been fortunate to become a viable small business. Since we are small and nimble, our customers get competitive pricing without sacrificing for services. What makes me most proud is that since winning our contract in 2009, we have never stopped hiring and we are proud American taxpayers, and every year, we pay more and more taxes.

[Laughter.]

Part of the American dream is to give back to those who are less fortunate. Last year, my son and I raised money and we went to Afghanistan. We spent Christmas and New Year helping to set up a library and a computer lab in a shelter in Kabul. We also spent time with many street children who are bright and eager despite the challenges they face every day on the street. When I spoke with the children, I told them that I, too, had spent my childhood at an orphanage in Taiwan. It was America that provided me the opportunities to build a life for me and my family. And I told them that if I could go to America for school and work hard and fulfill my dreams, so could they.

The success of minority women like me represents true American success. America's streets are paved with gold, mined by those who work hard and work diligently. Minority women entrepreneurs not only create more jobs for the disadvantaged, we are the "Tiger Moms," extremely demanding, with high standards, providing a positive role model for others in societies with a passion to fulfill their American dreams.

Your support, Senator, to foster minority women entrepreneurs through funded programs give hope to women in not only our nation, but around the world, who still struggle and fight for economic and social equality. Please continue your support, and I thank you for your opportunity.

[The prepared statement of Ms. Parker follows:]



Senate Hearing: *Strengthening Entrepreneurship Amongst Minority Women*
U.S. Senate Committee on Small Business and Entrepreneurship
Wednesday, May 8, 2013

Good morning Madam Chair Landrieu, Ranking Member Risch, and other distinguished members the US Senate Committee on Small Business and Entrepreneurship. My name is Sophia Parker, and I am the owner of DSFederal, Inc. I would like to thank you for permitting me to speak today. I would also like to thank USPAACC for nominating me to speak and to share my story as a minority woman entrepreneur.

I came to this country from Taipei, Taiwan 33 years ago. Growing up as a girl in Taiwan, I did not know what it meant to have big dreams. I was a top student in my class yet came from a poor family and believed that the highest position I would ever have would be that of a receptionist or a secretary. One day a distant relative returned from America and told me that the streets in America were paved with gold. I was told that as long as you study and work hard, you could do anything. My life was forever changed. I wanted that dream to be more than just a dream. I wanted it to be my life and I was willing to do whatever I had to in order to make it come true.

My transformation into an entrepreneur did not happen overnight. After graduating from college in the United States, the next 20 years my life were dedicated to raising my two children and working for the US State Department in places such as Pakistan, China and Russia. I returned to the United States in 1996 and spent a number of years working in Industry. I remember holding a meeting one day after I had led an effort which resulted in millions of dollars for the company where I worked, only to have senior executives ask me to leave and make them coffee. Their request made me feel

that all of my hard work did not matter. That day I realized that I still had not found my dream and I was determined to do more.

At 50 years old, I left a comfortable and secure job in Industry to start my own company. I mortgaged my home and put my life savings into starting my company, DSFederal. I wanted to connect bright minds with the best technology and I believed I could do it with a better customer focus than my larger, more established competitors. My 22-year-old son joined me to help make my dream come true.

In the beginning it was just the two of us at our dining room table, our laptops open and many cups of Taiwanese green tea to help fuel our progress. It was difficult at first, and there were times when we nearly lost everything. I had some very trying experiences and could tell you plenty of stories of how we were not treated fairly by larger companies. We could have given up, but that is not the American way. We were going to find a way to rise above those challenges. And we did. We discovered the Small Business Administration which helped us properly develop our infrastructure and enabled us to gain 8(a) status for our company in 2008. The process to become an 8(a) was incredibly arduous but fair and honest. My children always call me a tiger mom – a mother who is extremely demanding with very high standards – and I would argue that the SBA could give any tiger mom a run for her money!

In all seriousness, the SBA's strict standards and procedures helped our company immensely. DSFederal would not be where it is today without the guidance provided by the SBA and the 8(a) program. The 8(a) program gives minority business owners a chance to incubate for eight years so that they can one day graduate and mentor other minority businesses. Under Ms. Bridget Bean's leadership, the SBA's District Office, although working with a small budget and huge workload, assisted us and mentored us with good business practices. DSFederal in return has strived to fulfill our role by providing opportunities for minorities and women. We are proud that 59% of our staff

are women and 60% are minorities. We look for ways to mentor our employees to help them follow their dreams as I believe only the 8(a) graduate firms truly understand all the possible challenges of small businesses and can serve as the best mentors for those that aspire for business success.

Rhea Somaiya, a young minority woman, is an example of why it is so important to give women opportunities to excel and do meaningful work. Rhea is a high school junior in the Washington, DC Metro Area who was part of a winning team that received the TiE DC Award for its TYE DC Business Idea, 'Mirror Me.' TYE is a program for high school students which allows them to learn about the challenges and rewards of being an entrepreneur. They are matched with entrepreneurs who coach them with the help of a business-focused curriculum. In an interview with WashingtonExec Rhea said, "This program and winning the team best business case has changed my view on what I want to do in college and how I want to proceed with my career. I want to be a Washington Entrepreneur and at the same time be involved in public service." It is young women like Rhea who are great examples of why it is so important to empower youth to become future entrepreneurs and leaders.

The Bureau of Labor Statistics has indicated that in five years' time, more than half of the jobs created by small business will have been created by woman-owned companies. We have been fortunate to grow DSFederal into a viable small business over the past five years, now with 65 wonderful employees. Since we are small and nimble, our customers get competitive pricing without sacrificing service quality. But what makes me most proud is that since winning our first contract in 2009, we have never stopped hiring, and are proud American taxpayers.

Part of my American dream is to give back to those less fortunate. Last winter, my son and I raised money with the help of our entire company to travel all the way to Kabul, Afghanistan. We celebrated Christmas and New Years by helping set up a library and computer lab at an orphanage. We also spent time with many street children who are bright and eager despite the challenges they face on the street in the severe winter conditions. I stood in the meal room at the refugee camp,

watching the children enjoying a hot meal we provided and shared my story with them. I told them that I, too, had spent my childhood at an orphanage in Taiwan. I, too, sat in a large meal room with toys and books locked up. It was America that provided me the opportunities to build a life for my family and me. I told them, if I could go to America to go to school, and work hard to fulfill my dreams and care for my family, they could too. One cheerful girl raised her hand and asked, "Can I go to America one day like you?" I replied, "Of course, as long as you study hard and work hard, you will have a chance. America is the land of opportunity for anybody who is willing to work hard."

The success of minority women entrepreneurs like me represents true American success. America's streets are indeed paved with gold; hearts of gold; for those that mine them through hard work and diligent effort. Minority women entrepreneurs not only create more jobs for the disadvantaged, we are the Tiger Moms; extremely demanding with very high standards, providing a positive role model for others in society with a passion to fulfill their American dream. The Senate's support to foster minority women entrepreneurs through funded programs gives hope to women in our nation and around the world who still struggle and fight for economic and social equality. Please continue your support by providing equal footing for minority women so that they can lead the way and change the world for the better.

Thank you.

SOPHIA PARKER
Founder and Chief Executive Officer, DSFederal, Inc.



Sophia Parker founded DSFederal in 2007 with a mission to connect the best technology with the brightest minds to address the federal government's toughest challenges. She has received numerous accolades for her ability to deliver excellence in health IT, software solutions, professional services, grants management and training.

Originally from Taiwan, Ms. Parker first came to the United States in 1979. She received an accounting degree from the University of Maryland and is a CPA. Her professional history includes six years at SAIC, two years at Northrop Grumman, and 19 years at the State Department, where her postings included Russia, Pakistan, Spain, China and Taiwan.

Ms. Parker has a people-centric business philosophy, which is about making a difference in both the workplace and greater and global communities. Over the years, she has been especially dedicated to helping women and children, from volunteering in women's prisons to supporting education and health initiatives for children and their families. In 2012 she took her first trip to Kabul after raising more than $5,000 with the help of DSFederal employees and friends to deliver school supplies to over 300 children at the Aschiana Center, which offers a safe place with classes and meals to street children. She made a commitment to these children that she would return again next year and hopes to go back every year. It is also her dream to equip every girls' orphanage in Afghanistan with computer labs and libraries by the year 2020.

Chair LANDRIEU. Thank you, Ms. Parker. That does deserve a round of applause.

[Applause.]

Extraordinary testimony, and that will go right in, of course, to the Congressional record, and believe me, we will use it. All of your testimony so far has been so moving and inspirational. But to think of the State of Maryland, which you got your accounting degree many, many years ago, before you were married with children, and now to be a business owner of 65 employees paying, I am sure, wonderful salaries, benefits, and taxes to the State of Maryland or wherever else you lived and now to the United States, I mean, that is what this meeting is about. It is about how to—what we can do better to help the road that you traveled be a little bit easier for the next person. Not everybody is going to be a "Tiger Mom" like you.

Ms. PARKER. Thank you very much.

Chair LANDRIEU. We want to keep our high standards, but we wanted to make that road a little easier in the future. But thank you so much for being such an extraordinary pioneer.

We are joined by Senator Heitkamp, and we are thrilled to have her here with us.

Let us continue, Ms. Lancaster, and then we will get to Ms. Kolditz.

STATEMENT OF MARIANNE LANCASTER, PRESIDENT AND CHIEF EXECUTIVE OFFICER, LANCASTER PACKAGING, INC., HUDSON, MA

Ms. LANCASTER. Good morning, Madam Chair. Good morning, committee, and greetings from Boston.

In 1989, against all odds, as a recent college graduate at the age of 20, I started a business. Twenty-five years later, the business I started, Lancaster Packaging, an SDB 8(a) firm, is poised to do $18 million this year in sales with 20 employees. The last quarter-century has not been easy for Lancaster Packaging. I am here today to share my story.

Lack of access to viable funding solutions has prohibited Lancaster Packaging from being a $50 million business today. The key to many start-ups succeeding is often help from family and friends, financial help. Still today, black American families have one-tenth the wealth of Caucasian families. The majority of black women-owned companies are companies of two or less. Access to capital and just plain access to the business world for minority women has been a long, hard struggle.

Even today, I struggle to get a seat at the table, or if I do, to be seen as a legitimate contender for their business or to contribute. When potential clients realize that there was no father, husband, or even a white businessman behind me, it took them a long time to see value in my business. It has taken even longer for funders to look at me and see the viability in a company run by a young black woman.

I started selling military specification bags for the aerospace industry out of my house. With very little cash and a beat-up Ford Escort, I became a business owner. In my early days, I worked with the Minority Business Development Center of Boston. The organi-

zation helped me write a business plan, and experienced agents there acted as mentors, aiding me in the start-up of my business. These centers are crucial for minority women-owned businesses just starting or throughout the life cycle of our business, and we are, in fact, going back for help for business development over the next 12 months.

Over the years, I became a wholesale distributor of all types of packaging, but still having my mainstay in the military packaging world. The majority of our customers are American manufacturers in the aerospace industry. These are companies that see the value and benefit from doing business with small women black-owned businesses, and for me, one in particular, Sikorsky Aircraft of United Technologies.

Sikorsky was my second customer at the start of my business and is one of my largest today. Sikorsky took government mandates as their own, and doing business with minority-owned firms is part of their culture. I point out one specific organization because many minority women-owned firms often succeed because they have one or two corporate champions that help them to grow, and without these corporate champions, you often see failure.

Over the past five years—excuse me. Over the first five years in business, I could not get any type of funding whatsoever. In 1994, I applied for State-funded loan program. After two years of working to get it, I finally was granted the loan. Two years later and 50 percent less of what I needed, a little too late, I somehow survived.

In 2004, after nearly ten years in business, I finally secured a traditional line of credit. In 2005, my largest customer at the time, New England's largest bank, was both my customer and my bank. The bank was bought out by even a larger national bank. Within three months, my business was gone from that customer. Within one year, that very customer who now was my banker pulled their line of credit, citing that Lancaster did not have enough business.

For six months, I hunted for a new line of credit and the end result was a factoring on our receivables at an interest rate of 22 percent. Here I was, with Grade A customers, ten years in business, and no financial institution would touch me. I spent the years battling out a factoring cycle. During those years, I was not able to hire, grow, or increase the capacity of my business. Every dollar I had went to paying the factoring folks.

This story is very common—is a very common story for the women minority-owned business. Several of my fellow entrepreneurs had both SDB business, 8(a) contracts, and larger commercial contracts, and banks will not touch them. Even business owners with SBA guarantees struggle to get the banking community to invest in their organizations, and often when they do, at a higher interest rate, much higher than the market.

This has been our story, our history for the past 25 years, and not just after the banking crisis. In our world, what the rest of the small business community has been experiencing since 2008 has been our normal way of doing business, and most of us do not survive.

I applied for my 8(a) status late in the life of my company. Observing from the outside, I saw it was a battle. Once a company gets certified, if you do not have a team devoted to marketing and

business development, which most of us do not, you can be plodding around in the dark searching for business. I realize not all 8(a) firms have such trouble as I did, but I do see that there is a gap and a disconnect between the 8(a) firms and the government procurement agencies. There is not a great enough infrastructure to help connect the two. With the lack of access to traditional funding, you are spinning your wheels or you end up in the factoring group, going through the process that strips your business of any profits and puts you in a financial treadmill while stunting your growth.

My growth came from branching out and morphing into a different kind of business. I needed money to grow and expand, and without that, the only way to grow was to offer additional products and services. Today, Lancaster is a supply management company offering wholesale distribution and procurement services in the supply chain. We often work to make sure that our suppliers are women and minority-owned firms and build up our percentages as much as we can.

Lancaster is still dwarfed and held by the lack of funds. We are unable to take advantage of amazing opportunities that would aid us in hiring new employees and increasing our capacity.

I am "Boston Strong," and that is why I survived. I know more of my kind would have if the environment had been more hospitable. Thank you.

[The prepared statement of Ms. Lancaster follows:]

Greetings from Boston...

In 1989, against all odds, as a recent college graduate at the age of 20, I started a business. – 25 years later the business I started, Lancaster packaging Inc. A SDB/ 8A firm is poised to do $18 million dollars in sales this year.

The last quarter century has not been easy for Lancaster Packaging; I am here today to share my story. Lack of access to viable funding solutions has prohibited Lancaster Packaging from being a $50 million dollar business today. The key to many start-ups succeeding is often help from family and friends, financial help. Still today, Black American Families have 1/10th the wealth of Caucasian Families. The majority of black-woman owned companies are companies of 2 or less. Access to capital and just plain access into the business world for minority women has been a long hard struggle. Even today, I struggle to get a seat at the table or if I do, to be seen as a legitimate contender there to contribute. When potential clients realized that there was no father or husband or better yet a white business man behind me, it took them a long time see value in my business. It took funders even longer to see the viability in a company run by a young black woman.

I started selling military spec. bags for the Aerospace Industry out of my house. With very little cash and a beat-up Ford Escort I became a business owner. In my early days, I worked with the Minority Business Development Center of Boston. The organization helped me write a business plan and experienced agents there acted as mentors, aiding me in the start up of by business. These centers are crucial for minority-woman- owned firms, just starting and throughout the life cycle of their businesses.

Over the years, I became a wholesale distributor of all types of packaging, but still having my mainstay in military specification packaging materials. The majority of our customers are US Aerospace Manufacturers.

There are companies that see the value and benefit from doing business with small, woman- black-owned business and for me one in particular, Sikorsky Aircraft of United Technologies. Sikorsky was my second customer at the start of my business and is one of my largest today. Sikorsky took government mandates as their own and doing business with minority-owned firms is now part of its culture. I point out this one organization specifically because for minority-woman owned firms to succeed it often just one or two companies that give us a true opportunity to grow. Without proper capital, not having at least one corporate champion usually results in failure.

Over the first five years in business, I could not get any type of funding what-so-ever. In 1994 I applied for a State funded loan program. After two years of working to get it, I was finally granted the loan...Two years later and 50 % less than I had requested. A little too late. I somehow survived.

In 2004, after nearly 10 years in business, I finally secured a traditional line of credit. In 2005, my largest customer at the time, New England's largest bank was both my bank and my customer. The bank was bought out by an even larger national bank. Within three months my business was gone from that customer. Within 1 year that very customer, who now was my banker pulled their line of credit siting, "Lancaster did not have enough business." Four six months I hunted for new line of credit, loan, anything. The end result was factoring our receivables at the high interest rate of 22%.

Here I was with grade A customers, ten years in business and no financial institution would touch me. I spent the years battling out of the factoring cycle. During those years, I was not able to hire, grow or increase the capacity of my business. Every dollar I had went to paying the factoring folks. This story is a very common story for the woman- minority owned business. Several of my fellow entrepreneurs had both SDB business, 8A contract s and large commercial contracts- yet no bank would touch them. Even business owners with SBA grantees struggle to get the banking community to invest in their organizations. This has been our history for the past twenty-five years, not just after the banking crises. In our world what the rest of the small business community has been experiencing since 08' has been our normal way of doing business. Most of us do not survive.

I applied for my 8A status late in the life of my company. Observing from the outside, I saw it as another battle. Once a company gets the certification, if you don't have a team devoted to marketing and business development, which most of us do not, you can be plodding around in the dark searching for business. I realize not all 8A firms have as much trouble as I did, but I do see that there is a gap/disconnect between the 8A firms and Government Procurement Agencies. There is not a great enough infrastructure to help connect the two. With the lack of access to traditional funding, you are spinning your wheels, or you end up in factoring, going through a process that strips your business of any profit and puts you on a financial treadmill while stunting your growth.

My growth came from branching out and morphing into a different kind of business. I needed money to grow and expand, without that, the only way to grow was to offer additional products and services. Today Lancaster is a supply management company offering wholesale distribution and procurement services in the supply chain. Lancaster is still dwarfed and held back by lack of funds. We are unable to take advantage of amazing opportunities that would aid us in hiring new employees and increase our capacity.

I am Boston Strong and that is why I survived; I know more of my kind would have if the environment had been more hospitable.

Thank you,

Marianne Lancaster, President

Marianne Lancaster was born and raised in Boston, Massachusetts. Ms. Lancaster founded Lancaster Packaging, Inc. in 1989 as a minority, woman-owned, small disadvantaged business, specializing in military specification anti-static bags. Lancaster Packaging, Inc. is currently an 8A firm. Over the past twenty years, the majority of Lancaster's sales have come from its multiple customers in the aerospace industry.

Today, the company has grown to 18 employees at $16 million dollars in sales. The company occupies 25,000 sq. ft. in Hudson, Massachusetts. Lancaster Packaging now offers Procurement & Vendor Managed Inventory Services (VMI), custom and standard packaging, shipping, distribution and fulfillment solutions.
Building on over 20 years of experience as a distributor in the supply and distribution management industry, Marianne Lancaster's Strategic Business Plan took her company to the next level by offering an integrated supply and service solution. In the fall of 2009, Lancaster Packaging (LPI) launched its Purchasing Services Division.

Marianne became a member of the NMSDC's Greater New England Minority Supplier in 1990. Marianne was a board member of the Council for over eight years, acting as both vice chair and co-chair to the MBEIC. She has volunteered in various capacities throughout the years.

Marianne was awarded the Comcast Woman Business of the Year at CWE's 2011 Destination Success. Marianne was also awarded the Boston Business Journal/ Commonwealth Institute's Top 100 Woman business Break Out Business of the year in 2012..

Chair LANDRIEU. Thank you very much.
Ms. Kolditz.

STATEMENT OF BAATSEBA DIXIE KOLDITZ, OWNER, BRIGHTON ENTERPRISES, INC., AND OPEN–BOX CREATIONS, LLC, BATTLE GROUND, WA

Ms. KOLDITZ. Thank you so much for this opportunity to come and speak before you. I want to thank you also for the Women's Act and to say what a great example that you show for us, being a champion for women. As I was looking at the research and looking at us thinking it has only been a few years that this has happened and thinking how women have come from that point.

I will give a little bit of a history about myself. I grew up in a black township in South Africa during apartheid and got to experience firsthand what it means when one group is favored another and having a government limit a lot of the opportunities that you have. And so because of that, this Act is something where I appreciate it a lot more and looking at what our government officials are trying to do to improve our lives and help us so that we can grow our businesses. So we really do commend you and the work that you do. Thank you so much.

I came to the United States in 1995 after I got a scholarship to study at Brigham University. I studied journalism and public relations, and that is where I also met my husband. I then started a seven-year-long process of becoming a citizen, and in 2004, I became a citizen of this country.

My husband and I, we own two businesses, Brighton Enterprises, which is a supported living agency where we take care of mentally handicapped adults, and we also have a wholesale company that does home decor. And between the two companies, we have about 160 employees. And we run our business using a lot of cash that we have raised. We started this business by just working real hard to try to grow so that we can support our employees and also to support our family.

Now the question is, we have not used a lot of the funding that has been provided by the government or any other group. We have done this just working very hard to try to grow our business. The challenges that we are facing, as I listen to everybody talking about all this growth and all these things that they are trying to do, is what happens after you have started a business, because now you have to face the struggles of the regulations that are placed before you.

One of the biggest challenges that we have is employment discrimination litigation, which I like to call legal shakedown. That is something that, as business owners, especially as a minority woman, when you think of the challenges that you face when somebody comes and your employee can come and sue you for no reason at all and they can come and get money from you without anybody standing for you or kind of helping you out so that you can get out of that, so we end up settling.

Another big challenge that we are also facing is the health care. The Health Care Act is one of those big things that everybody is going through right now. We pay so much money trying to help

grow our business or trying to figure out, how do we go through with the challenges of this bill.

And so those are some of the things that we are going through right now as a business. And you think of all these women that are now coming out trying to ask for help and saying, we want to start a business. We want to grow our business. There is so much regulation that is out there. Like I said, you have done the Women's Act. You have done something that is great. What else can you do? Can you limit the regulations that are faced in front of us as business owners? Can you help us so that we can find success?

So we also are trying to do something in our community where we have started a company called District 19, and this is where we try to help local business owners, because we have a lot of business people in our area. It is a small town. And they do not have access to capital or do not have access to most of the businesses that we have had the opportunity to have.

So what I have done is we have taken their products to market. So we are helping them out so that they can be put in the forefront and be able to create a bigger business than what they have and be able to access other people that they normally would not be able to access.

I am so grateful that I can run a business. I am grateful that I can be able to provide for my family. We have eight children, and so I have to work hard to make sure that they have the opportunities that I never had. And so I have to work really hard to make sure that they can be independent business owners. Three of my children already have a business, and they also run a business together as a group so that they can have a better life than I had.

Thank you so much for this opportunity.

[The prepared statement of Ms. Kolditz follows:]

Written Testimony of

Baatseba Dixie Kolditz

Small Business Owner

Before The Senate Committee on Small Business and Entrepreneurship
United States Senate

Wednesday May 8, 2013

Thank you for this opportunity to share my experiences as a business owner maneuvering in our regulatory environment. I hope to reaffirm the place of small business owners.

My name is Dixie Kolditz from Cathlamet WA. I was born and raised in a black township in Johannesburg South Africa during apartheid. I came to the United States in 1995 as a student at Brigham Young University where I majored in Journalism and minored in Public Relations. I also met my husband, Ross Kolditz, at BYU and we now have 8 children. I proudly became a United States citizen in 2004.

My husband and I own two businesses. Brighton, Enterprises Inc, which is a "Supported Living " agency providing residential care for developmentally disabled adults, and Open-Box Creations LLC, which is our wholesale home décor company.

We employ 160 people. Our employees are mainly in Southwest Washington State. Like many other business owners and entrepreneurs we have had some struggles and successes.

I'm here today to reaffirm that we are your partners in job creation; especially now with so many Americans unemployed. Most business owners want to grow their business. We want to be successful so that we can secure a better future for our families and our employees.

But today success is frowned upon. When a business says they want to make money we are looked at as being greedy. But isn't that why we start business and why we go to work. We all want a better life and security for our families and ourselves.

The business environment today is filled with many storms. We have to meander through the many regulations put in our way. We run our business constantly aware of potential liability and fear of noncompliance to various rules and regulations.

For example "employment discrimination litigation", or as I like to call it, "Legal extortion". The laws have become abusive in that it enforces employee rights, but ignores employer's rights. There are lawyers who have made this their specialty, encouraged by the laws to threaten unfounded claims on employers in an attempt to negotiate settlement instead of litigation. The laws are so one-sided that employers

feel that their only option is settlement. For small businesses, an unfounded $30,000 settlement and attorney's fees can mean closure and/or layoffs.

Another major obstacle is The Affordable Health Care Act. As you already know, most of us cannot afford it. We were promised that our insurance fees would not go up.

As a mom, our insurance fees keep rising. Our personal family plan is now multiple individual plans. Our family has gone from $800 per month to $1300 per month for basic medical, with notice that it will likely increase again. Not many families can afford $15,600 per year for basic medical.

We're very disappointed in the lack of due diligence from our elected officials in creating a clear, concise, and effective law.

As with the other businesses that we deal with, we have already spent thousands of dollars and many hours getting legal advice and attending seminars on how to understand and comply with the new health care mandates. We have already started restructuring our companies to follow the new law; fully aware that the penalty is far more affordable than providing coverage at the mandated levels.

Recently my husband and I were discussing how to determine when it's no longer worth it to be business owners. It's far easier to work for someone else, or not work at all. Because of federal and state policies, as a business owner, you have a "target" painted on your back that creates constant uncertainty that is very stressful. It's harder and harder to start and grow a business.

As an experienced business owner, I am continually asked by others how to navigate the constant and invasive regulations surrounding starting and growing a business, and hiring employees.

In regards to minority women and businesses; the current status of starting a company is extremely complex. Complying with federal and state rules is daunting, and keeps many would-be business owners from even opening the doors, and goes as far as encouraging people to stop dreaming of the success and betterment of themselves and their families. Instead of creating programs that help people navigate cumbersome regulation, lets minimize the regulations.

In closing, we want to create jobs and improve our economy. As an Immigrant, I love the "American Dream". This is the land of opportunity. We put in our hours and we work hard. We have no lobbyists. We use our talents and creativity to solve problems every day and to be efficient. We risk our entire livelihoods. We are proud to be providers for ourselves and others.

Let us be your partners to make a difference.

I am thankful for this opportunity and hope that the information that I have provided will be helpful. Thank you for your efforts in making our country a better place for businesses to flourish and for people to achieve their American dream.

Please contact me anytime if I can be of further assistance.

Respectfully,

Dixie Kolditz

dkolditz@me.com

360-609-4061

Dixie Kolditz

Dixie Kolditz was born and raised in a segregated black township in Johannesburg, South Africa during apartheid. As a young woman, she got to participate in the political process, teaching voter education classes, officiating at polls, and also voting in South Africa's first free election.

In 1995, while working as a reporter for a large weekly newspaper, Dixie applied for and received a journalism scholarship from the Scripps-Howard news service to attend Brigham Young University in Provo, Utah. It was there that she met and married her husband Ross, and started a family.

In 2004, after a lengthy 7-year process, Dixie was able to become a Citizen of the United States. Her oath, pledging allegiance to the United States of America, was a very special experience and a tremendous privilege.

Dixie and her husband currently own and operate two businesses. A company providing residential care to people with disabilities, and a wholesale home décor company. She is an experienced employer and job creator, currently employing 160 people in Washington State.

Dixie and her husband and children live in Cathlamet Washington.

Chair LANDRIEU. Thank you.

I am interested if you could zero in a little bit more on the fact that you did not seem to have any trouble getting the original capital to start your business. Can you be a little bit more specific about where you raised the funds from and——

Ms. KOLDITZ. Right.

Chair LANDRIEU [continuing]. Because some of these others have testified that it is a very difficult thing to access, but you are testifying, basically, that you did not have any trouble at all.

Ms. KOLDITZ. Well, because we are coming from old school and we got the business, we won our first——

Chair LANDRIEU. What do you mean, you got the business. Did you buy the business?

Ms. KOLDITZ. We bought the business, yes.

Chair LANDRIEU. And with what?

Ms. KOLDITZ. We had the people that owned the business, they gave us terms to pay for it as we worked. So when we got the first business, which was my husband's parents. So they let us pay for it as we were working for it.

Chair LANDRIEU. Okay. But it was a family that——

Ms. KOLDITZ. It was a family business.

Chair LANDRIEU [continuing]. Provided you the family business——

Ms. KOLDITZ. Yes, they did.

Chair LANDRIEU. It was your husband's business that you basically married into and then they——

Ms. KOLDITZ. Well, we did not marry into it.

Chair LANDRIEU. No, you married him.

Ms. KOLDITZ. Yes. Well——

Chair LANDRIEU. You married him and he owned the business and the family allowed you all to work for buying it. I mean, that is a little different than going out on your own and borrowing money from strangers——

Ms. KOLDITZ. Right. So it is the same thing. It is more like——

Chair LANDRIEU. No, it is not the same thing.

Ms. KOLDITZ [continuing]. We took a loan from them, I guess maybe putting it that way.

Chair LANDRIEU. But it is not the same thing. It is a family——

Ms. KOLDITZ. Yes, it is a family business.

Chair LANDRIEU. You were very, very, very lucky to marry into a family——

Ms. KOLDITZ. Oh, absolutely.

Chair LANDRIEU. And how large was their business?

Ms. KOLDITZ. At the time, they only had 40 employees at the time, and we have grown it since, and——

Chair LANDRIEU. To how many do you have now?

Ms. KOLDITZ. We have 160.

Chair LANDRIEU. Okay. So you have increased it substantially.

Ms. KOLDITZ. We have.

Chair LANDRIEU. It is a little different than starting out completely on your own.

Ms. KOLDITZ. Absolutely.

Chair LANDRIEU. Ms. Parker, what would you suggest? Your testimony was so riveting.

Ms. PARKER. Thank you.

Chair LANDRIEU. What would you suggest in terms of how a person really starting from scratch, particularly in the minority community, which traditionally does not have the same social networks and leveraging and friendships and other things that enable people to access opportunity for capital, what would you suggest that we focus on to—is it the micro loan programs? Is it maybe getting community banks to understand a little bit better about the needs of start-up companies? Are these incubators? There is one particularly in Boston that I visited in the Cambridge Innovation Center that is extraordinary that I am seeing some really tremendous opportunities, not as many women as I would like to see, but small businesses coming up. What would your suggestions be to our committee?

Ms. PARKER. You were very right about—because of our background of the networking opportunities we had. But I would say, go to SBA. The small business loan is wonderful. And when I only had $600 in my pocket, I did not have anything, it was because SBA helped me to get a small loan. That was $25,000. I was able to pay it back in three years. And also, the SCORE is wonderful and micro loan is wonderful. But the first stop is always SBA, and the 7(j) program is wonderful, and I said the government's investment in SBA is very small and the return is huge, because through SBA and through the Mentor-Protege, through the graduate 8(a) companies were able to help the newcomers.

So I would say the first stop would be SBA, and there are more and more banks that are willing to work with SBA and work with small businesses that give a small amount of loans. I was not able to get any loan from the bank for many years and it was through networks, friends, people who loaned me money. But I would say the $25,000 from SBA's help was critical. I was about to close the door.

Chair LANDRIEU. Well, I would say that was a very smart investment that the government made, $25,000 in your business, and now you employ 65 people and doing extraordinary work businesswise and charity-wise and we thank you very much.

Ms. PARKER. Thank you.

Chair LANDRIEU. Mr. Morial, what would you say, working with the Urban League and all of your partners, what would you encourage us to look at to get that first level of financing, and then what are you finding is effective in taking that small business to the next level of expansion?

Mr. MORIAL. Thank you for your question. Let me—I think the committee should consider a laser-like focus on the small business financing area writ large. So we have heard testimony this morning about the success of the SBA and the SBA's loan products and the return that the nation has gotten, businesses have gotten, and the taxpayers have gotten on modestly small investments.

We have heard from Ms. Longoria, an initiative that is private sector financed, an initiative to provide micro loans to start-up small businesses, another example of an initiative to increase capital.

Thirdly, I think that there are initiatives that exist, like the New Markets Tax Credits Program, which is highly successful but is

really, really focused on what I call the larger, mature, existing small businesses, not the start-up firms or the firms that need maybe anywhere from $25,000 to a half-a-million dollars to either be able to start or to indeed grow. And the New Markets Tax Credits Program incentivizes private investments in these kinds of loan products and financing products that—for small businesses that are mature in distressed areas. It is another program that exists that needs to be looked at because it is successful, to be perhaps tailored or a component could be developed in order to be able to do that.

I think that longstanding recommendations are unbundling of contracts, closer monitoring about Federal procurement goals, and also the Federal Government's goals for minority and business hiring for its own contractors in the defense and in the domestic industries. There needs to be stronger oversight, stronger accountability, more transparency about what all of these businesses are doing.

And then I also think elevating. There are many Fortune 500 companies that have had great success in the supplier diversity space. They have made a commitment to it. They have had success with it. And they are in abundance. They need to be lifted up to demonstrate to those who may not have had the same type of commitment what simply thinking more about where you spend dollars that you are going to spend already can, indeed, go.

So there are a wide variety of recommendations, and ensuring that State and local governments, who have been on the front lines in many respects with commitments to women-owned businesses, small businesses, and minority businesses, continue those types of commitments.

Here is a figure. I believe that there are—if one out of every three businesses who have less than $5 million a year in gross revenues hired one additional person, we would be at full employment in this nation. And I think that the employment component, the ability to take people and make them taxpayers, is so significant, and the rate of return—small investments in the SBA have yielded a lot.

So I would recommend that the committee think about taking the testimony that we have heard today and doing a focus on innovation and creativity in the small business financing area, and some of the ideas that we have heard today, the testimony today, I think, sheds light on the types of things that, indeed, work.

The final thing I would say is that the CDFI, Community Development Financial Institutions base, the National Urban League just started its own CDFI called the Urban Empowerment Fund. We are going to lend to small businesses who are looking for loan products in the $50,000 to $250,000 range, thinking about ways to pump more capital into CDFIs so that they can lend, because here is what you heard from Boston, and——

Chair LANDRIEU. Mr. Morial, the Senator has to—if you could wrap up and——

Mr. MORIAL. Yes. I will say this, because this is important. A lot of the mega-banks in the United States may not have the kind of——

Chair LANDRIEU. I am sorry. Can Senator Heitkamp——

Mr. MORIAL. Yes——

Chair LANDRIEU [continuing]. Just say a word before she has to leave.

Mr. MORIAL. Yes. I will yield.

Senator HEITKAMP. I have to go preside——

Mr. MORIAL. I am sorry.

Senator HEITKAMP. If I do not get there in time, Harry Reid is very tough.

Mr. MORIAL. We will not let him do that to you.

Senator HEITKAMP. I will tell him you said that.

Mr. MORIAL. Yes, please do.

[Laughter.]

Senator HEITKAMP. I want to congratulate all of you, everyone on the panel, for your tremendous testimony and for your efforts on behalf of the American people and on behalf of small business. It is absolutely essential that we get this right, because you are the future. You are the future. You are the future Fortune 500 companies sitting at this table, and we are very excited.

I just want to make one comment. We look at this very closely in my State because we need to build entrepreneurship. We need to build opportunities in Indian Country, which has staggering amounts of poverty, staggering amounts of lack of capacity in both education and business capacity.

And so we are with you. I know that the Chairwoman is absolutely committed on this. I think sometimes when people come and testify, they think this is falling on deaf ears, but not on this committee. This truly is a panel who believes in what you are doing, believes that you are our future.

And so thanks so much and thanks to the Chairwoman for empaneling this group and for your excellent testimony.

Chair LANDRIEU. Thank you, Senator, and thank you for your advocacy for Native American women and for women generally and we are thrilled to have you as a member of the committee.

We have also been joined by Senator Cowan, but let me recognize Congressman Cardenas from the 29th District in California. Thank you, Congressman, for joining us this morning, and any testimony that you want to submit for the record. You have been a great champion of women and minority-owned business and business growth in your district and this country, so thank you.

And, Senator, let me turn it over to you for just a few questions, and then I have a second round, and I think then we will close up.

Senator COWAN. Thank you, Madam Chairman, and thanks to all the panelists. My apologies for arriving late, but I have had the pleasure of reading your testimony and I thank you for the time you have already put into this effort and your willingness to come and share your perspectives with this committee and, frankly, Congress today. It is deeply, deeply appreciated.

And I am incredibly pleased to see Ms. Lancaster here from the great town of Hudson, Massachusetts, home of former Governor Paul Cellucci, former Ambassador Cellucci, and a great small business doing incredibly well in the Commonwealth.

Ms. Lancaster, if I could, I would like to address a question to you, coming from my home State, just about the challenges and opportunities that you see for small minority-owned women busi-

nesses. And, frankly, I would ask if you might be willing to share with us your perspective retrospectively on your business interest, but prospectively, what advice might you offer for others like you who are just getting started in this industry or in small businesses and how to take advantage of the resources available to them.

Ms. LANCASTER. Sure. As the previous panel has said, I do think the first stop is the MBDA and the SBA. I think in the last six years, initiatives have been absolutely amazing on that front.

I would say that, in starting out, many banks, although, yes, there are 2,000 that work with the SBA, I think that there is still a great struggle even with the SBA guarantee to get the banks to want to invest. It is very difficult. Also, when they do, they are also at a rate of double-digit interest rate because of the value of their business or what forth.

I have seen quite a bit of women-owned businesses in the past six years—let me backtrack for a minute. Most minority-owned women businesses are getting the money from their homes. They are leveraging the value of their homes, and many women in the last five years are struggling, particularly with the housing crisis. As the values of their homes have gone down, their lines of credit go down or get cut off. And I think that that is something that is a big topic to try to address. But it is hurting the businesses that are already established that, really, that is the only place that they are getting their money from, tied to their homes.

I think that, starting out, when we started, I was by myself in a loan, and it is a different environment. There are so many organizations, several nonprofit organizations. I am on the board of the Center for Women in Business Enterprise in Boston and that was just starting out after I was well established. You have got to reach out and find the homes, like the Cambridge Innovation Center. There are so many places, and you cannot just go to one. You may not find what you are looking for at one. You may piece it together. But that is the only way to survive, is to really create your own ecosystem and reach out.

Senator COWAN. Thank you.

A question to Ms. Longoria, if I may. I know that your foundation is focused particularly on helping Latino businesses and business women start and grow their businesses. Picking up from where Ms. Lancaster left off, what more can we do to educate those who are in business or wish to get started in business about the kind of resources they need? What can we particularly here in the Congress do to make those resources known and accessible?

Ms. LONGORIA. Right. I just want to make a correction. My foundation focuses on Latinas, which are women only. I mean, the men are welcome, but——

[Laughter.]

Senator COWAN. Thank you for that.

Ms. LONGORIA. Well, you know, the nonprofit and private sectors, things that my foundation does, does play a pivotal role in filling the gaps. But there is a solid pipeline of women who are still waiting to access resources, and we have seen that a lot with my foundation. There is a capacity issue that goes unmet, and that is where a foundation like mine or a partnership like mine and Howard Buffett's can step in. And I am not saying government is the

sole answer, but it definitely should be the leader, as it has been thus far. I think government provides a leadership that we emulate. The private sector emulates what government is doing.

So some of the great things that we have even heard today, two of our companies here utilize the 8(a) program, which is very essential and instrumental in helping minority entrepreneurs gain access to the economic mainstream and to gain a foothold in government contracting. I think that is a great program.

I think Marianne talked about corporate champions, so the SBA's Mentor-Protege Program, pairing up a large company with a smaller company, doing a transfer of knowledge, where smaller companies do not have to reinvent the wheel. I think that is another great program.

I also think what the SBA's Women's Business Centers are doing is very, very impressive. And again, we just emulate it. I am just taking the template that you guys have provided and giving it to more people. Providing informational, technical assistance, this has been tremendously helpful and an effective tool. And I think, as Alejandra said earlier in the first panel, if we look at business as a continuum, you have the start-up, you have the maintenance, and you have the growth. There are many interventions that the private sector can come into. But, again, we are only emulating the successful programs that the government has shown thus far and I think a foundation like mine, which provides career training and mentorship and capital and opportunity is necessary.

But, again, to answer your specific question, awareness is a big part of it. So sometimes that is the barrier in itself.

Senator COWAN. Yes. Thank you for that, and thank you for helping make the case that smart government investment of public dollars can leverage private opportunity and create even more economic growth and prosperity. Thank you.

Madam Chairman, I yield.

Chair LANDRIEU. Thank you.

I am continuing to be more frustrated as I have these extraordinary panels and continue to hear year after year, time after time, the reluctance of some of our community banks to lend to businesses that are viable, that have proven track records, that have actual government contracts in hand. And I am going to direct the staff to focus on getting some proper reporting from our community banks. This committee does not have jurisdiction over the community banks, but we have some influence in the way the community banks operate.

It is just a constant refrain that I hear from people that testify in front of this committee. I travel all over the country and hear a constant refrain that businesses that are viable, that have generated profits, that are longstanding, cannot get the kind of loan that they need from a community bank. Yet the community banks and the large banks get a lot of help from Washington, DC, a tremendous amount of help, when they get into difficult situations. And so we are going to stay focused on this until this problem is corrected and get the measurements so that we can tell if we are making any progress or not.

Ms. Longoria, let me ask you, though, to be a little bit more specific with this micro loan program, because we have all read about

tremendous success stories internationally, where international partners have come together in places like India or Korea or Vietnam, Cambodia, South Africa, to lend money to groups of women, primarily, individual women but in groups, to give them just a few hundred dollars. Now, in some other countries, it literally is a few hundred dollars, or in some cases, literally, a goat or a pig or a cow that is given to a woman, and because of her good industry and stewardship is able to get that gift, whether it is monetary or otherwise, and turn it into a business for the village.

Now, we have heard about this internationally. Can you be a little bit more specific about the characteristics of your micro lending program, and what communities do you envision this being the most successful? And, again, describe your loan amounts. You are looking at lending somewhere between what and what?

Ms. LONGORIA. As small as $5,000 to $25,000, micro loans. Our foundation—well, the Buffett-Longoria Micro Loan Initiative is a comprehensive solution to loan origination, and so we are hoping that this particular initiative increases lending efficiency and allows women to be—enables program scalability.

So in order for this program to work, the micro loan initiatives have requirements of counseling, mentoring, training, and technical assistance. So every woman who receives a micro loan from this particular initiative must complete a series of one-on-one counseling by our counselors to help her develop a strong business plan, understand financial literacy, day-to-day operations, tax compliance, financial records, payroll, human resources. So our Latina entrepreneurs also participate in workshops that will address financial literacy, accounting, building credit.

So we pair the micro loan process with the training components and it is one—this is the best practice, because my foundation leverages that in order to put entrepreneurs on the path to success. The whole idea is to set them up for success.

Chair LANDRIEU. And how many loans do you think in a year that you all will be able to make through just your initiative?

Ms. LONGORIA. We are hoping $500,000. Five hundred thousand within the program of $2 million.

Chair LANDRIEU. And then as you think about, hopefully, you will have a 99 percent success rate or a 90 percent success rate. How are you going to encourage your businesses to go to that next level, when they need the $50,000 or $100,000? Are you thinking about pairing with a community bank in your area that might agree in advance to basically have your success stories advance through their potential loan programs, or what are you thinking about the next step for your successful borrowers?

Ms. LONGORIA. Yes. Well, we just launched, maybe two weeks ago, so it is very early on in the stages, and we are starting with—we are pairing with a company called Accion Texas. So we are actually starting very specific in Texas for Latinas in Texas. We will expand to California, California and Texas being the largest Latina populations in the country.

That would be a great growing pain for us to have, is, oh my gosh, we have all these women now at a level where they have to continue. I think a great handoff would be the MBDA and the SBA. I think there are some infrastructure there that is extremely effec-

tive, that is working. Again, because we look at business as a continuum, it is not just the start-up, it is how do I grow it. There is a glass ceiling that women hit, their own glass ceiling. If you get to a million dollars, usually, we do not know where to go, as Marianne said, although she is a much larger company.

So I cannot wait to get to that problem and pass them on to—not pass them off, assist them and guide them in the right direction.

Chair LANDRIEU. Thank you. I really appreciate that. And look at that as a bridge——

Ms. LONGORIA. Absolutely.

Chair LANDRIEU [continuing]. Because that is what it is, at different stages and kind of passing or handing off or partnering with this ecosystem that can help businesses emerge, get started, and then grow.

Ms. LONGORIA. Yes.

Chair LANDRIEU. And I think any country that has a good strategy in this will have a very bright economic future, and any country that does not will simply fall behind. I think, Mr. Mayor, you said it perfectly. These are untapped assets, and a smart country, a smart government, a pro-people government will invest in their people and provide opportunities for people to succeed.

And that is, I think, what our committee wants to focus on, closing this wealth gap and recognizing women entrepreneurs as really an extraordinary untapped resource for this nation. Women, Asian American women, Hispanic women, African American women, and I am glad that Heidi brought up in our Native American community some women are particularly distressed and disadvantaged and we could unlock that potential.

We are going to have to close, but I am going to give everybody one minute to make closing remarks, starting with you, Ms. Parker, anything that you want to underscore or stress, because our committee is really excited about this 25-year anniversary.

I am going to submit for the record the history going back to 1988 and how we got to the point where we are with the 25-year anniversary, and we are going to be looking for a piece of legislation that can enhance and build on the successes of the last 25 years and lay a strong foundation for the next 25 years for women entrepreneurship in America. So your testimony is going to be a part of that and I thank all of you.

[The information of Chair Landrieu follows:]

Public Law 100-533
100th Congress

An Act

To amend the Small Business Act to establish programs and initiate efforts to assist the development of small business concerns owned and controlled by women, and for other purposes.

Oct. 25, 1988
[H.R. 5050]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Women's Business Ownership Act of 1988.
15 USC 631 note.

SECTION 1. SHORT TITLE.

This Act, together with the following table of contents, may be cited as the "Women's Business Ownership Act of 1988".

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TITLE I—CONGRESSIONAL FINDINGS AND PURPOSES

SEC. 101. FINDINGS AND PURPOSES.

Section 2 of the Small Business Act (15 U.S.C. 631) is amended by adding at the end thereof the following new subsection:

"(h)(1) With respect to the programs and activities authorized by this Act, the Congress finds that—

"(A) women owned business has become a major contributor to the American economy by providing goods and services, revenues, and jobs;

"(B) over the past two decades there have been substantial gains in the social and economic status of women as they have sought economic equality and independence;

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"(C) despite such progress, women, as a group, are subjected to discrimination in entrepreneurial endeavors due to their gender;

"(D) such discrimination takes many overt and subtle forms adversely impacting the ability to raise or secure capital, to acquire managerial talents, and to capture market opportunities;

"(E) it is in the national interest to expeditiously remove discriminatory barriers to the creation and development of small business concerns owned and controlled by women;

"(F) the removal of such barriers is essential to provide a fair opportunity for full participation in the free enterprise system by women and to further increase the economic vitality of the Nation;

"(G) increased numbers of small business concerns owned and controlled by women will directly benefit the United States Government by expanding the potential number of suppliers of goods and services to the Government; and

"(H) programs and activities designed to assist small business concerns owned and controlled by women must be implemented in such a way as to remove such discriminatory barriers while not adversely affecting the rights of socially and economically disadvantaged individuals.

Discrimination, prohibition.

"(2) It is, therefore, the purpose of those programs and activities conducted under the authority of this Act that assist women entrepreneurs to—

"(A) vigorously promote the legitimate interests of small business concerns owned and controlled by women;

"(B) remove, insofar as possible, the discriminatory barriers that are encountered by women in accessing capital and other factors of production; and

"(C) require that the Government engage in a systematic and sustained effort to identify, define and analyze those discriminatory barriers facing women and that such effort directly involve the participation of women business owners in the public/private sector partnership.".

TITLE II—DEMONSTRATION PROJECTS

SEC. 201. ESTABLISHMENT.

Subsection (c) of section 8 of the Small Business Act (15 U.S.C. 637(c)) is amended to read as follows:

"(c)(1) Subject to the requirements of paragraph (2), the Administration shall provide financial assistance to private organizations to conduct demonstration projects for the benefit of small business concerns owned and controlled by women.

"(2) No amount of financial assistance shall be provided pursuant to this subsection unless the recipient organization agrees, as a condition of receiving such assistance, that—

"(A) it will obtain, after its application has been approved but prior to the disbursement of funds pursuant to this subsection, cash contributions from private sector sources in an amount at least equal to the amount of funds such organization will receive under this subsection; and

"(B) it will provide the types of services and assistance to present and potential women owners of small business concerns

as are described in paragraph (3). For the purposes of this subsection such concerns may be either 'start-up' businesses or established 'on-going' concerns.

"(3) The types of services and assistance referred to in paragraph (2)(B) shall include the following:

"(A) Financial assistance, which assistance shall include training and counseling in how to apply for and secure business credit and investment capital; prepare and present financial statements; manage cash-flow and otherwise manage the financial operations of a business concern.

"(B) Management assistance, which assistance shall include training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and

"(C) Marketing assistance, which assistance shall include training and counseling in how to identify and segment domestic and international market opportunities; prepare and execute marketing plans; develop pricing strategies; locate contract opportunities; negotiate contracts; and utilize varying public relations and advertising techniques.

"(4) Applications for financial assistance pursuant to this subsection shall be evaluated and ranked in accordance with predetermined selection criteria that shall be stated in terms of relative importance. Such criteria and their relative importance shall be made publicly available and stated in each solicitation for applications made by the Administration. Such criteria shall include— Public information.

"(A) a criterion that specifically refers to the experience of the offering organization in conducting programs or on-going efforts designed to impart or upgrade the business skills of women business owners or potential owners;

"(B) a criterion that specifically refers to the present ability of the offering organization to commence a demonstration project within a minimum amount of time; and

"(C) a criterion that specifically refers to the ability of the applicant organization to provide training and services to a representative number of women who are both socially and economically disadvantaged.

"(5) The financial assistance authorized pursuant to this subsection shall be made by grant, contract, or cooperative agreement and may contain such provision, as necessary, to provide for payments in lump sum or installments, and in advance or by way of reimbursement. Grants. Contracts.

"(6)(A) The Administration shall prepare and transmit a report to the Committees on Small Business of the Senate and House of Representatives on the effectiveness of all demonstration projects conducted under the authority of this subsection. Such report shall provide information concerning— Reports.

"(i) the number of individuals receiving assistance;

"(ii) the number of start-up business concerns formed;

"(iii) the gross receipts of assisted concerns;

"(iv) increases or decreases in profits of assisted concerns; and

"(v) the employment increases or decreases of assisted concerns.

"(B) The report required pursuant to subparagraph (A) shall cover at least a twenty-four-month period and shall be submitted not later than thirty months after the effective date of this paragraph.

Termination date.

"(7) This subsection shall cease to be effective after September 30, 1991.".

SEC. 202. TECHNICAL.

Subsection (b) of section 8 of the Small Business Act (15 U.S.C. 637(b)) is amended by—

(1) striking out "and" at the end of paragraph (14);

(2) striking out "public." at the end of paragraph (15) and inserting in lieu thereof "public; and"; and

(3) by adding the following new paragraph:

"(16) to make studies of matters materially affecting the competitive strength of small business, and of the effect on small business of Federal laws, programs, and regulations, and to make recommendations to the appropriate Federal agency or agencies for the adjustment of such programs and regulations to the needs of small business.".

15 USC 637 note.

SEC. 203. AUTHORIZATION.

There is authorized to be appropriated $10,000,000 to carry out the demonstration projects required pursuant to section 201. The initial projects authorized to be financed by this title shall be funded by January 31, 1989. Notwithstanding any other provision of law, the Small Business Administration may use such expedited acquisition methods as it deems appropriate to achieve the purposes of this section, except that it shall ensure that all eligible sources are provided a reasonable opportunity to submit proposals.

15 USC 637 note.

SEC. 204. DEFINITION.

For the purposes of this title, the term "small business concern owned and controlled by women" means any small business concern—

(1) that is at least 51 per centum owned by one or more women; and

(2) whose management and daily business operations are controlled by one or more of such women.

TITLE III—ACCESS TO CAPITAL

SEC. 301. AMENDMENTS TO THE CONSUMER CREDIT PROTECTION ACT.

Subsection (a) of section 703 of the Consumer Credit Protection Act (15 U.S.C. 1691b(a)) is amended to read as follows:

Regulations.

"(a)(1) The Board shall prescribe regulations to carry out the purposes of this title. These regulations may contain but are not limited to such classifications, differentiation, or other provision, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof, or to facilitate or substantiate compliance therewith.

"(2) Such regulations may exempt from the provisions of this title any class of transactions that are not primarily for personal, family, or household purposes, or business or commercial loans made available by a financial institution, except that a particular type within a class of such transactions may be exempted if the Board determines, after making an express finding that the application of this title or of any provision of this title of such transaction would not contribute substantially to effecting the purposes of this title.

"(3) An exemption granted pursuant to paragraph (2) shall be for no longer than five years and shall be extended only if the Board makes a subsequent determination, in the manner described by such paragraph, that such exemption remains appropriate.

"(4) Pursuant to Board regulations, entities making business or commercial loans shall maintain such records or other data relating to such loans as may be necessary to evidence compliance with this subsection or enforce any action pursuant to the authority of this Act. In no event shall such records or data be maintained for a period of less than one year. The Board shall promulgate regulations to implement this paragraph in the manner prescribed by chapter 5 of title 5, United States Code. Loans. Records. Regulations.

"(5) The Board shall provide in regulations that an applicant for a business or commercial loan shall be provided a written notice of such applicant's right to receive a written statement of the reasons for the denial of such loan.". Loans.

SEC. 302. FORM SIMPLIFICATION AND PREFERRED FINANCING.

(a) CERTIFIED LOAN PROGRAM.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding to subsection (a) the following new paragraph:

"(19) During fiscal years 1989, 1990, and 1991, in addition to the preferred lenders program authorized by the proviso in section 5(b)(7), the Administration is authorized to establish a certified loan program for lenders who establish their knowledge of Administration laws and regulations concerning the loan guarantees program and their proficiency in program requirements. In order to encourage certified lenders and preferred lenders to provide loans of $50,000 or less in guarantees to eligible small business loan applicants, the Administration (A) shall develop and shall allow participating lenders in the certified loan program and in the preferred loan program to solely utilize a uniform and simplified loan form for such loans and (B) shall allow such lenders to retain one-half of the fee collected pursuant to section 7(a)(16) on such loans: *Provided,* That a participating lender may not retain any fee pursuant to this paragraph if the amount committed and outstanding to the applicant would exceed $50,000 unless such excess amount was not approved under the provisions of this paragraph. The designation of a lender as a certified lender shall be suspended or revoked at any time that the Administration determines that the lender is not adhering to its rules and regulations or if the Administration determines that the loss experience of the lender is excessive as compared to other lenders: *Provided further,* That any suspension or revocation of the designation shall not affect any outstanding guarantee: *And provided further,* That the Administration may not reduce the per centum of guarantee as a criterion of eligibility for participation in this program, except as otherwise provided by law.".

(b) REPORTS.—The Administration shall take appropriate steps to expand participation in the certified loan program and shall report to the Small Business Committees of the Senate and the House of Representatives on the amount of loans approved and the amount of losses sustained under the provisions of section 7(a)(19) of the Small Business Act. An interim report shall be submitted not later than one year after date of enactment of this Act and a final report shall 15 USC 636 note.

be submitted not later than eighteen months after the date of enactment.

15 USC 631 note.

TITLE IV—NATIONAL WOMEN'S BUSINESS COUNCIL

SEC. 401. ESTABLISHMENT.

There is established a Council to be known as the "National Women's Business Council" (hereinafter in this title referred to as the Council).

SEC. 402. DUTIES OF THE COUNCIL.

(a) The Council shall review—

(1) the status of women owned business nationwide, including progress made and barriers that remain in order to assist such businesses to enter the mainstream of the American economy;

(2) the role of the Federal Government and State and local governments in assisting and promoting aid to, and the promotion of, women owned business;

(3) data collection procedures and the availability of data relating to (A) women owned businesses; (B) women owned small business, and (C) small business owned and controlled by socially and economically disadvantaged women; and

(4) such other government initiatives as may exist relating to women owned business including, but not limited to, those relating to Federal procurements.

(b) Based upon its review, the Council shall, by December 31, 1989, and every twelve months thereafter, recommend to the Congress and the President—

(1) new private sector initiatives that would provide management and technical assistance to women owned small business;

(2) ways to promote greater access to public and private sector financing and procurement opportunities for such businesses; and

(3) detailed multiyear plans of action, with specific goals and timetables, for both public and private sector actions needed to overcome discriminatory barriers to full participation in the economic mainstream.

(c) For the purposes of this title the term "small business concern owned and controlled by women" shall have the same meaning as that term is given in section 204 of this Act.

SEC. 403. MEMBERSHIP.

(a) The Council shall be composed of nine members to be selected as follows:

(1) the Administrator of the Small Business Administration, the Secretary of Commerce (or such Secretary's deputy) and the Chairman of the Federal Reserve Board (or such Chairman's designee, who shall be a member of the Board);

(2) two members shall be appointed by the majority leader, and one member shall be appointed by the minority leader of the Senate; and

(3) two members shall be appointed by the Speaker, and one member shall be appointed by the minority leader of the House of Representatives.

(b)(1) Appointments under section (a) (2) and (3) shall be made from individuals who are specially qualified to serve on the Council by virtue of their education, training, and experience and who are

not officers or employees of the Federal Government nor of the Congress.

(2)(A) Of the individuals to be appointed under subsection (a) (2) and (3)—

(i) no more than two members to be appointed under each such paragraph of such subsection shall be of the same political party;

(ii) at least two members appointed under each such paragraph of such subsection shall be women; and

(iii) at least two members to be appointed under each such paragraph of such subsection shall be owners of small business concerns as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

(B) Appointments made pursuant to subsection (a) (2) and (3) shall be made in the following sequence—

(i) appointments under (a)(2) shall be made within ninety days of the effective date of this title; and

(ii) appointments under (a)(3) shall be made within one hundred and twenty days of the effective date of this title.

(3) In making appointments under subsection (a), the appointing authorities shall give due consideration to achieving balanced geographical representation.

(C) Members appointed under subsection (a) (2) and (3) shall be appointed for a three-year term, except if any such appointee becomes an officer or employee of the Federal Government or of the Congress, such individual may continue as a member of the Council for not longer than the thirty-day period beginning on the date such individual becomes such an officer or employee.

(D) A vacancy on the Council shall be filled in the manner in which the original appointment was made.

(E) Members of the Council shall serve without pay for such membership, except members of the Council shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Council, in the same manner as persons employed intermittently in the Federal Government are allowed expenses under section 5703 of title 5, United States Code.

(F)(1) Two members of the Council shall constitute a quorum for the receipt of testimony and other evidence.

(2) A majority of the Council shall constitute a quorum for the approval of a recommendation or report submitted pursuant to section 402 or section 406.

(G) The Chairperson and Vice Chairperson of the Council shall be designated by the President. The term of office of the Chairperson and Vice Chairperson shall be at the discretion of the President. President of U.S.

(H) The Council shall meet not less than four times a year. Meetings shall be at the call of the Chairperson.

SEC. 404. DIRECTOR AND STAFF OF THE COUNCIL.

(a)(1) The Council shall have a Director who shall be appointed by the Chairperson. Upon recommendation by the Director, the Chairperson may appoint and fix the pay of four additional personnel.

(2) The Director and staff of the Council may be appointed without regard to section 5311(b) of title 5, United States Code, and without regard to the provisions of such title governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title

relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(b) The Council may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS-18 of the General Schedule.

(c) Upon request of the Chairperson, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this title without regard to section 3341 of title 5 of the United States Code.

SEC. 405. POWERS OF THE COUNCIL.

(a) The Council may, for the purpose of carrying out this title sit and act at such times and places, hold such hearings, take such testimony, receive such evidence, and consider such information, as the Council considers appropriate. The Council may administer oaths or affirmations for the receipt of such testimony.

(b) Any member or person within the employ of the Council may, if so authorized by the Council, take any action which the Council is authorized to take by this section.

(c) Except as otherwise prohibited by law, the Council may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this Act. Upon the request of the Chairperson of the Council, the head of such department or agency shall promptly furnish such information to the Council.

Mail.

(d) The Council may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(e) The Administrator of the General Services Administration shall provide to the Council, on a reimbursable basis, such administrative support services as the Council may request. In addition, the Administrator shall, as appropriate, provide to the Council, upon its request, access to and use of such Federal facilities as may be necessary for the conduct of its business.

SEC. 406. REPORTS.

The Council shall transmit to the President and to each House of the Congress a report no less than once in every twelve-month period. The first such report shall be submitted no later than December 31, 1989. Such reports shall contain a detailed statement on the activities of the Council, and the findings and conclusions of the Council, together with its recommendations for such legislation and administrative actions as it considers appropriate based upon its reviews conducted under section 402.

SEC. 407. AUTHORIZATION.

There are authorized to be appropriated such sums as may be necessary to carry out this title and they may remain available until expended. New spending authority or authority to enter into contracts as authorized in this Act shall be effective only to such extent and in such amounts as are provided in advance in appropriation Acts. This title shall cease to be effective five years after the date of enactment.

Contracts.

Termination date.

TITLE V—STATISTICAL DATA AND EFFECT ON OTHER PROGRAMS

SEC. 501. CENSUS DATA. 13 USC 131 note.

(a) BUREAU OF LABOR STATISTICS.—The Bureau of Labor Statistics of the Department of Labor shall include in any census report it may prepare on women owned business data on—

(1) sole proprietorships;

(2) partnerships; and

(3) corporations.

(b) BUREAU OF THE CENSUS.—The Bureau of the Census of the Department of Commerce shall include in its Business Census for 1992 and each such succeeding census data on the number of corporations which are 51 per centum or more owned by women.

(c) COMBINED STUDY.—Not later than one hundred and eighty days after the effective date of this section, the Office of the Chief Counsel for Advocacy of the Small Business Administration (hereinafter referred to in this subsection as the "Office") shall conduct a study and prepare a report recommending the most cost effective and accurate means to gather and present the data required to be collected pursuant to subsections (a) and (b). The Department of Commerce and the Department of Labor shall provide the Office such assistance and cooperation as may be necessary and appropriate to achieve the purposes of this subsection. Reports.

SEC. 502. PROCUREMENT DATA. 41 USC 4717a.

(a) REPORTING.—Each Federal agency shall report to the Office of Federal Procurement Policy the number of small businesses owned and controlled by women and the number of small business concerns owned and controlled by socially and economically disadvantaged businesses, by gender, that are first time recipients of contracts from such agency. The Office of Federal Procurement Policy shall take such actions as may be appropriate to ascertain for each fiscal year the number of such small businesses that have newly entered the Federal market.

(b) DEFINITIONS.—For purposes of this section the terms "small business concern owned and controlled by women" and "small business concerns owned and controlled by socially and economically disadvantaged individuals" shall be given the same meaning as those terms are given under section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and section 204 of this Act.

SEC. 503. STATE OF SMALL BUSINESS REPORT.

Section 303 of Public Law 96-302 (15 U.S.C. 631(b)) is amended by adding the following new subsection: 15 USC 631b.

"(e) The information and data required to be reported pursuant to subsection (a) shall separately detail those portions of such information and data that are relevant to—

"(1) small business concerns owned and controlled by socially and economically disadvantaged individuals, by gender, as defined pursuant to section 8(d) of the Small Business Act; and

"(2) small business concerns owned and controlled by women.".

15 USC 631 note.

SEC. 504. DISADVANTAGED SMALL BUSINESSES.

Nothing contained in this Act is intended to reduce or limit any programs, benefit, or activity that is authorized by law to assist small business concerns owned and controlled by socially and economically disadvantaged individuals as defined pursuant to section 8(d)(3) of the Small Business Act (15 U.S.C. 637(d)(3)).

Approved October 25, 1988.

LEGISLATIVE HISTORY—H.R. 5050:

HOUSE REPORTS: No. 100-955 (Comm. on Small Business).
CONGRESSIONAL RECORD, Vol. 134 (1988):
Oct. 3, considered and passed House.
Oct. 11, considered and passed Senate, amended.
Oct. 12, House concurred in Senate amendment.

Chair LANDRIEU. So with a closing remark for maybe a minute, Ms. Parker, anything you want to underscore.

Ms. PARKER. Thank you, Chairwoman. I would like to dedicate 60 seconds to advocating for SBA. Again, our SBA is underfunded. Every BOS has more than 100 cases. Each case represents many joint ventures, business opportunities, you know, mentor-protege agreements. There is just not enough hours in a day for them to adequately do their job. So I advocate that you help them to increase their funding. Like I say, it is a great return of investment.

And I ask that you help look into the Mentor-Protege Program. I think this program really needs a lot of review. I think the mentors should be limited to companies who have graduated from the 8(a) company. They have walked a mile. They wore the shoes. And they know what faces the small businesses, versus the very large companies who, at the end of the day, are not helping the proteges. And I think SBA has a lot of networking capabilities and we are always ready to help our SBA and our local SCORE chapters. Thank you very much.

Chair LANDRIEU. Thank you.

Mr. Morial.

Mr. MORIAL. Thank you. Thank you, Senator Landrieu. Three quick things.

I join in saying protect and defend the SBA and the MBDA. And in this difficult time, do not allow those agencies, which are already small, to come under more stress when the return on investing in them is quite high. Protect and defend the SBA and the MBDA and the government's infrastructure that supports small businesses.

Second, focus on small business financing and what more can be done by looking at what the government does, what the private sector does, and the nonprofit sector does.

And, thirdly, recognize that the players in this space, the active players in this space include government, Federal, State, and local, the private sector, and all of the tools and mechanisms and programs that they utilize, as well as the nonprofit sector and the NGO sector, what Ms. Longoria is doing, what the National Urban League is doing, the mention of Accion Texas, all of us, and unleash their power and the return for the nation will be great.

Chair LANDRIEU. Thank you.

Ms. Longoria.

Ms. LONGORIA. Thank you. I wanted to remind the committee that diversity breeds innovation, and that is what our country needs right now. And I also want to advocate for the MBDA. Currently, they have 40 Business Centers in 25 States, and that is a capacity issue. We have way more women that need access to these small business centers. And so I would say—I would mimic what you just said and say, let us fight for them and their funding.

The bottom line is the incentive. The incentive to the private sector is the market, and as the market continues to diversify, specially with Latinos, we have to have accountability to the changing demographic of the market. So I think however we can, the public sector can help change the conditions to make building a business a more transparent process. Thank you.

Chair LANDRIEU. Thank you very much.

Ms. Kolditz.

Ms. KOLDITZ. Thank you. I want to say, I hope you do not dismiss my statement because we started our business with support from our family, because you missed out on the fact that I started another business using savings that me and my family started. And because of that, we started our business because we were afraid of debt. And you think of how many people out there are afraid of acquiring more debt, and that is why we work hard at starting businesses small and growing them at smaller paces that we can afford.

And also to think of the fact that there are more women out there who started their businesses that way and they are now trying to grow and they need more training, but they need training that can be custom fit for their businesses.

So do not dismiss us because we are not taking loans. Think of programs that you can make to help us so that we can have more resources to grow. It might not be financial, but we also need some of the help. So there are women out there who are starting out businesses that way. Thank you.

Chair LANDRIEU. Yes. I am a very strong supporter of the Mentorship Program. Unfortunately, we have not been able to get too much support from some members that are going to help make that bill possible, but I am a very strong supporter of mentorship and counseling.

Ms. Lancaster.

Ms. LANCASTER. Thank you. I have to say ditto to everything about supporting the MBDA and the SBA. And also, I have to reiterate on the Mentor-Protege Program, as well, I think that it is true that the SBA does not have funding to tackle everything, but with more teeth in the Mentor-Protege Program and put the onus on the government prime contractors to really meet their requirements regarding—or make it a requirement to have mentor-protege agreements.

I just have to say thank you, and I truly appreciate your comments on really looking at the banking industry and saying that you need to take a look at the measurements and get the data and then tackle dealing with the banking industry's overall attitude and environment towards minority-owned women businesses. Thank you.

Chair LANDRIEU. Thank you all very much.

The meeting is adjourned.

[Whereupon, at 11:46 a.m., the committee was adjourned.]

APPENDIX MATERIAL SUBMITTED

Post-Hearing Questions for the Record
Submitted to Ms. Alejandra Castillo, National Deputy Director, Minority Business Development Agency (MBDA)
From Senator James E. Risch
Ranking Member

1. The MBDA's FY2011 Performance Report stated that the significant time and resources are being shifted to assist minority owned businesses with their Export needs. The MBDA is following the administrations lead on providing greater access for small businesses to be used for exporting. The GAO, in its April 2013 duplication and overlap report, specifically mentions the Commerce Department and the SBA when discussing overlapping export programs.

   Ms. Castillo, would it be possible to merge the MBDA Business Centers with the SBA's centers, in certain geographic areas, in order to save taxpayers money and provide most small business needs under one roof? How do these export programs differ?

   Thank you Senator Risch for your question.

   The Minority Business Development Agency (MBDA) recognizes the importance of being good stewards of the taxpayers' money and prides itself on being highly efficient in maximizing its value to boost U.S. competitiveness. Between 2009 and 2012, MBDA has assisted minority-owned firms gain access to $15 billion in contracts and capital which, based the Agency's annual appropriations levels, translates to a return on taxpayer investment of 121 times. This represents an increase of 103.8% over the previous four year period (2005-2008).

   Though MBDA does work closely with the Small Business Administration as a valued partner, MBDA has a particular focus on the specific needs of a diverse business community. There is a misconception that that all minority businesses are automatically small businesses and thus the efforts of the MBDA and the Small Business Administration (SBA) overlap. However, that is not the case. Whereas SBA has clear size and wealth restrictions based on industry, MBDA has no such constraints. Therefore, a number of the firms we assist are those that have gone through SBA's 8(a) Business Development Program and are at a level above the start-up phase and need an added boost.

   One might assume that only small businesses need assistance with gaining access to contracts, capital, and new markets. However, the fact of the matter is that there are many medium sized firms that are facing tremendous economic obstacles and barriers to new markets that we must not forget about. In fact, only one percent of America's 30 million companies export. This is a figure well below that of other industrialized nations.

   As I referenced in my written statement, minority-owned firms are a driving force for our nation's global competitiveness and so we should continue to support them in any way we can. Minority businesses have a competitive advantage in global trade based on their cultural ties, language skills and nimbleness. The 2007 Survey of Business Owners reveals that among firms with export sales representing 20 percent or more of their overall receipts, minority-owned businesses are twice as likely to export compared to non-minority firms. In addition, minority firms are more

than three times as likely to have businesses generating 100 percent of all their sales in exports compared to non-minority respondent firms, and six times more likely to transact business in a language other than English. Moreover, Minority-owned firms are more likely to have international operations than non-minority owned firms in 14 of 19 key industry sectors.

MBDA has strong relationships with other federal partners, including the Export-Import Bank, Overseas Private Investment Corporation, and the U.S. Trade & Development Agency. MBDA also partners with external organizations all in support of the Department of Commerce's clear mission to promote job create, economic growth, and drive U.S. competitiveness in the global marketplace.

MBDA looks forward to working with you and your colleagues to ensure that the taxpayers' money continues to be used efficiently and effectively.

Post-Hearing Questions for the Record
Submitted to The Honorable Marie Johns, Deputy Administrator, SBA
From Senator James E. Risch
Ranking Member

1. Deputy Johns, as you know the GAO has issued their annual report in April on duplication and overlap. The GAO has cited in several past annual reports and the most recent, that federal agencies need to better collaborate and review certain programs that duplicate or overlap with other agencies. I also see that the SBA has similar programs as the MBDA when it comes to women owned small business in federal contracting, business centers and access to capital.

   What specific steps is the SBA taking to address this overlap and duplication and to utilize the GAO's recommendation to better communicate with other agencies who offer similar programs?

SBA is continually looking for ways to better help small businesses, to avoid duplication or overlap, and to coordinate effectively with other federal agencies.

To implement its programs, services and disaster support, SBA connects directly with small businesses in communities across America. It does so directly through its nationwide network of SBA District Offices, Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), SCORE chapters and Veteran's Business Opportunity Centers (VBOCs). SBA also helps small businesses every day by collaborating with our very large network of bank and non-bank lenders and Small Business Investment Companies in our lending and capital programs; with federal and state agencies or organizations in our procurement, Small Business Innovation Research and Small Business Technology Transfer programs; and with university and non-profit partners in several of our innovative initiatives for supporting veterans' entrepreneurship.

We work collaboratively every day to break down siloes and to work effectively with our federal, state and private-sector partners. But we know that there are always further opportunities to use taxpayer dollars wisely and to make things simpler and easier for our small business constituents. We know that navigating the federal government and its many programs and services can be daunting to a small business. For that reason SBA and our network of resource partners act as the "Front Door" to federal support for small businesses. We help them access our own programs and services, and also act as community-based and online guides to help small businesses get the help they need from whichever federal, state or local partner can serve that small business best.

We appreciate the work of the Government Accountability Office (GAO). Their reports on the important issues of fragmentation, overlap and data evaluation help SBA in its ongoing efforts to collaborate effectively with other federal agencies and to improve delivery of its own programs and services.

SBA focuses intensively on opportunities for collaboration and coordination of services with other federal agencies. We recognize the ongoing need to identify and use the most promising practices for inter-agency collaboration, and we look forward to building on existing initiatives.

SBA has participated in and led efforts to collaborate and share resources with United States Department of Agriculture (USDA), Department of Commerce (DOC), and the Department of Housing and Urban Development (HUD). We have also worked to leverage each other's outreach efforts to improve local small business access to the full range of economic development programs and services.

For example, SBA sees MBDA as a valuable partner in our efforts to support minority women owned businesses, and works closely with them to coordinate and collaborate our efforts. Often times MDBA will refer small businesses from one of their 39 MBDA Business Centers to SBA for a particular program or for a loan. The programs offered by MBDA and SBA are important compliments to each other, and work well together to better meet the needs of minority small businesses.

SBA also participated in the Task Force on Travel & Competitiveness chaired by the Secretary of Commerce and the Secretary of the Interior, and contributed to the development of the Task Force's National Travel & Tourism Strategy released in May 2012. In addition, in response to the historic drought, SBA, USDA, and DOC, through its Economic Development Administration (EDA), worked collaboratively to conduct outreach to drought-impacted communities about available federal resources. Also, SBA has been working with DOC and numerous other federal agencies on developing BusinessUSA.gov, the comprehensive, one-stop platform for businesses looking to access information, resources, programs and services available through the federal government.

In addition, pursuant to an MOU executed in 2010, SBA and USDA have been working together to promote awareness of each other's programs and services and to cross-refer business clients through their online websites and from their field offices. For example, SBA and USDA are working together to recruit small businesses from rural communities into the Historically Underutilized Business Zone (HUBZone) program. The HUBZone program's focus is to create jobs where they are needed most, and many designated HUBZones tend to be in rural communities where USDA already operates.

In a similar effort, SBDCs have teamed up with USDA to leverage both the USDA's access to rural communities and the SBDCs' business assistance services. SBDCs collaborate with the Cooperative Extension System, Rural Business Enterprise and the BioPreferred Program Offices to maximize assistance to small businesses in rural areas across the country. Several SBDCs across the country receive USDA Rural Business Enterprise grants that finance and facilitate the development of small and emerging rural businesses through distance learning networks. SBDCs are also key to the counseling component of the Economy, Energy and Environment Initiative (E3 Initiative) and as such, support SBA's contribution to this collaborative effort, which also involves DOC, EPA, USDA, Department of Energy (DOE) and Department of Labor (DOL). The E3 initiative has active projects in 20 states to combine federal agency technical assistance tools and resources for more integrated factory and facility assessments and improvements.

HUD and SBA have been collaboratively supporting small business development in distressed areas through HUD-funded Community Development Block Grant (CDBG) projects. Working together, the agencies are piloting ways to increase small and minority business utilization of HUD's CDBG, HOME, public housing and multifamily programs through access to surety bonds for the smallest contractors. HUD and SBA have also worked together intensively in recent years to identify ways to address and eliminate duplication of benefits in disaster response, lending and granting programs.

SBA also works with the DOC, DOL and the Department of Education and others to coordinate federal efforts and leadership in supporting regional innovation through the Taskforce for the Advancement of Regional Innovation Clusters (TARIC). Through TARIC, SBA and 15 other federal agencies collaborate to make their respective programs and services available to small business innovators through joint regional innovation cluster initiatives, including the Advanced Manufacturing Accelerator Initiative and the Rural Accelerator Challenge. For example, the Rural Accelerator Challenge made available a combination of $9 million in funding from EDA, Department of Agriculture, the Delta Regional Authority, and the Appalachian Regional Commission, along with technical and program support from nine additional agencies including SBA.

SBA has also increased its collaboration with the DOC in the administration of its International Trade programs. As directed by the Jobs Act, SBA increased its nationwide network of Trade Finance Specialists co-located with the DOC's staff at U.S. Export Assistance Centers, and has built exporting expertise across the SBDC network with the training of over 200 new export counselors. The two agencies also participate actively in the Trade Promotion Coordinating Committee's Small Business Working Group, chaired by SBA.

While work remains to be done, SBA is very proud of its accomplishments and progress in the area of collaboration to date.

2. The goal of assisting women owned small businesses in their efforts to attain federal grants, provide one-on-one business planning, and increase access to capital is a great goal, but just attaining grants in order to meet a lending goal can be a slippery slope without proper performance measurements. The SBA has several programs dealing with minorities and women-owned small businesses, as does the MBDA, with stated lending and contracting goals.

   What measurements do the SBA and/or MBDA have in place to track the success of these various programs? To be clear, does the SBA/MBDA track the number of applicants, how many women-owned small businesses attain grants, and how these small businesses perform while participating in the SBA/MBDA's programs? Is there any follow-up tracking that is performed to determine the success of those participating?

How do we, Congress, know that this taxpayer money is not spent attaining funding and assisting these small businesses win contracts, only to have them go bankrupt in a couple years?

SBA cannot of course guarantee the long-term success of any particular small business which participates in or benefits from our programs and services. However, the Agency is very focused on measuring the services we provide to small business and the outcomes which result from those services.

Our counseling and training activities assist over 1 million small businesses each year. This assistance takes the form of business planning, financial evaluation, workshops and training on a vast variety of critical business topics, and assistance in accessing financing and procurement opportunities.

SBA's Office of Entrepreneurial Development (OED) developed and currently maintains the data collection mechanism entitled EDMIS to track self-reported client activity data for this counseling and training in our Resource Partner Network: SBDCs, WBCs and SCORE. EDMIS allows management analysis of training and counseling activity funded by SBA and assists the Agency in tracking client information (number of clients served, gender, demographics as voluntarily reported), evaluating program **outputs** (categories of subject matter and type of counseling and training, activity duration, total hours) and **outcomes** (jobs created/retained, gross revenues/sales, revenue growth, new business starts, and capital infusion). This extensive and ongoing analysis of the Network is critical for creating and implementing programmatic decisions, engaging in oversight, and identifying best practices and improvement opportunities as needed.

In addition to the EDMIS system, OED also conducts an annual Impact Survey of our Resource Partner Network. The purpose of the survey is to assess and evaluate the impact of our partners' counseling services, as well as our clients' attitudinal assessments of the service they received and their perceptions of changes in management/marketing practices as a result of those services. In addition to our survey, our Resource Partners engage in additional client surveying. As part of our constant efforts to align and improve our program measurement and evaluation, we are in the process of identifying opportunities with our Resource Partners to coordinate our respective surveys to avoid any unnecessary duplication; to align the outcomes measured by the surveys; and to reduce costs where possible through sharing of questionnaires and responses.

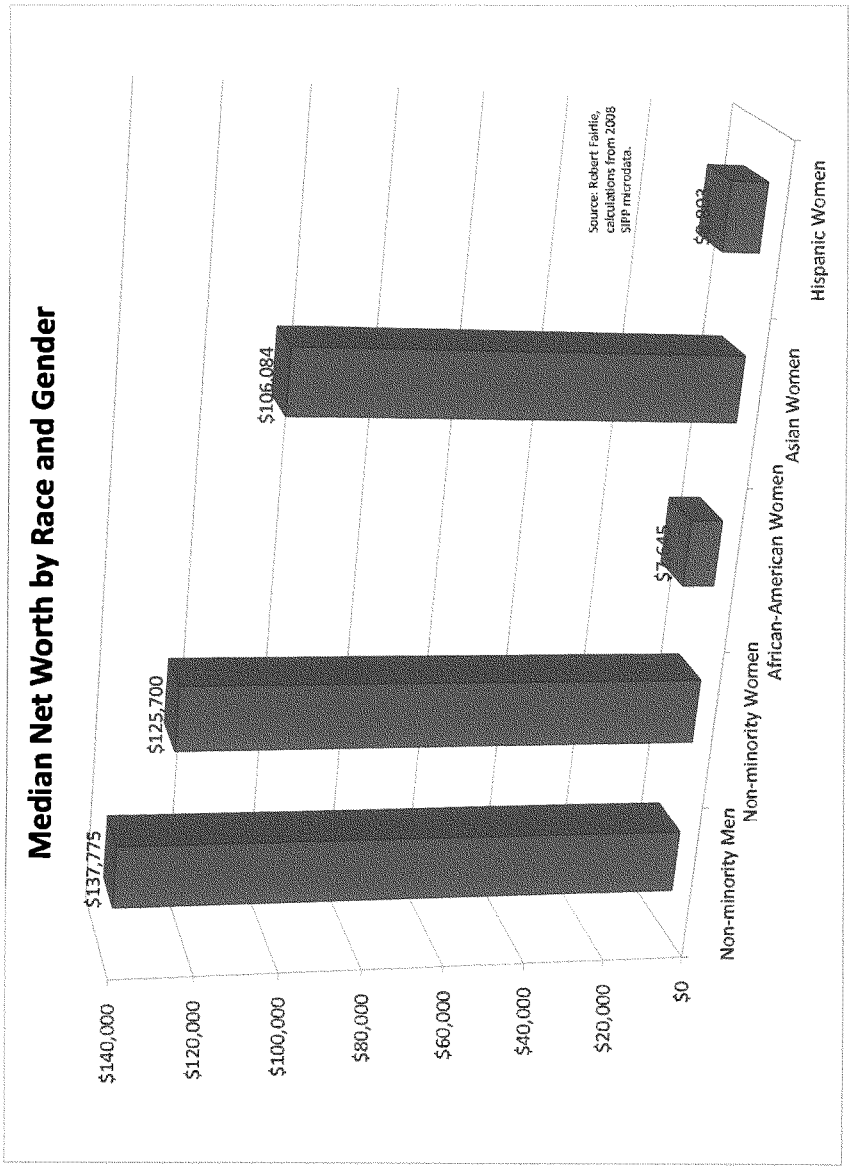
Wealth Inequality, Business Success, and Minority Women

Robert W. Fairlie
University of California, Santa Cruz

U.S. Senate Committee on Small Business and Entrepreneurship
May 6, 2013

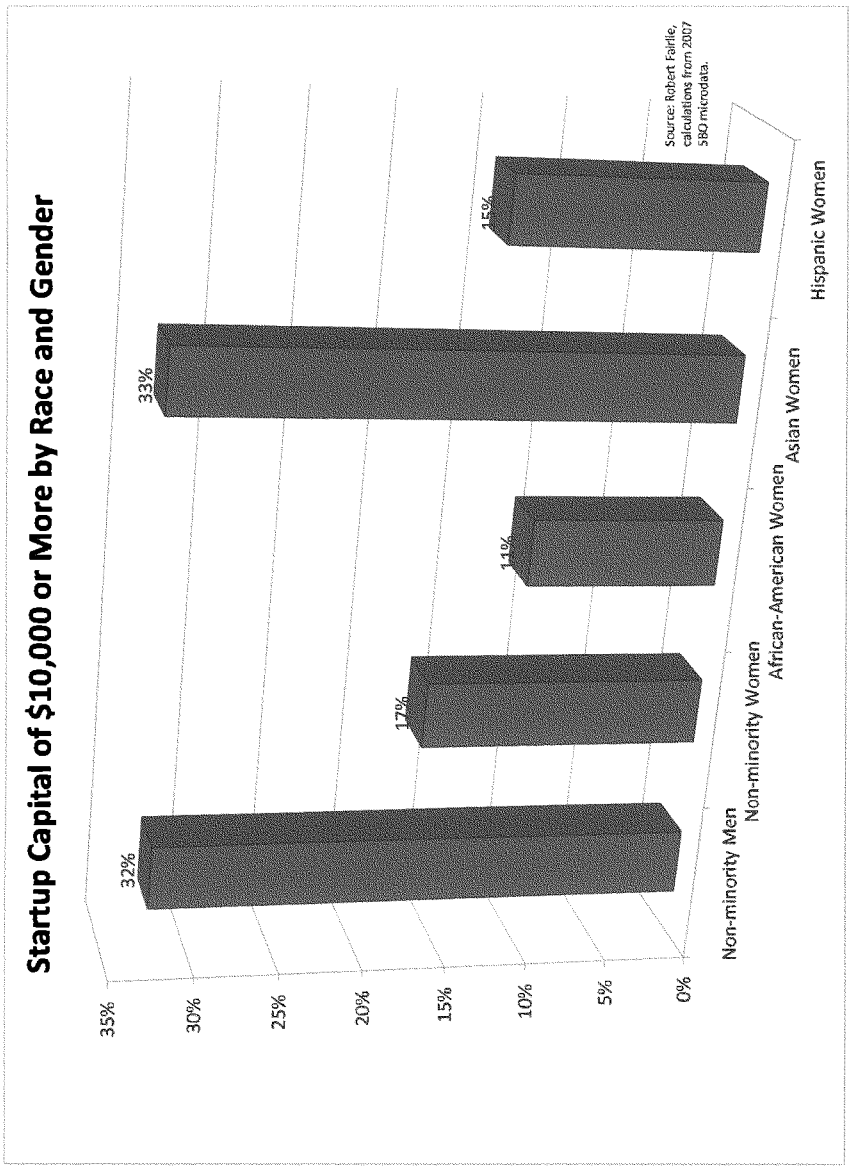
Wealth Inequality in the United States

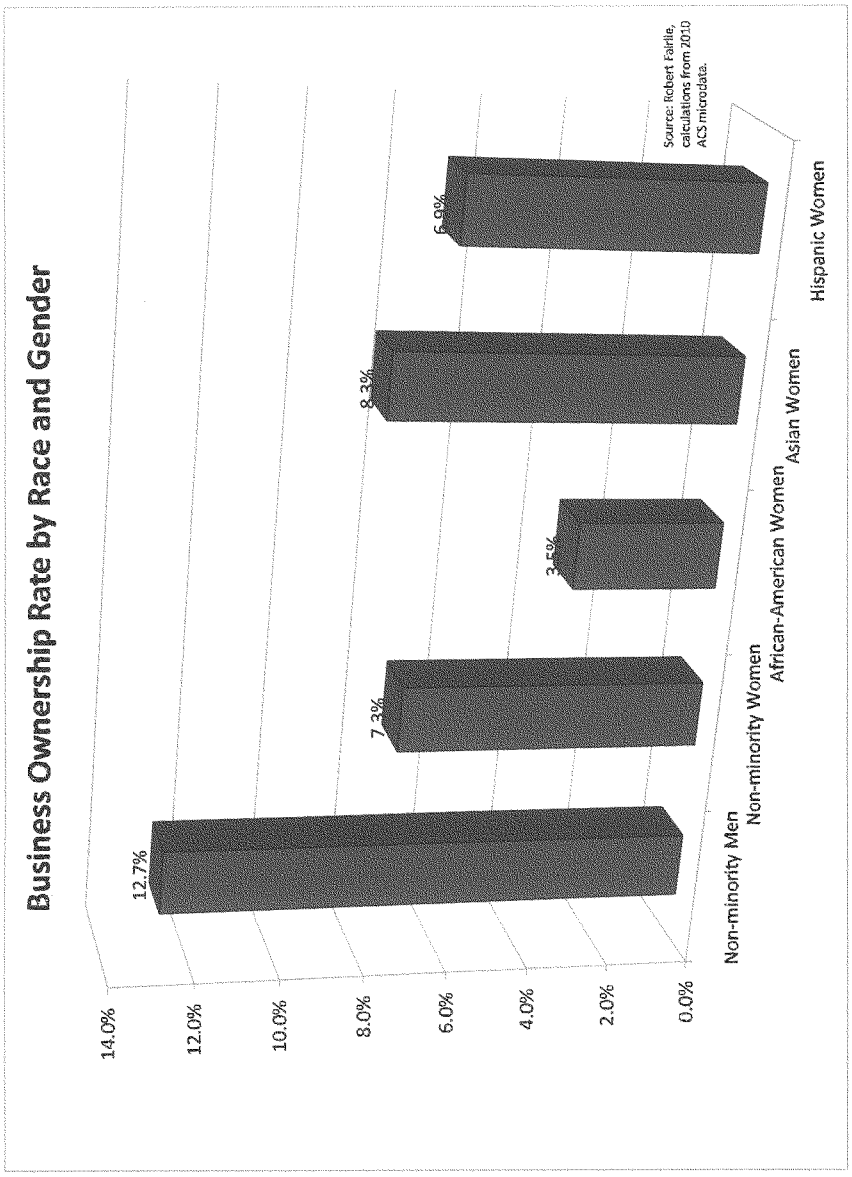
Minority women have low levels of wealth relative to non-minority women and non-minority men

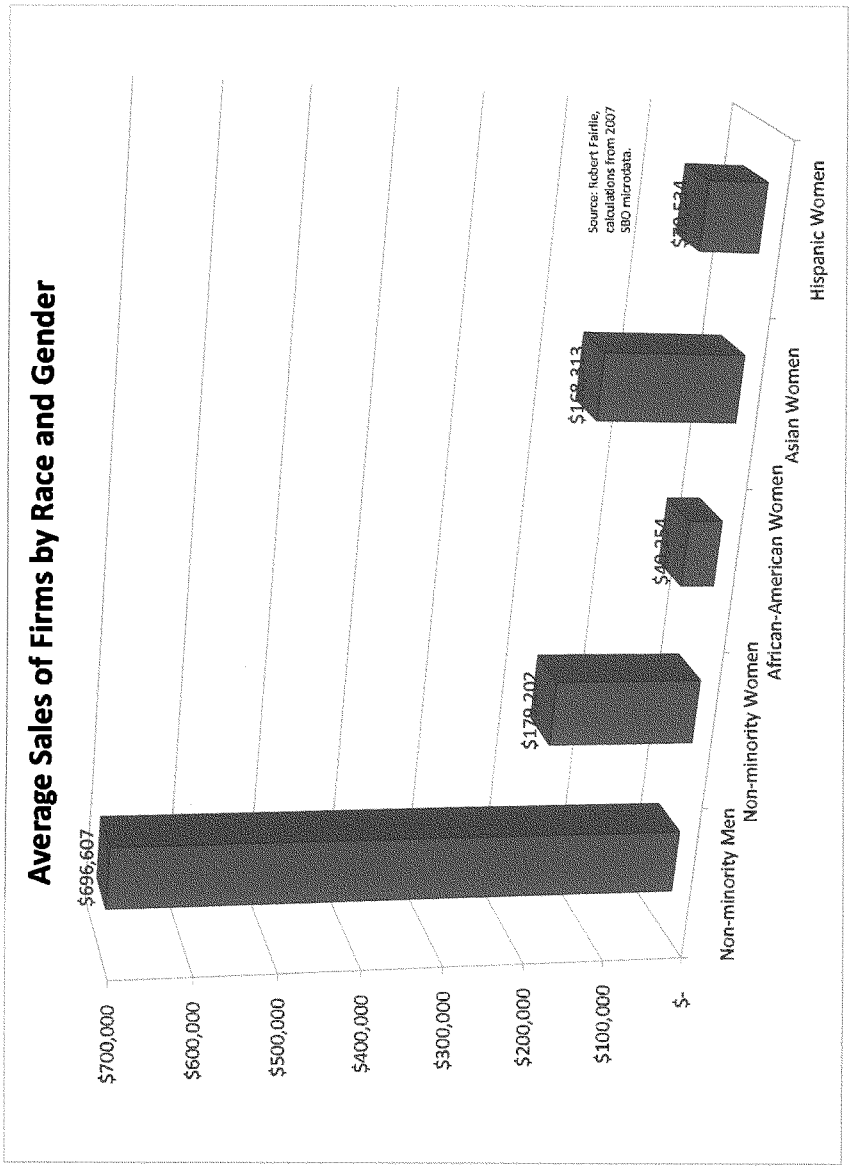

Median Net Worth by Race and Gender
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
$137,775
$125,700
$106,084
Non-minority Men
Non-minority Women
African-American Women
Asian Women
Hispanic Women
Source: Robert Fairlie, calculations from 2008 SIPP microdata.

What are the Consequences of these Low Levels of Wealth for Small Business Inequality?

- Less access to startup capital
- Lower levels of business ownership
- Smaller businesses when they are created


Startup Capital of $10,000 or More by Race and Gender
35%
30%
25%
20%
15%
10%
5%
0%
32%
33%
17%
11%
15%
Non-minority Men
Non-minority Women
African-American Women
Asian Women
Hispanic Women
Source: Robert Fairlie, calculations from 2007 SBO microdata.


Business Ownership Rate by Race and Gender
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
12.7%
7.3%
3.5%
8.3%
6.8%
Non-minority Men
Non-minority Women
African-American Women
Asian Women
Hispanic Women
Source: Robert Fairlie, calculations from 2010 ACS microdata.


Average Sales of Firms by Race and Gender
$696,607
$179,202
$169,313
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$-
Non-minority Men
Non-minority Women
African-American Women
Asian Women
Hispanic Women
Source: Robert Fairlie, calculations from 2007 SBO microdata.

TESTIMONY OF JAVIER PALOMAREZ, PRESIDENT AND CEO OF THE UNITED STATES HISPANIC CHAMBER OF COMMERCE (USHCC), TO THE U.S. SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

SUBMITTED MAY 16, 2013

Chairman Landrieu, Ranking Member Risch and members of the Committee:

Thank you for organizing this hearing on the issue of minority women entrepreneurship and affording the United States Hispanic Chamber of Commerce (USHCC) the opportunity to submit testimony.

Like many of you, the USHCC recognizes the importance of minority women-owned firms to the country's small business community and their tremendous impact on the larger American economy. Specifically, I'd like to focus today on the contributions of Latina entrepreneurs.

Founded in 1979, the USHCC is the country's largest Hispanic business organization. Our mission is to promote the economic growth and development of Hispanic entrepreneurs, and we represent the interests of over 3 million Hispanic-owned businesses across the United States. These businesses contribute in excess of $465 billion to the American economy each year. The USHCC also serves as the umbrella organization for more than 200 local Hispanic chambers and business associations in the United States and Puerto Rico.

Overview: Hispanic Business in the U.S.

In general, the overall impact of Hispanic-owned businesses on the American economy is more far-reaching than most people realize. Hispanic entrepreneurs are opening businesses at more than twice the national rate.[1] In addition, Hispanic-owned business revenue grew 55 percent over the course of the two most recent Census business surveys, and these enterprises are expected to increase their overall contribution to the economy by eight percent annually through 2015.[2]

Not only is the Hispanic community leveraging its entrepreneurial spirit and creating small businesses – the backbone to our country's economic recovery – but it will also

[1] U.S. Census, "Survey of Business Owners: Hispanic-Owned Businesses: 2007," September 21, 2010 http://www.census.gov/newsroom/releases/archives/business_ownership/cb10-145.html
[2] Evangeline Gomez, "Latino-Owned Business; Leading the Recovery," December 28, 2011, http://www.forbes.com/sites/evangelinegomez/2011/12/28/latino-owned-businesses-leading-the-recovery/

account for 74 percent of our nation's labor force growth from 2010 to 2020, according to recent projections from the Bureau of Labor Statistics.

Hispanic-owned businesses play a decisive role in the road to our nation's economic recovery and will continue to be a crucial factor in making the American Dream a reality for many Hispanics and non-Hispanics alike in the years to come.

State of Hispanic Women-Owned Firms[3]

The growth of Hispanic-owned business is one of the most remarkable stories of entrepreneurship in the history of our country. The growth of Hispanic women-owned businesses (WOB), however, is especially noteworthy.

According to a 2012 analysis by the National Women's Business Council, there are 787,914 Hispanic women-owned businesses in the United States.[4] This reflects a tremendous 45.7% increase in number since 2002 and a 133.3% increase since 1997. In comparison, Hispanic men-owned businesses grew 84.1% from 1997 to 2007.

Hispanic WOB's contribute greatly to the U.S. economy and account for much of the small business growth in recent years. According to a 2006 analysis of U.S. Census Bureau data by the Center for Women's Business, "Latinas are starting their own businesses at six times the national average."[5] The total receipts of Hispanic women-owned businesses grew 57.8% since 2002, up to a total of $55.7 billion.

As one might expect, the greatest growth in Hispanic women-owned entrepreneurship has happened in the border states of California, Arizona, New Mexico, and Texas, as well as Florida, a key hub for Latin American business and culture. The three states with the largest number of Latina owned businesses are California (205,309), Florida (128,984), and Texas (137,541). When you take a regional view of Latina business distribution, it is clear that the West has the highest representation (14.7%), followed by the South (11.6%), the Northeast (9.0%), and the Midwest (2.7%).[6]

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[3] Unfortunately, while the available academic literature on Latino business owners is limited overall, the literature on Latina business owners, specifically, suffers from an even greater lack of research. Magnus Lofstrom & Timothy Bates, "**Latina Entrepreneurship**,"IZA Discussion Papers 3997, Institute for the Study of Labor (IZA), 2009

[4] National Women's Business Council, Hispanic Women-Owned Businesses, Numbers and Statistics, 2012, http://www.nwbc.gov/sites/default/files/hispanic%20women-owned%20businesses%20general.pdf

[5] Sophia Kirbie, "State of Women of Color in the United States," Center for American Progress, July 17, 2012, http://www.scribd.com/doc/100330268/The-State-of-Women-of-Color-in-the-United-States

[6] National Women's Business Council, Hispanic Women-Owned Businesses, Numbers and Statistics, 2012

Despite the high concentrations of firms in these states, Latina-owned businesses can be found throughout the country – and in virtually every industry. The Center for Women's Business indicates that Latinas are in a wide variety of sectors, including: construction, financial services, engineering, professional services, technology, sourcing, manufacturing, accommodations and entertainment. The Washington Post reports that minority women-owned businesses (including Latinas) are increasingly entering traditionally male-dominated fields like scientific services, construction and information technology. [7]

Additionally, some 75 percent of Latina entrepreneurs reported that their spouses, children or parents were involved in their businesses. In September 2000, Business Week indicated that, "for many Latinas, success has largely been a family affair."

Language and culture also remain strong influences among Latina business owners. Wells Fargo reported that nearly two-thirds of Latina entrepreneurs use English and Spanish in their business activities. Two-thirds of Latinas see their cultural background as an asset in their business, and about 14 percent of Latina firms are engaged in international trade. In fact, minority owned firms are more likely to export their products, so they will play a crucial role in improving our country's trade balance and building our global manufacturing competitiveness.[8]

Major Issues Facing Hispanic Women-Owned Businesses

The wage gap facing Hispanic female workers has been extensively documented. Women are commonly paid less for doing the same work as men. Many Hispanic women, however, pursue entrepreneurship, not because it will necessarily pay them better wages, but rather, Hispanic women start businesses for many of the same reasons that other women do.[9] Entrepreneurship allows individuals to be their own boss, to own a business, to work with family members, and to obtain increased income.[10] Though entrepreneurship does not always pay more than wage labor, many Latinas see great benefits in owning a company beyond traditional economic reasons.

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[7] Sharon McLoone, "Growth of Minority Women-Owned Firms Outpaces All Others," Washington Post, 14 October 2008, http://voices.washingtonpost.com/small-business/2008/10/growth_of_minority_women-owned.html

[8] Emily Behlmann, "Data: Minority Owned Business More Likely to Export Products," June 17, 2011, *Wichita Business Journal*, http://www.bizjournals.com/wichita/print-edition/2011/06/17/data-minority-owned-businesses-more.html?page=all

[9] Sandra Lilley, "On Equal Pay Day: Concern Over Latina Wage Gap," NBC Latino, 04/09/2013, http://nbclatino.com/2013/04/09/on-equal-pay-day-concern-over-latina-wage-gap/

[10] Rubén Martinez & Bette Avila, "Does Formal Institutional Access to Startup Funds Matter to the Survivability of Latina-Owned Firms?," 2011; Julian Samora Research Institute, Michigan State University, December 2011, http://www.jsri.msu.edu/pdfs/rr/rr49.pdf

For example, entrepreneurs have the possibility of yielding great influence in small communities and setting a strong example among fellow citizens.

As previously mentioned, Latina entrepreneurs can be found in every industry across the country. Industries least represented by Hispanic WOBs, however, include management of companies and enterprises (less than .01%), mining, quarrying, and oil and gas extraction (.06%), utilities (.07%), and agriculture, forestry, fishing, and hunting (.15%).

While Latinas make up 15.6% percent of the total female population of the United States, only one in ten of all women-owned firms across the country are owned by Hispanic women.[11] Public and private sector partners must work together more effectively to ensure higher business ownership levels for Latinas. A starting point to encouraging Latina entrepreneurship is tackling the number one issue which the USHCC hears about from all levels of our constituency: improving access to capital.

In a 2012 poll released by the Small Business Majority, Main Street Alliance and the American Sustainable Business Council, 90 percent of small business owners believe credit availability is problematic and hindering their success[12]. In the same survey, 61 percent of employers indicated they believe it was more difficult to receive a loan now than it was four years ago. These sentiments of our nationwide entrepreneurs show that a lack of access to capital is not only one of the most urgent problems facing existing businesses, but all too often an insurmountable barrier to entry for potential minority women business owners.

The Federal Marketplace

In March 2012, Cecilia Munoz, Chair of the White House Domestic Policy Council, announced a Strategic Alliance Memorandum (SAM) between the USHCC and the U.S. Small Business Administration (SBA). The SAM launched a pilot program to combine resources in order to reach Hispanic firms and aspiring entrepreneurs. The program is designed to better educate the Hispanic business community on SBA programs and initiatives and, in the words of SBA Administrator Karen Mills, "spur new business growth, drive competitiveness and innovation, and strengthen our economic recovery

[11] 2010 US Census; National Women's Business Council, Hispanic Women-Owned Businesses, Numbers and Statistics, 2012

[12] American Sustainable Business Council, Main Street Alliance, Small Business Majority, "Opinion Survey: Small Business Owner Opinions on Access to Credit and Proposals to Boost the Economy," January 26, 2012, http://www.smallbusinessmajority.org/small-business-research/downloads/012612_Access_to_Credit_Poll_Report.pdf

and growth." [13] While the program shows the willingness of this administration to help grow Latino businesses, its existence is a stark reminder of the important role that the federal marketplace and federal business support programs play in building Hispanic-owned businesses.

Hispanics are seriously underrepresented in federal employment, 8(a) contracting, SBA loans, technical assistance grants, and several other areas. For example, Hispanic businesses constitute 40 percent of the total minority firms in the United States yet receive only 14 percent of the dollar value of all contracts awarded under the 8(a) program.

As you are aware, federal departments and agencies each year work to meet an overall goal for the portion of goods and services they purchase from small businesses. They also set sub-goals for small businesses located in economically distressed areas or that are owned by service-disabled veterans, women and minorities. These goals support minority-owned businesses and encourage competition, ensuring taxpayer money is well spent. But with only two departments or agencies – Treasury and SBA – able to exceed their already low procurement goals in FY 2011, the nation's minority business community has suffered.

A better flow of information and outreach to minority women entrepreneurs to participate in federal contracting is desperately needed, and the USHCC urges the Committee to take a look at how all departments can better work with Latina business owners to increase minority Women Owned Business contracting numbers and help their businesses prosper.

Conclusion

While the country's economy has made great strides since the economic downturn of 2008, addressing key issues for entrepreneurs – especially those in minority communities – will be essential for job creation and future growth. In order to build a more prosperous, stable, and diverse economy, our nation's minority women-owned businesses need the support of the government and America's economic policy makers.

Thank you again for seeking the input of the U.S. Hispanic Chamber of Commerce, and we look forward to working with the committee going forward to help American small businesses thrive.

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[13] SBA Newsroom, "SBA Increases Support for Hispanic Entrepreneurs," September 2012, http://www.sba.gov/about-sba-services/7367/304951

ASSOCIATION OF WOMEN'S BUSINESS CENTERS

May 8, 2013

The Honorable Mary Landrieu

Dear Senator Landrieu:

Women of color represent the fastest growing segment of the women-owned business market. According to the Center for Women's Business Research, Latina-owned businesses are starting up at six times the national average and African-American women are starting businesses at three to five times the rate of all businesses. Many women of color face significant social and financial obstacles.

One of the primary roles of Women's Business Centers (WBC) is to serve socially and economically disadvantaged clients not served by other entrepreneurship support organizations.

According to the most recent economic impact survey conducted by the Association of Women's Business Centers (AWBC), fully 58% of the clients served by WBCs over the past three years were low-income, and 39% were persons of color. A survey of WBC clients conducted by the Center for Women's Business Research, found that one-third of WBC clients have annual incomes of less than $20,000.

WBCs perform a critical function in the business creation process, training and counseling clients who are in the early stages of planning and launching a business. Fully two-thirds are new or nascent business owners (41% have not yet started a business, 25% are start-ups), while 35% have an ongoing business concern, 22% a business in operation for less than five years and 13% have owned their business for five years or more.

Research by Timothy Bates[1] shows that "skills, work experience and a support infrastructure are critical to the success of disadvantaged entrepreneurs. ... Programs targeting low-income populations ... need to provide much more training and technical assistance to compensate for their clients' lack of human capital. This training is important." "McKernan (2002) finds that training and other non-capital aspects of microenterprise programs account for about half of the programs' increases in participants' self-employment profits." [2]

According to the Association for Enterprise Opportunity (AEO), over 95% of women-owned businesses are micro businesses. These businesses, provided access to appropriate training, counseling and capital have enormous potential to grow the economy. Women will create over half the 9.72mm small business jobs expected to be created by 2018 (Forbes). Yet, according to the US Small Business Administration, 7a, ARC and 504 loans to women actually declined between 2008 and 2010 as a percentage of all loans. In 2008, women received 24% of the 7a loans but just 18% of loan dollars. In 2010, women received just

[1] "The Entrepreneurial Path for Residents of Disadvantaged Communities" in Understanding Entrepreneurship, 68 – 70. Kauffman Foundation, 2005.

[2] Kauffman Foundation: Capital Access For Women: Profile and Analysis of U.S. Best Practice Programs. July 2006.

AWBC · 333 S. Salinas Street Santa Barbara, CA 93111 · 805.456.2344 · mbailey@wevonline.org

18% of the approved loans and 14% of loan dollars. (US Small Business Administration Office of Advocacy Report, 2010.)

Women are still our greatest underutilized resource. WBCs recognize and address the unique challenges women face in starting a small business. Those challenges include: 1) lower earnings resulting in less capital to invest in a business venture 2) responsibility for child and elder care 3) lack of support systems and networks and 4) social stereotypes that undermine women's self-efficacy.

In addition to individual business development assistance, WBCs typically provide 50 or more hours of comprehensive training in topics such as small business finance, marketing, e-commerce, planning and management. Many WBCs provide direct access to capital through their own loan funds or through other community-based partners.

Women's Business Centers effectively collaborate and leverage other resources, and do not duplicate other entrepreneurial support providers.

A study by the National Women's Business Council - using data provided through EDMIS - found that WBC client outcomes did not vary by proximity to other entrepreneurial support organizations, such as SBDCs. The number of clients served, number of businesses started and number of jobs created were no different among WBCs with a nearby SBDC compared to those in a community without one, indicating that WBCs are serving clients not otherwise being served.

When it comes to small business development, one size does not fit all. Women often start businesses for different reasons than men and they conduct business differently as well. Research indicates that women business owners pay higher wages and provide more generous benefits. WBC programs are built around the life of a woman. They provide services and training on evenings and weekends to accommodate women's schedules, deliver those services in a safe learning environment and address challenges that are unique to women across a broad socio-economic spectrum.

The AWBC estimates that WBCs helped to launch 13,301 new businesses nationally in FY2010 which created 36,578 new jobs and contributed $1.3 billion to the US economy. WBCs deliver a 14:1 ROI on federal dollars invested in them. On average, each WBC has a 5:1 ratio of volunteer trainers, coaches and teachers to WBC staff. WBCs average four full-time staff and two part-time staff, and leverage an average of 32 volunteer subject-matter experts and coaches to provide support to their clients.

We recognize that the economic environment is difficult, indeed we see it every day as more and more unemployed clients enter our doors, looking for help to create their own jobs. It is precisely for that reason and because of the enormous potential of women-owned businesses to grow the economy and create jobs, that public investment in Women's Business programs should be increasing, not decreasing.

Respectfully submitted on behalf of the board of the AWBC and all WBCs nationwide.

Marsha Bailey

Marsha Bailey
AWBC Board Chair

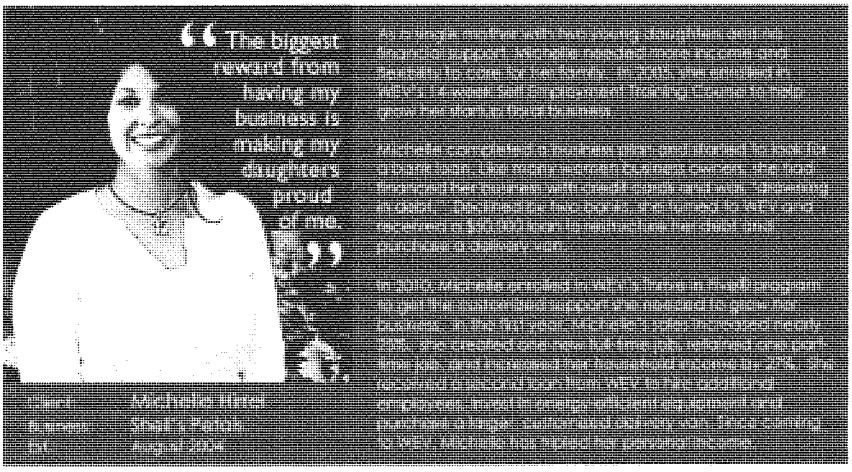
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WOMEN'S ECONOMIC VENTURES

Wevonline.org

ORGANIZATION: Women's Economic Ventures (WEV)
MISSION: WEV is dedicated to creating an equitable and just society through the economic empowerment of women.
SERVICE AREA: Santa Barbara & Ventura Counties, CALIFORNIA
ABOUT: WEV is committed to building wealth in low-income communities through micro and small business development. WEV provides comprehensive training, technical assistance and capital to support women entrepreneurs through the pre-startup, launch, stabilization and growth phases of their businesses. Since 1991, WEV has served over 12,000 clients and provided over $3 million in micro loans to pre-bankable businesses. WEV has helped start or expand more than 2,000 businesses which have created over 4,000 jobs. WEV serves over 800 unduplicated clients each year.

PROGRAMS:
Self-Employment Training (SET): 14 wks, 56 hours
Business Plan Intensive (BPI) 6 wks, 36 hours
SET to Launch: 6 mos.
WEV Connects: Networking
Thrive in Five®: Up to 5 years for growing businesses
Small Business Loan Fund: Loans of up to $50,000



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Missouri

Grace Hill Settlement House, Women's Business Center

Since its launch in 2011, Legal Services of Eastern Missouri's Community Economic Development Program has aided a high percentage of African Americans and women. Of the program's 120 clients, 88 percent were African Americans and over half were women, according to staff attorney Laurie Hauber. The program provides free one-on-one legal representation for low-income entrepreneurs operating startup or existent businesses and non-profit organizations in underserved St. Louis communities.

"We have an active volunteer lawyers program at Legal Services that pairs clients with lawyers within the community who are willing to provide pro bono assistance," said Jim Guest, director of the Volunteer Lawyers Program at LSEM. "We began to notice a real need to assist organizations and entrepreneurs with legal issues as they were trying to make their organizations run more effectively legally."

The Community Economic Development Program relies on its volunteer lawyers and has partnerships with several law firms, in-house corporate legal departments, and solo practitioners who work on a pro bono basis. It offers free business legal services tackling matters such as trade name protection, commercial leases and loans, zoning compliance, franchising and mergers.

Jackie Lomax, owner of the startup Cookie Lady on Wheels, LLC, realized she needed help traversing the legal maze of registering and trade marking her business. She had heard about the Legal Services program at Grace Hill where she had recently completed a lengthy business development class for minorities and women at the Women's Business Center.

Client referrals for the Community Economic Development Program are often the result of strategic partnerships with organizations like Grace Hill, Hauber says.

After an initial consultation to determine whether Lomax was eligible for the program's services, Hauber referred her new client to attorneys Jane Cohen, of Jane Cohen, LLC, and Morris Turek, founder and owner of YourTrademarkAttorney.com.

"Mr. Morris met with me and told me all the different rules and regulations with having a trademark, which I didn't really understand," Lomax said. "He helped me understand trademarks in laymen's terms."
Lomax then obtained a micro-loan from Justine Petersen, a nonprofit organization specializing in working with individuals and families who have low to moderate incomes. Justine Petersen assists with credit building and financial education, homeownership preparation and retention, micro-enterprise lending and training. Lomax also placed herself on a waiting list for a small business incubator space, which Justine Petersen offers at both of its locations in St. Louis and East St. Louis.

"You share the kitchen with other entrepreneurs but you also have an office," Lomax said. "And when I get this particular space, that's when I'm able to go out into public. I have to be in a certified kitchen."
Lomax bakes her "delicious homemade cookies" to sell to family and friends in the meantime, which is her only source of income. She is a former special education teacher who taught in the St. Louis and Normandy public school districts. Her dream is to be a wholesaler selling her cookies to stores and caterers.

It's all about removing barriers so that people can attain the "American dream," says Daniel K. Glazier, executive director & general counsel of Legal Services of Eastern Missouri.

"We help our clients survive and ultimately thrive," Glazier said. "The opportunity to help folks be able to effectuate a dream of owning their own business or starting their own not-for-profit is a way to both empower these folks and fight poverty."

For more information, contact Laurie Hauber at 314-256-8747 or lhauber@lsem.org.

GRACE HILL

FOR IMMEDIATE RELEASE

For more information contact:
Barbara Kasten
Grace Hill Settlement House
bkasten@gracehill.org
314-809-7934 cell

14th annual Grace Hill Women's Business Center Wall of Fame Event Celebrates Four Successful Women Entrepreneurs

St. Louis. MO., April 9, 2013... Entrepreneurs have a profound positive impact on the world. In the current economic environment it can be hard to succeed as a start-up business owner, especially in underserved communities, but four outstanding women have done just that. It is a pleasure to honor these women for their leadership, determination, and business savvy as inductees into the 14th annual Grace Hill Women's Business Center Wall of Fame.

Since 2000, Grace Hill Women's Business Center Wall of Fame awards have been given annually during March to celebrate Women's History Month. A committee of Grace Hill staff and counselors determines the winners; whose portraits are hung prominently and proudly in the Women's Business Center to serve as beacons for those who are beginning their way into the realm of business ownership. The awards are meant to celebrate the herculean efforts and impressive achievements of women entrepreneurs as they pave the way for economic development in the region.

This year's award recipients include: Tiffany Jackson owner of Pretty-N-Posh; Shelia Pargo owner of Energizing Enterprises 2, LLC; Angela Lewis owner of Major Game, LLC; and Larry Parker Award Winner Charlene Miner-Sears owner of Diva Properties, LLC. Each of these women had a unique vision for their future and utilized whatever resources they could access to help make their dream a reality.

Awards were presented at a ceremony held March 28th, 2013 at Rose of the Hill. Keynote speaker Lecia Rives, founder and president of Speak up! Enterprise, spoke about the struggles and triumphs of being a women business owner, energizing and empowering the event's 107 attendees. A representative from Mayor Slay's office also attended, proclaiming March 28th to officially honor this year's Wall of Fame winners.

Since opening in 1999, Grace Hill Women's Business Center has offered a comprehensive, compliment of service to support entrepreneurship. With a focus on women and minorities in underserved communities, Grace Hill Women's Business Center provides in depth 16 week Business Plan training, one-on-one business development counseling, networking opportunities, and workshops on specific business topics. For more information please contact mconaghan@gracehillsettlement.org.

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About Grace Hill Women's Business Center:
The Grace Hill Women's Business Center assists small businesses and helps to develop new businesses within the community. The Center partners with the U.S. Small Business Administration and the United Way of Greater St. Louis to provide micro-business development and classes for aspiring women entrepreneurs.

About Grace Hill Settlement House:
Grace Hill Settlement House works in partnership with neighbors and stakeholders to identify the social and economic challenges in North and South St. Louis, and establish families and communities that are strong and self-sustaining. Through multiple hub-like locations, thousands of St. Louis residents are impacted each year by the multitude of resources and services that Grace Hill Settlement House offers. *Grace Hill Enables Healthy and Praductive Lives.*

Photo – 2013 Wall of Fame Award Recipients - Shelia Pargo owner of Energizing Enterprises 2, LLC; Angela Lewis owner of Major Game, LLC; Charlene Miner-Sears owner of Diva Properties, LLC.; Tiffany Jackson owner of Pretty-N-Posh

2013 WALL OF FAME HONOREE

Tiffany Jackson

Pretty-N-Posh



After two years of constant thought and focusing on the steps to manifest her dream, Tiffany Jackson opened the doors of Pretty-N-Posh in 2010. Pretty-N-Posh provides services for young girls so that they can feel loved. The workshops and parties help them improve their self-esteem, celebrate their beauty inside and out, and have fun at the same time. Tiffany met Falencia Moore, the Grace Hill Women's Business Center Data Analyst at a business expo in April 2012. The information that she received heightened her curiosity about benefits she could gain for her business. About a month later a friend of hers who is a current client of the Grace Hill Women's Business Center explained just how beneficial the program had become for her.

At the time, Tiffany was having difficulties getting the word out about her business and keeping people engaged. Tiffany knew that she needed to strengthen her marketing tools to help grow her business if she wanted to continue to stay in business. She finally decided to make the call and was connected with Jamie Amerson, a business counselor in the Grace Hill Women's Business Center who she began meeting with on a weekly basis. After meeting with Jamie, Tiffany completed a marketing plan, created a 2013 calendar of things to do, and has implemented a parents night out once a month to keep clients coming back.

Tiffany also developed a strong text marketing strategy that promotes discounts and services. Tiffany's completed marketing plan helped her to be able to partner with Big Brother Big Sisters, Girl Scouts, Sisters of Hope, Girls Inc., and KARAH's Dance Academy. Her brand is becoming widely known in the community. In addition to strengthening her marketing strategies, Grace Hill Women's Business Center counselor Jamie Amerson was also able to assist with improving staff motivation and efficiencies. As a result, Tiffany has experienced relief from many day-to-day pressures and management tasks. The services received have helped Tiffany to maintain a strong staff of eight and to utilize the

staff for the enhanced benefit of the business and its expansion.

Tiffany was then able to use that extra time to work with Jamie on pricing her new products and events. In less than one year of receiving one on one counseling services through the Grace Hill Women's Business Center Tiffany Jackson has:

- Strengthened her marketing strategies
- Strengthened her business management skills
- Greatly improved the operation and flow of her business
- Properly priced her new products and events
- Completed a "perpetual" marketing plan
- Maintained staff of eight
- Managed her time wisely
- Increased the number of Pretty-N-Posh Parties
- Begun strong relations with major organizations in the St. Louis community

In Tiffany's words, "I am very grateful to Grace Hill and all of the services you have provided. You guys have really helped me out!"

2013 WALL OF FAME HONOREE

Angela Lewis

Major Game, LLC.



Angela Lewis started out as an insecure child who was extremely tall for her age. As a result, Angela's brothers forced her to play basketball, but when she started on her first team she fell in love with basketball. Angela went on to receive a full athletic scholarship to St. Louis University and to play professional basketball internationally. After Angela stopped playing basketball she started coaching at various colleges. When Angela was at Southeast Missouri State she was asked to speak to a group of students participating in the Upward Bound Program. That speech changed her life, and it stayed with her for years afterwards. Her words were received and remembered by all who attended. Years later, Angela decided to commit her thoughts to paper. Her idea was to inspire more students to strive for their goals by making the right choices. Angela has always felt a strong sense of social responsibility to help other people and to share her experiences with them. "Everyone wants to feel loved and validated, so I take pride in speaking positive words to others. "

Angela was having problems with her focus. She had a large vision for her business, Major Game, and was trying to do everything at one time. However, she needed guidance on how to better organize everything. One day someone told her about Grace Hill Women's Business Center and all of the services they offered for women business owners. In fact, many people had been mentioning Grace Hill WBC when she asked how to get her motivational business started. After researching their program Angela felt that they were in alignment with her needs. Angela found contact information online and submitted an email with "Mentor Needed" in the subject line. Falencia replied immediately and encouraged Angela to attend the business development class.

Going to classes every week and learning from other professionals really helped Angela to understand the need for better business fundamentals. Also, Angela felt that the course materials and guidance helped her to reflect and develop a better business plan. She was meeting with Tracey Jeffries, a business develop-

ment specialist for the Grace Hill Women's Business Center. Angela and Tracey met many times one-on-one, which gave Angela great insight to what steps were needed in order to achieve her goals.

The most important way that Angela feels that her business benefited from Grace Hill Women's Business Center, was making her aware of so many resources available in the St. Louis community that are committed to helping small business owners succeed.

The quality of personal services that Angela feels she has received from the Grace Hill Women's Business Center has been exceptional. Angela states, "Falencia's kindness and willingness to help when I had questions made me feel valued. I can tell that she genuinely wants all of the clients to be successful." During the moments that she would question herself the most, Tracey and Falencia were there to offer support and encouragement.

Angela has overcome personal obstacles but she is confident that this year will be her greatest revenue generating year to date. In addition, Angela was able to publish her first book The Game Changing Assist: Six Simple Ways to Choose Success. She is currently working on her second book and is co- authoring another book as well. In the words of Angela Lewis, "I am extremely humbled and thankful to everyone at Grace Hill who has helped me reach this moment. The work that you all do enhances the lives of so many people. "

2013 WALL OF FAME HONOREE

Charlene Miner-Sears

Diva Properties, LLC.



Charlene Miner-Sears went to Justine Petersen looking for real estate assistance to help her expand and get a better understanding of her real estate business. Justine Petersen staff suggested that Charlene check in with Grace Hill Women's Business Center. They gave her a great report on the WBC, and so she knew she would follow-up on their recommendation. Charlene received her associate's degree in criminal justice. She then went on to work for Pagedale Police Department. While working at the Police department, Charlene decided that she wanted to own her own property. She began saving as much money from every check that she possibly could. In 2002 Charlene saved up enough money to purchase her first property. Since then she has purchased several parcels which include a mixture of apartment buildings and houses.

With real estate, comes difficulty and changes. When Charlene came to the WBC, she was having difficulties collecting rent on time from her tenants, evicting tenants, increasing late fees, scheduling her business time wisely, and learning how to be more aggressive and demanding. Overall, Charlene was seeking and in desperate need of guidance.

Charlene Miner-Sears reached out to the Grace Hill Women's Business Center and was referred to Ericca Willis who was a counselor for the Grace Hill Women's Business Center. Ericca helped Charlene to structure the operation of her business more efficiently. Charlene was encouraged to effectively manage her time so that she could focus more on her business and the goals that she had set to achieve.

After implementing the suggested changes to her business, Charlene noticed a huge financial increase. Before utilizing Grace Hill Women's Business Center counseling services, Charlene was receiving rent on time approximately 50% of the time. Now, Charlene receives rent from her tenants on time 90% of the time. In addition to the very beneficial one-on-one sessions with her business counselor Charlene also found it to be beneficial for her to attend a variety of

business workshops that Grace Hill Women's Business Center holds throughout the year.

Charlene states that the knowledge she gained has definitely been a huge boon for her business and that she has a high regard for the professionalism and expertise of the staff, the counselors and the facilitators. In the words of Charlene, "nothing comes to a sleeper but a dream and nothing beats a failure like a try."

2013 WALL OF FAME HONOREE

Shelia Pargo

Energizing Enterprises 2, LLC



Shelia Pargo first developed a passion for fitness and being physically active back in 1987. Shelia wholeheartedly believes that physical activity is a major component to preventing diseases. When she started to informally teach fitness classes at her church, safety concerns of the individuals in the class grew within her. Shelia decided that she should get certified as an official fitness trainer in 1987.

In 2003 Shelia decided to make it official. She started her own business, Energizing Enterprises 2, a fitness and wellness business. As exciting as this was for Shelia, she realized that she needed assistance with managing her business and holding herself accountable for business decisions. Shelia knew she needed help with networking within the St. Louis community to help support her business, but she didn't know where to go for help.

One day a client of Shelia's told her about Grace Hill Women's Business Center. Grace Hill Women's Business Center was located right in her neighborhood which was a bonus because Shelia is very community focused. Shelia Pargo reached out to Grace Hill Women's Business Center to assist her with the obstacles that she was facing with her business. After meeting with Eddie Davis, a business counselor of the Grace Hill Women's Business Center, Shelia was able to overcome each of her hindrances.

In addition to overcoming the problems, Grace Hill Women's Business Center connected her with other organizations and individuals to network with to help with the growth of her business. Shelia was even given the opportunity to teach fitness classes through Grace Hill Settlement House at their Water Tower Hub and Patch locations to individuals in the community. Not only was she connected to individuals and organizations within the community, but she also completed her business plan. Justine Petersen approved her for a Microloan to assist financially with the development of her business. "Grace Hill Women's Business Center was key in making those business decisions positive and successful."

Shelia is more confident about marketing herself, and she realizes the positive effects of maintaining a business plan. Her business is experiencing financial growth because of the services she received through the Grace Hill Women's Business Center.

Shelia states that she received great professional business counseling from Eddie Davis, Falencia Moore, and Marcia Conaghan. Shelia was able to close the deal on sales with the assistance of the Grace Hill Women's Business Center Staff and this has resulted in valuable relationships with the Grace Hill organization as a whole. In the words of Shelia, "It has become clearer to me that owning a business is a process and that process evolves based on the experiences of the business owner." Shelia is grateful that Grace Hill Women's Business Center was there to help her business during its transitional phase.

Idaho

Women's Business Center



Women's Business Center
PLAN. GROW. SUCCEED.

Center Profile:

Women's Business Center of Idaho
1607 W. Jefferson St.
Boise, ID 83702

Website: www.wbcidaho.org
Telephone: 208-336-6722

Program Director: Sheila Spangler, sspangler@wbcidaho.org

Mission: The Women's Business Center (WBC) is dedicated to creating jobs through the establishment and growth of new and existing businesses in the State of Idaho. It is our belief that educating and mentoring women business owners will provide economic empowerment and create a better society overall. This mission is measured by successful start-ups, job creation and retention, access to capital and increased company revenues and profits.

Target Market:
The WBC's target market is women entrepreneurs in business two years or less. However, that is flexible depending upon the situation. At least 50% of the women served are socially and economically disadvantaged, as defined by the Small Business Administration. Currently, 23% of WBC clients are people of color including Hispanic ethnicity. Client demographics are: 7% Native American, 7% Asian, 5% Black/African American, 4% Latino and 77% White, which mirrors Idaho's overall composition.

The WBC fosters leadership and self-reliance for women who are seeking to improve their economic circumstances through business ownership. As their businesses become profitable and more successful, they will not only enjoy greater self-esteem but have the ability to contribute to society through job creation and charitable giving. The WBC focuses on "teaching people to fish rather than giving them a fish". This uplifts not only immediate families but entire communities.

The WBC fills a critical community need in offering individual business consulting, training, and access to financing for women who face multiple challenges to small business start-up or expansion. Women, especially those that are low-income, have a more difficult time starting and operating a business successfully. This is due to lack of business education and training related to insufficient economic resources, familial challenges, or societal obstacles. People of color and other socially and economically disadvantaged women often do not qualify for credit from traditional financial institutions and have not had the opportunity to accumulate savings.

Service Area:
The clients typically served by the WBC reside in one of five southwest Idaho counties (Ada, Canyon, Elmore, Gem, and Payette). However, in the last few months, due to the WBC's web presence and positive reputation, requests for email and telephone business counseling have been coming in from around the state and include the following cities: Pocatello, Idaho Falls, Coeur d'Alene, Post Falls, McCall, and Ketchum.



Women's Business Center
PLAN. GROW. SUCCEED.

Program Scope:
The WBC assists new and existing entrepreneurs to plan, grow and succeed in business through:

- customized, one-on-one business counseling and consulting
- group training classes on business topics including marketing, finance, sales, and operations,
- mentoring with successful business owners and
- loan package preparation assistance, presentation coaching and lender referrals.

Business Counseling and Consulting:
Individualized business development assistance is provided by WBC staff. Consultation addresses how to research one's business, write a business plan, choose a business organization type, set up a bookkeeping system, arrange for income and other applicable taxes, fulfill employer responsibilities and obtain permits and licenses. Assistance includes but is not limited to: loan packaging, credit counseling, financial statement guidance, budget projections, cash flow, insurance, legal, accounting, marketing including social media, and networking.

Specialties: The WBC provides a high degree of financial knowledge and education to its clients due to the experience and knowledge of its staff.

The program director, Sheila Spangler, is a 20-plus year commercial banking veteran who has made and successfully packaged numerous Small Business Administration loans over the years. She also founded and operated her own business brokerage firm for six years and is a certified business intermediary. This experience gives her a unique perspective to share with clients on how to obtain financing, build and determine business value, and how to buy and sell companies. Additionally, she is a licensed real estate broker with a strong understanding of commercial real estate transactions. She specializes in providing loan packaging, presentation coaching and counseling for clients who are seeking startup or expansion business financing or have questions on the buy/sell and valuation process for businesses.

The other full-time staff member, Karen Appelgren, is a former business owner and educator, with experience in marketing, public relations, sales, and leadership. She has built a strong reputation with WBC clients for her thorough and clear approach to starting and managing businesses. She is the primary workshop trainer for the WBC.

Training: The first recommended workshop for new clients is called "Business Launch". This two hour session covers the basics of how to start a business in Idaho which includes research, breakeven analysis, competition, and viability. The $60 fee covers the workshop cost and enrolls the participant as a client.

Other offerings include the 10 week "Business Success Series" which utilizes the "Money Smart for Small Businesses" financial education curriculum developed by the Small Business Administration and Federal Deposit Insurance Corporation (FDIC). Participants receive a workbook and the instructor has a guide and Power Point presentation to lead the class.

Classes are generally taught by industry experts which gives participants receive "real world" advice in addition to classroom learning. Instructors for this past year have been bankers, CPA's, attorneys and business owners. Each two-hour session is currently priced at $25. The 10 learning modules include:



Women's Business Center
PLAN. GROW. SUCCEED

Business Entity Selection, Record Keeping Requirements, Tax Planning & Reporting, Risk Management, Banking Services, Financial Management, Insurance Requirements, Credit Reporting Issues, Selling & Succession Planning, and Time Management.

Additionally, the WBC leads a business planning course called "Guided Business Plan" which is offered in three in-person sessions for a cost of $247 and discounted by $60 for WBC clients. In these sessions, the participants will actually produce a rough draft of their business plans that can be refined with individual one-on-one counseling sessions with staff.

Scholarships are provided for those who satisfy low-income requirements and wish to enroll as a client or attending a training workshop.

Program Output/Metrics:
Since the WBC launched in January 2012 through March 31, 2013, the center has:

- enrolled 188 individuals and provided one-one-counseling
- held 373 total counseling sessions with these 188 individuals *
- provided 501 hours of one-on-one counseling hours plus 331 preparation hours for total client counseling hours of 832
- trained 264 individuals for a total of 1201 hours

*Note: Not all individuals return for repeat counseling. Some decide not to pursue their business idea, some receive all they need in one session, or others are still working on their business "homework" as assigned by the WBC. It has been our experience that approximately 25% of the client base returns for additional counseling.

Program Outcomes:
Since the WBC launched in January 2012 through March 31, 2013, the center has:

- assisted in the launch of 20 businesses *
- assisted in the creation of 35 jobs *
- assisted in revenue growth for these 20 businesses to a total of $342,487 *
- assisted with access to capital totaling $493,500 *

*Note: The WBC performs an annual client survey to determine all business starts, job creation, revenue growth and access to capital. The next survey will be held in September 2013. The above figures do not necessarily include all the outcomes that have been achieved to date; they are simply the ones currently known.

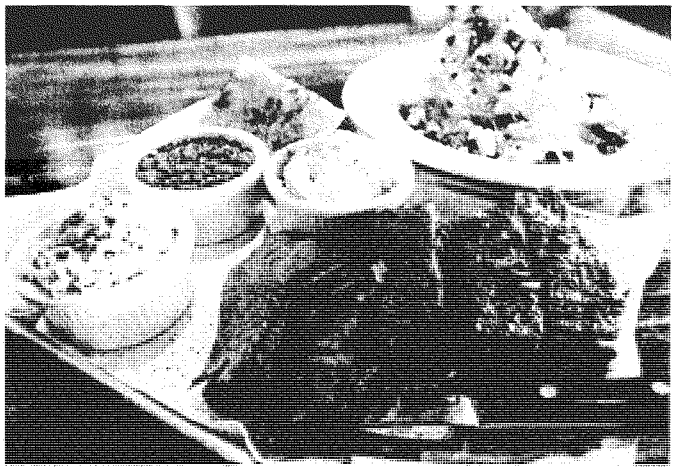
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Next Story >

Dining review: Muse rises above its corporate neighbors

Dining review: New Eagle joint knows how to do barbecue

Published: April 26, 2013



The dinner menu at Bodacious Pig includes a two-meat combo. Choose between ribs and tri-tip (or chicken, pulled pork and sausage), coleslaw or potato salad plus beans and garlic bread ($16.95). Try the wedge salad, too ($7.50).

Katherine Jones — kjones@idahostatesman.com

By ALEX KIESIG — SPECIAL TO THE IDAHO STATESMAN

At Bodacious Pig, a new Texas-themed barbecue spot in Eagle, the entrees emerge from the kitchen on a piece of butcher paper in a wide, silver, quarter-sheet pan, the ubiquitous, industrial restaurant term for any flat rectangle of metal that goes in an oven.

Of all the alternate vessels on which I've been delivered a meal lately, I most like the Pig's take: It is much more utilitarian than daring or fancy, and its Texan size is evocative of the food it supports.

The dining room's mix-and-match decor - iguana-green booths, baseball Americana on the walls, chandeliers overhead and pink pig artwork - did little to prepare us for this kind of food: dry-rubbed, slow-smoked

barbecue. Every day, pitmaster Joel Anderson cooks tri-tip sirloin, chicken, ribs, and pork shoulder. His wife, Tricia, prepares coordinating side dishes like baked beans, potato salad, and mac and cheese, and neo-classics like a fine wedge salad ($7.50). Each of the meats is available as an entree, served with two sides and garlic bread, ranging from $9.95 for chicken to $24.95 for a full rack of ribs. But the deal to get is one of the two- or three-meat combination dinners, from which you can also choose the snappy housemade sausage ($16.95 for two meats; $18.75 for three).

The pulled pork has intense flavor and shards of the deeply sought exterior known as bark, served with a zippy vinegar mop sauce. The chicken was technically the least successful, a somewhat dry breast and wing that didn't grip the smoke flavor, but was also elevated by barbecue sauce - the tomatoey, haunting signature sauce that on its own sets Bodacious Pig above its ilk. A little of the signature sauce on the smoke-ringed slices of RR Ranch tri-tip is barbecue nirvana. The ribs are St. Louis cut, more plump than baby back but not as fatty as spare ribs, and perfect for this kind of cooking. They are some of the best I've had.

Any vegetarians still reading, stop now: Meat is the reason you should go to Bodacious Pig. And go early. As this is also the restaurant's biggest challenge.

It's tricky to make a menu almost entirely of entrees you must prepare hours in advance, projecting into the always-moveable future of your dinner business how much you might sell. But add in the vowed promise for never reheating leftovers - admirable, yes - and you set supply and demand on a collision course. On one of the first nights the restaurant was open, my wife and I were happily face down in sheet pans of smoked meats, but the next table over, the server had regretfully come back to tell them that the kitchen had run out of chicken, sausage, brisket and pork - everything they had ordered. The next few tables were told they could order ribs but nothing else, and a few minutes after that, the restaurant closed early. Granted, that night it was packed, which must have been a surprise for a new establishment with no splashy opening announcement. I felt then that the bigger issue was that there was a communication gap between the kitchen and the waitstaff, as the one table had already placed their order and had been waiting for at least 20 minutes before getting the bad news. But another night a few weeks later, when there were only a few people eating, the kitchen ran out of essential items, too, and service still had not hit its stride.

Preproduction drafts of the Bodacious Pig menu listed items like grilled salmon and a T-bone steak (which caught my eye alone for its $30 price tag.) Our server indicated to us that the menu was still a work in progress, and I am hopeful they add items like this, which can be prepared a la minute, as this will help stabilize that volatile supply.

And I won't hold it against them if they yield and use some of the previous day's meats in other forms. The BBQ pork nachos ($8.50), for example, would be a good outlet - instead of a pile of chips, they are spread out smartly on a sheet pan. While there wasn't quite something on every chip, as had been promised, where else can you eat nachos right out of the pan under a chandelier?

Email Alex Kiesig: scene@idahostatesman.com

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 **Boise's buzzworthy Bleubird boasts bounty of bodacious bites**
Next Story >

 **Dining review: Muse rises above its corporate neighbors**
Email Newsletters >

Women's Business Center of Idaho Client

Success Story Date:	May 1, 2013
Business Name:	Boise Speakwell, LLC
Business Owner:	Nancy Buffington
Business Relaunch Date:	March 2012
Website:	www.boisespeakwell.com



Nancy contacted the Women's Business Center in February 2012 right after the WBC announced its opening. Nancy was an adjunct professor at a local university teaching English. She had worked in academia her entire career. She and her husband and sons moved to Boise from Palo Alto California in late 2010 because of her husband's new employment here.

Nancy had always wanted to control her own destiny and desired to make more money than a university teaching career afforded. She had an idea but was very concerned about being able to market herself to others. She has a PhD in English but the world of business was foreign and frightening to her. However, she knew she wanted to make the leap.

Nancy's biggest challenge was overcoming her personal resistance to being, in her opinion, "too salesy". After four counseling sessions with the WBC, she came to understand that offering a service that others desire is not being pushy or irritating. It is simply the way value is exchanged – her talents and skills for another's money who wants to gain those talents and skills. She also struggled with knowing how and why to follow-up.

Nancy had attempted to start her business the year before but only had one client. Things were just not working like she had envisioned. When she saw the article in the Idaho Statesman about the new Women's Business Center, Nancy called and made an appointment right away. Through the WBC counseling sessions she gained the knowledge and confidence to feel positive about her business idea and to promote herself and her business to others.

After four counseling sessions, Nancy had a business plan complete with financial projections including an in-depth marketing strategy, specific tactics and a profile of her ideal customer. Additionally, the WBC assisted her in developing and honing her "sales pitch" to her prospects. Since that time she has obtained numerous on-going clients which provide her an income far greater than she earned as an adjunct professor. She has since quit her teaching position and is now employed full-time in her business. Her reputation and excellent service skills continue to grow. She has been hired to coach and train several business owners, professionals, non-profits, and governmental agency employees to improve their speaking and presentation skills on a national level. Additionally, she also writes website copy and prepares proposal presentations for clients who want to present their written information in a professional manner. Nancy is, indeed, speaking and doing well.

SBA SUCCESS STORY FORM

CEO/Owner: Nancy Buffington Name of Firm: Boise SpeakWell Address: 2214 N. 23rd St. Boise, ID 83702	From Region: District Office: Boise Date Submitted: 05-01-2013 For Release: Firm Telephone: 208-871-7245
Products/services: coaching and training for speaking and presentations	# Employees at Start FT/PT: 1

SBA contact: Sheila Spangler		Telephone: 208-336-6722		Date Business Started, Bought, etc.: 04-01-2011	
Clearances:	OIG Date	OCRC Date		District Director Date	
Top-qual. photos Available:	Color	B&W	No	Broadcast-quality video available:	1" 3/4" No

INFORMATION RELEASE

Information requested on this form is gathered for inclusion in a database of companies that have succeeded with SBA assistance. Information may be used in articles, public service announcements, education, speeches, etc. The more complete the information, the greater the chance of its being used. Furnishing the personal information requested on this form is voluntary and failure to provide it will not affect the use of the information provided, unless what is provided is insufficient. Commercial or financial information obtained which might be competitively harmful to your business will be kept confidential on request.

I hereby grant permission to the U.S. Small Business Administration to use the information herein for public information and educational purposes.	**I hereby grant permission to the U.S. Small Business Administration to use still photographs, audio and videotape and/or film of me, my business and its employees for public information and educational purposes.**
Signature Nancy Buffington Date 05-02-2013	Signature Nancy Buffington
Print or type name Nancy Buffington	Print or type name Nancy Buffington
Title Owner, Boise SpeakWell	
Address 2214 N. 23rd St., Boise, ID 83702	

ABOUT THE BUSINESS

- ☒ Sole Proprietorship
- ☐ Partnership
- ☐ The subject bought the business
- ☐ The subject inherited the business
- ☐ The business is located in leased-space
- ☒ The business is located in Boise, ID
- ☒ Home-Based
- ☒ Corporation
- ☒ The subject started the business
- ☒ The subject
  See attached success story
- ☐ The business is located in owned-space
- ☐ Rural
- ☐ Family-owned

Printed Recycling Paper Pollution Prevented Paper

☐ Husband and wife

☐ Exporter (Countries):

☒ Former big business employee

☐ The business provides employee:
- ☐ Health-care benefits
- ☐ Child care
- ☐ continuing education/retraining

TYPE OF SBA ASSISTANCE

	Assistance Program	Year	Amount of loan, type of assistance etc.	Employees		Sales	
				When asst'd. FT/PT	Now FT/PT	When asst'd.	Now
	504/CDC						
	7(a) Guaranteed Loan						
	7(j) Mgt. & Tech. Asst.						
	8(a) Loan						
	8(a) Program						
	CapLines						
	Disaster Assistance						
	Employee Trusts						
	FA$TRAK						
	International Trade Loan						
	International Trade Program						
	LowDoc Loan						
	MicroLoan Program						
	PASS						
	Pollution Control Loan						
	SBDC						
	SBI						
	SBIC						
	SBIR						
	SCORE						
	Small Gen. Contractor Loan						
	Solar Energy & Conserv.						
	Surety Bond Guarantee						
	Vietnam & Disabled Vet. Asst.						
	Women's Business Ownership						
	Training Seminars						
	Other						

Briefly tell this success story: Write a summary of the success story, approximately 1-2 pages long. Include information on the following:

- obstacles overcome
- owner's business/strengths
- owner's professional experience
- owner's educational background
- SBA's involvement
- owner's volunteer experience/community involvement (may include the business if volunteerism is stressed with employees)
- any other information pertinent to the story, local "hooks," points of interest, etc.-whatever makes this story unique or newsworthy.

Women's Business Center
PLAN GROW SUCCEED

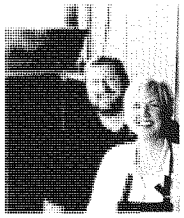
Women's Business Center of Idaho Client

Success Story Date: May 1, 2013

Business Name: Bodacious Pig Restaurant

Business Owner: Tricia and Joel Anderson, husband and wife

Website: www.bodacioustpig.com



Tricia and her husband, Joel, came to the Women's Business Center of Idaho in June 2012 seeking advice on creating a business plan and obtaining financing for a start-up Texas-style barbecue restaurant. Originally, these clients were referred to the WBC by the local SCORE office. The clients had presented their business concept to a local lender but were turned down because there was no written business plan or financial projections.

When Tricia and Joel met with the WBC counselors in the first meeting on June 7, 2012, they weren't convinced that they needed to expand and explain their business idea using a business plan and developing financial projections. They had not done any market research to determine the need for a restaurant of this type or calculated a break-even analysis or created a budget for the business. The WBC worked with the client to refine their business idea, create a profile for their ideal customer, provide guidance on doing market research, create a business plan and financial projections.

After seven counseling sessions with the WBC including four sessions on how to create a successful loan package application, the clients met with four bankers before being approved by the fourth bank. The clients received an SBA guaranteed loan in the amount of $158,000 with owner cash down of $32,000 for total project cost of $190,000.

After receiving the loan approval, the clients met with the WBC counselors another three times to discuss their marketing and publicity strategy and tactics.

The business opened in March 2013 and was recently reviewed by the local newspaper, The Idaho Statesman. The review was very positive and the business has recently reported a waiting line of customers to get in at opening time.

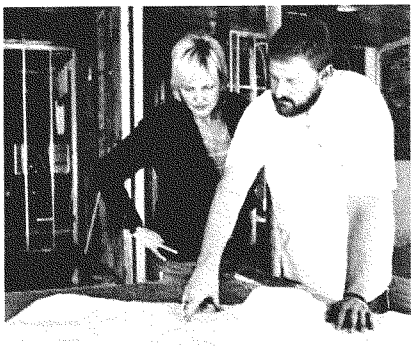
Attached are copies of articles from the Idaho Business Review about the restaurant's opening and a copy of the Idaho Statesman dining review. Tricia and Joel provided kudos to the Women's Business Center in the February 22, 2013 article in the Idaho Business Review regarding assistance with business planning and financing.

Tricia and Joel moved to Idaho from California and were not employed. Joel was attending a local university to obtain a teaching certificate. Tricia was a homemaker. The couple have two children in junior high. They had owned a restaurant in Hollister California and sold it in order to move to Idaho for the quality of life to raise their family.

Idaho Women's Business Center helps with a plan for action

by Cady McGovern

Published in the Idaho Business Review : February 22,2013



Tricia and Joel Anderson go over plans for the remodeling of the old Smoky Mountain Pizza building in Eagle, which will house their new restaurant, Bodacious Pig. The building was essentially gutted to make way for updates and bring it up to code. Photo by Pete Grady.

In a few weeks, the smell of slow-smoked barbecue will start wafting from Tricia and Joel Anderson's new restaurant, Bodacious Pig, in the old Smokey Mountain Pizza building in Eagle at the corner of Eagle and State.

The Andersons had the experience – they ran a self-funded barbecue joint in Hollister, Calif., before moving to Eagle – and the recipes – wet ribs with a finish of "magic dust" will be a specialty – to run a restaurant. But they needed financing.

To get financing, Tricia Anderson knew she'd need a solid business plan, but she'd never written one before, so she sought help from the Idaho Women's Business Center in Boise.

However, financing isn't the only reason to write a business plan, said Women's Business Center Manager Sheila Spangler.

"If you don't want to succeed, then don't get a plan," Spangler said. "You can't have it just rolling around in your head." She said her clients sometimes say they've been told they don't need a business plan if they aren't trying to obtain financing, and that gets her and the center's other employees fired up.

"I can't stress enough how critical it is to get the thoughts you have in your head down on paper," Spangler said. "Essentially, any business that fails in the first year probably didn't have a well thought-out and executed business plan."

A business plan answers questions critical to running a successful business. Entrepreneurs need to know and express what they are providing and why their service or product is better than what's already available. They need to know who they are selling to and where those people are located. They need to know how to get their product to their customers.

Entrepreneurs need to know who will be in charge of roles within the company and what qualifications will be required. They need to understand who their competitors are.

Tricia Anderson said writing out Bodacious Pig's business plan helped the couple evaluate the strengths and weaknesses of their competitors, develop a menu that would set them apart, decide how many full- and part-time employees they would need and how much to pay them, learn about the demographics of Eagle and the traffic counts at the restaurant's location, project revenues, and set hours of operation for the restaurant.

Entrepreneurs need to know how they will finance the business, whether they will need a loan and how much. And they need a contingency plan for when things don't work out the way they had planned.

"You don't want to put your time and money into it … until you've figured out all those answers to those questions," Spangler said.

For example, one Women's Business Center client invented a product and invested $10,000 in patenting it, building a website and buying inventory. But the client was unable to sell the product because there was no demand. The only market research the client had conducted was asking friends and family whether it sounded like a good idea, Spangler said. A business plan would have shown the client there was no demand for the product.

Another woman quit her job, invested in inventory and equipment and started selling her product online. The product was good and there was a market for it, Spangler said, but the entrepreneur had priced the product too low to cover her expenses and pay herself a living wage. When she sat down with Women's Business Center employees to evaluate the business's finances in a breakeven analysis, they found that the business would lose at least $15,000 a year even in the best-case sales scenario.

"If these individuals had done the research and breakeven analysis before spending money and time, they never would have started these businesses," Spangler said. "Or they would have adjusted their products, target market and prices before launching."

If a client's business plan isn't good enough, the Women's Business Center sends it back for revisions.

"We're not here just to talk," Spangler said. "We're here to grow the economy and give you some tough love."

Tricia Anderson appreciated that no-nonsense approach.

"I'm glad for it, because you're prepared," Tricia Anderson said. "You have to have everything that (lenders) want before they even ask for it. ... To the lenders, it's all about the numbers."

Several studies have shown restaurants have a failure rate of about 30 percent in the first year, according to a report from the Dick Pope Sr. Institute for Tourism Studies titled *Why Do Restaurants Fail?* The report lists "entrepreneurial incompetence" as one reason.

"Unfortunately, in most cases, an entrepreneur's passion exceeds one's competence," the report states. "Most restaurateurs may be excellent entrepreneurs but not necessarily have the skills to succeed as business managers."

The report also states restaurateurs must pay special attention to branding in a competitive industry, design an efficient space, and avoid "Taj Mahal syndrome," in which owners invest so much money in building or remodeling an attractive space that they have no money left over for marketing or to support the business in "the first few lean months of a restaurant's life span."

A business plan outlines strategies for avoiding such pitfalls.

"Karen (Hungerford, the center's business development specialist) really analyzed this plan many, many times," Tricia Anderson said. "It's tough, because there's such a high failure rate with restaurants. ... Everybody told me I would not get a loan."

After the business plan was complete, Joel and Tricia Anderson sat down for a dress rehearsal of sorts. Spangler, a former banker, played the role of loan officer, asking the Andersons tough questions about their plans.

Even so, the first bank turned them down right away. The couple pitched the restaurant to three more banks, finally getting a loan approved by Craig Sherle at Mountain West Bank.

She said Sherle was impressed by the work she and Joel had put into their business plan, asking "How can I get more people like you to apply for loans?"

"You can't buy advertising like that," Spangler said.

The Women's Business Center offers classes and individual counseling. Michele Anderson, co-owner of Anderson Plumbing in Meridian (and no relation to Joel and Tricia Anderson), took a class on writing business plans. She said she is still working on her business plan, but getting started has helped her think about contingency planning.

For example, she said sometimes a general contractor fails to pay subcontractors like plumbers. In 2012, Michele Anderson and her husband and business partner, Kenny Anderson, hired two

plumbers and an apprentice. Having a business plan, Michele Anderson said, will put a strategy in place for what to do if a contractor is late on a payment.

"If that money doesn't come in, how are we going to pay that employee?" she said. "You have to pay your employee regardless if you get paid or not."

Michele Anderson also spoke with Hungerford about developing policies and procedures for Anderson Plumbing as the company expands, ways to ensure new employees provide the same level of service Kenny Anderson provides, the U.S. Small Business Administration's 8(a) certification program for contractors, and resources for marketing and search engine optimization. Michele Anderson said the classes and counseling gave her direction and helped her prioritize tasks.

"I feel like I have a starting point – a really good starting point," she said.

The Women's Business Center will offer a new business plan class in 2013 called "Guided Business Plan." Participants will work on the plan during the class.

Spangler said she thinks the new format will help encourage more entrepreneurs to complete their business plans. "After a year, we kind of know what people need."

Women's Business Center year in review

In its first fiscal year ending Sept. 30, 2012, the center met its fundraising goal of $75,000 and provided counseling, training and access to capital surpassing its 2012 targets.

"People want to be involved," Spangler said. "We've really had an outpouring of support."

The Women's Business Center is funded by a five-year grant from the U.S. Small Business Administration, which is renewable each year. The SBA provides $150,000 for the center each year, and the center must come up with matching funds. In 2012 and 2013, the center must raise $75,000 each year, at least half of which must be in cash. The other half can comprise in-kind donations such as office supplies or volunteer hours. In the third through fifth years of the grant, the center will have to raise a full $150,000 match each year.

"We're well on our way toward meeting the match for this fiscal year," Spangler said. The center has already exceeded its cash goal.

In 2012, the center aimed to counsel at least 40 people for a total of at least 360 hours, train at least 18 people for a total of at least 216 hours, provide at least $78,000 in access to capital for small businesses, and help at least 12 new businesses start up that would create at least 15 new jobs.

The center surpassed nearly all its targets, counseling 126 people for 502 hours, training 68 people for 216 hours, providing $235,500 in access to capital, and helping launch 17 startup businesses that created 32 new jobs.

SBA SUCCESS STORY FORM

CEO/Owner: Tricia & Joel Anderson
Name of Firm: Bodacious Pig Restaurant
Address: 34 E. State Street
Eagle, ID 83616

From Region:
District Office: Boise District
Date Submitted: 05-01-2013
For Release:
Firm Telephone: 208-514-0068

Products/services: southern-style barbecue restaurant
Employees at Start FT/PT: 12

SBA contact: Sheila Spangler | Telephone: 208-336-6722 | Date Business Started, Bought, etc.: 03-01-2013

Clearances:	OIG	Date	OCRC	Date	District Director	Date

Top-qual. photos Available:	Color	B&W	No	Broadcast-quality video available:	1"	3/4"	No

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I hereby grant permission to the U.S. Small Business Administration to use the information herein for public information and educational purposes.

Signature [signature] Date 5-3-13

Print or type name Tricia Anderson

Title Owner

Address 34 E. State Street
Eagle, ID 83616

I hereby grant permission to the U.S. Small Business Administration to use still photographs, audio and videotape and/or film of me, my business and its employees for public information and educational purposes.

Signature [signature]

Print or type name Tricia Anderson

ABOUT THE BUSINESS

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ The subject bought the business
- ☐ The subject inherited the business
- ☒ The business is located in leased-space
- ☒ The business is located in Eagle, ID
- ☐ Home-Based
- ☒ Corporation
- ☒ The subject started the business
- ☒ The subject see attached success story
- ☐ The business is located in owned-space
- ☐ Rural
- ☐ Family-owned

SBA Form 1926 (1-95)

Recycling Program Printed on Recycled Paper

TYPE OF SBA ASSISTANCE

Assistance Program	Year	Amount of loan, type of assistance etc.	Employees		Sales	
			When asst'd. FT/PT	Now FT/PT	When asst'd.	Now
504/CDC						
7(a) Guaranteed Loan						
7(j) Mgt. & Tech. Asst.						
8(a) Loan						
8(a) Program						
CapLines						
Disaster Assistance						
Employee Trusts						
FA$TRAK						
International Trade Loan						
International Trade Program						
LowDoc Loan						
MicroLoan Program						
PASS						
Poilution Control Loan						
SBDC						
SBI						
SBIC						
SBIR						
SCORE						
Small Gen. Contractor Loan						
Solar Energy & Conserv.						
Surety Bond Guarantee						
Vietnam & Disabled Vet. Asst.						
Women's Business Ownership						
Training Seminars						
Other						

Briefly tell this success story. Write a summary of the success story, approximately 1-2 pages long. Include information on the following:

- obstacles overcome
- owner's business/strengths
- owner's professional experience
- owner's educational background
- SBA's involvement
- owner's volunteer experience/community involvement (may include the business if volunteerism is stressed with employees)
- any other information pertinent to the story, local "hooks," points of interest, etc.-whatever makes this story unique or newsworthy.

☒ Husband and wife
Tricia and Joel Anderson
☐ Exporter (Countries):

☐ Former big business employee

☐ The business provides employee:
- ☐ Health-care benefits
- ☐ Child care
- ☐ continuing education/retraining

Women's Business Center

Women's Business Center of Idaho Client

Success Story Date: May 1, 2013

Business Name: Care Advocate Group, LLC

Business Owner: Jenny Moorman

Business Start Date: May 1, 2012

Website: www.careadvocategroup.com

Video: http://vimeo.com/44767777



Jenny Moorman is a single mother of two who had previously worked in the insurance and health care industry. She saw a need in the marketplace for an advocacy practice helping families navigate the health care and insurance systems when in crisis or life transition. Her business involves health care client case management, patient advocacy and mediation between health care providers, patient and their families.

Jenny found the Women's Business Center through an article in the Boise Weekly, a local newspaper and called for an appointment. She came in for her first appointment in March 2012. At that time, she had left her current paid employment to focus on launching her business. She was living on savings and so it was imperative to not only launch the business but make sure it was profitable and would be able to pay her a living wage.

As a new client of the WBC, she needed assistance with finalizing a business plan and developing a marketing and sales strategy. The WBC counselor helped her identify target markets and pointed out potential legal pitfalls to avoid. She did not have a policy and procedures manual or written contract agreements and the WBC provided guidance and resources to help her get these items developed.

Additionally, the WBC provided guidance on her marketing materials and service pricing. The WBC helped her gain confidence and enhances her sales presentation with an effective closing statement. Jenny has said one of the most valuable things she learned was how to do marketing research through focus groups to really hone in on her target market, and develop the right "sales pitch".

After meeting with the WBC in five separate counseling sessions, Jenny launched her business and has hired five employees. Plus she is now in process of developing a second business that will complement her current one. This new business is technology-based and Jenny has interested investors and potential national clients. This product is currently in beta-testing. So it appears that for Jenny, the sky is the limit.

North Dakota

Center for Technology & Business, Women's Business Center

Center for Technology & Business

trainingnd.com

701-223-0707 · info@trainingnd.com

ORGANIZATION: Center for Technology & Business (CTB) serves as the ND Women's Business Center

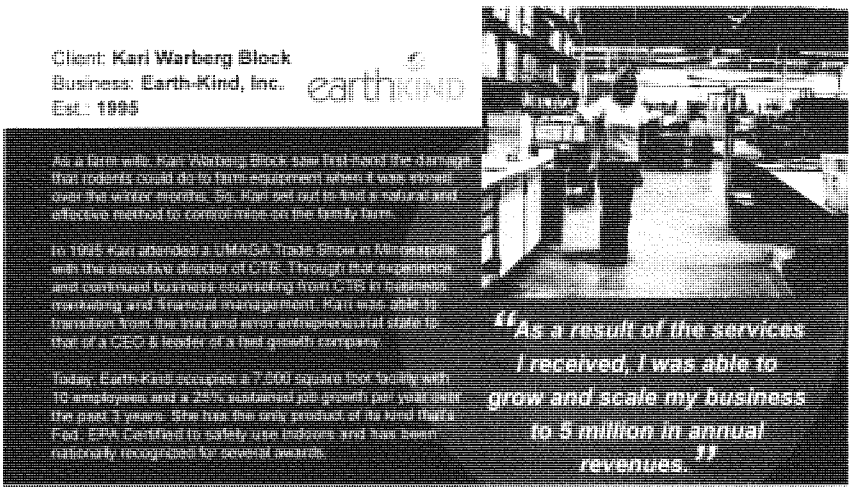
MISSION: Building North Dakota's economic future through leadership, technology, and women's business development

SERVICE AREA: Entire state of North Dakota

ABOUT: CTB is a 501(c)(3) founded in 1999 in Bismarck, ND with an initial goal to develop simplified computer materials for use in rural small businesses and to teach business owners to utilize technology as a business tool. Over the last decade, CTB has grown to facilitate many diverse programs based on technology and business development needs across North Dakota.

Annually, CTB trains approximately 1500 individuals and counsels an average of 40 entrepreneurs in business development and growth strategies.

Since 1999, more than 21,000 rural North Dakotans have learned how to use computers, hooked up to the Internet, and significantly increased rural employment options. The economic impact to the state and our rural communities has been phenomenal!



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PROGRAMS:

- Women's Business Conference
- Grant Writing Training
- ND Women Owned Businesses Directory
- Women's Leadership Program
- Women's Business Summit
- Mentor Match
- Women Online Directory

Client: Deb Nelson
Business: DLN Consulting, Inc.
Est.: 1988



Deb Nelson owns DLN Consulting, Inc which offers strategic planning for businesses, board development and governance training, grant review and evaluations, research services, and many other services crucial to business success. She is a highly successful business owner that provides guidance to other businesses and also wide enough to know that even successful businesses can benefit from assistance of a women's business center.

Deb has participated in CTB's North Dakota Microenterprise program since its development in 2005 where she has received training in a variety of topics and gained a valuable network of other women owned businesses in her community.

One of the areas that Deb's business sought out individual training on was social media to increase the online presence of her business. Helping us set up and understand Facebook and how it can work to our company's advantage was far better than struggling through a self-teaching process.

"CTB always provides very professional assistance"

Center for Technology & Business

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PROGRAMS:

- Individual Business Consulting
- Group Business Training
- The Women Owned Business Conference
- Women's Leadership Program
- Women's Network Summit
- Mobile Office
- Training Labs and more...

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Client: **Melana Howe**
Business: **Howe Enterprises LLC**
Est.: **2010**



When Melana first came to CTB to seek business counseling services, she had years of experience within the nonprofit sector but found that starting a new business could be daunting.

Initially Melana was provided assistance with for-profit service development, focused on streamlining her business plan. As her business grew and she hired her first employee, Melana received further counseling and training in business development, including business marketing, social media, human resources, government procurement and customer relations. In addition to individual services, Melana attended CTB's annual Women's Business Summit that provided her with crucial business networking to grow her rural healthcare research and consulting firm.

"I was thrilled to find CTB with the skills and expertise I needed to help get my company up and running. I consider them experts, business colleagues and friends. The entire staff is high energy and wonderful role models as women. I am very comfortable asking them any question and am confident they will give me answers I can trust."

"CTB has been invaluable to me."

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PROGRAMS:

- Women's Business Conference
- Client Success Trainings
- ND Native American Business Conference
- Women's Leadership Program
- Women's Business Summit
- Mentor Match
- Leading Ladies Luncheons

Client: **Linda Krank**
Business: **Colors of Health**
Est.: **1998**





Linda first started working with CTB in 2010 through CTB's North Dakota MarketMaker program. The program brings professional instructors and training opportunities to women business owners in rural communities. Through the program Linda received training in a variety of topics including business financing, workplace safety, marketing, management, social media, and more. In addition to valuable business training Linda gained a strong network of other women business owners and received individual counseling from CTB to help grow her business.

"I've always felt like I was alone and had to figure out how to run a business on my own. The information I received gave me new ideas helping my business grow."

Since working with CTB Linda's health store has grown thousand-fold with new products, increased business efficiencies like a POS system and additional staff.

"CTB has been very supportive and patient with teaching me. I was very glad to know that there is support for women owned businesses."

Florida

Jacksonville
Women's Business Center

JAXCHAMBER
Foundation
Women's Business Center

ATHENA*PowerLink*® Mentoring Program

On August 25, 2010 five dynamic women business owners graduated from the Jacksonville Women's Business Center's (JWBC) premier mentoring program, ATHENA*PowerLink*®. These women join an elite group of eight other business women who have completed this program. Jacksonville's ATHENA*PowerLink*® program, one of only 27 in the nation, "links" a woman-owned business with a panel of six to eight unpaid, professional advisors who agree to work with her for one year to meet her business goals and objectives.

The impact this program has on these entrepreneurs and their businesses is profound. Below are a few comments from the graduates regarding their experience in the ATHENA program.

Analytics Partners

Lisa Davis
President/CEO
Analytics Partners



The Athena*PowerLink*® program has been a game changer for us at Analytics Partners. It was perfect timing, added great value, and enabled us to set a foundation to catapult us into the future.

Understanding the importance of sound business decisions, financial stability, legal guidance and standards, and how to market our services, was a key cornerstone that Analytics Partners needed to support our rapid growth. This growth and success is attributed primarily to the Athena*PowerLink*® program and the volunteers who invested their personal time and confidence. ***With four months left in the year, revenue is up $1.4 million, we have doubled our number of employees from 15 to 28 (with four open positions yet to fill), our customer base rose by 20%, and billing errors and payroll***

BROADBASED
MARKETING COMMUNICATIONS & PUBLIC RELATIONS

Jan Korb
CEO
Broadbased Marketing, Communications & Public Relations



My ATHENA panel helped me in so many ways. The most valuable takeaways for me were the relationships I formed with my peers in the business arena and the business connections I have made. Overall, my total income is equal to last year to date, but ***service fees (our lifeblood) are up 12%.*** Overall, my net income is down 20%, which I attribute to paying higher salaries due to a re-organization and bringing better talent on board, but I'm OK with that.

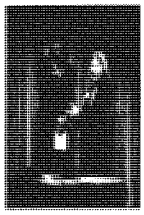
Comfort Keepers

Kathryn Murphy
President/CEO
KRM resources, LLC dba Comfort Keepers



It has been said that the "only true gift, is a portion of oneself." My Athena panel included six volunteer business professionals always willing to "gift" their time, talents and expertise to help my business grow. ***Our gross revenue year to date is over 25% above where we were this time last year. This significantly exceeds the 6% increase that my fellow franchisee owners experienced nationwide. We have added 18 new full and part-time employees this year, with total employees now at 78.***

Joanne Parks
founder/CEO
Parks' Place Daycare & Learning Center



I applied to the Athena Power Link program because I felt it was the next natural step for me and my company to grow. A large part of my success as a business woman was derived from my participation and association with the Chamber's Jacksonville Women Business Center. The mentorship I received through the Athena Power Link program enabled me to develop sound business practices and a solid foundation for continued growth. By executing a strategic marketing plan I was able to ***realize a 15 percent increase in revenue for the year.***

Dana Stallings
President/CEO
Kilwin's Chocolates, fudge & Ice Cream Shoppe



I am a better business woman because of the Jacksonville Women's Business Center. When I started the ATHENA program, my #1 goal was to make Kilwin"s top of mind in Jacksonville. And, we have. ***Our revenues increased by 20% over last year, and as a comparison, franchise-wide, 77 shoppes are cumulatively up only 4%. In addition we have added three new employees.***



2010 ATHENA Graduates, Row 1: (l-r) Jan Korb, Lisa Davis, Dana Stallings, Kathryn Murphy, Joanne Parks

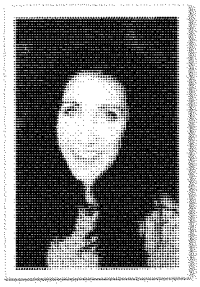
ATHENA*PowerLink*® Governing Body. Row 2: (l-r) Emily Magee, co-chair, Ann Sabbag, Cathy Harbin, Teresa Myers, Linda Kelso, Pat Blanchard

Row 3: (l-r) Sandy Bartow, Frank Mantay, co-chair, Dan Hilken, Carole Poindexter, Chantelle Quick, David Sillick

For additional information about Athena*PowerLink*® and other programs offered by the Jacksonville Women's Business Center, contact Pat Blanchard, Director, 904.366.6640 or pat.blanchard@myjaxchamber.com

JAXCHAMBER
Foundation
Women's Business Center

Amanda Bower, 2011 Athena Graduate
"My confidence is sky-high now"



By Candace Moody, Jacksonville Women's Business Center, Jacksonville, Florida

Amanda and Cory Bower own eSnacko.com, Inc., an e-commerce business that provides design and manufacturing of high quality patches for public safety and military organizations. The company also produces coins, apparel, stickers and solid wood aircraft models.

The husband and wife team chose to locate the company in Jacksonville, deciding that the company's military expertise (Cory is a former fighter pilot)was a great fit for this military town, with three major Naval Bases and over 33,000 active duty service members within 25 miles. Over 93,000 military veterans call Jacksonville home. The couple is building a new corporate office and residence in Historic Springfield, just north of downtown Jacksonville.

Amanda was a 2011 graduate of the Jacksonville Women's Business Center's ATHENA*PowerLink*® program. She sat down with me to talk about her experience with her panel of volunteer advisors who spent a year working on her strategy for growth. Completing the yearlong program resulted in a 60 percent increase in revenues for the company.

JWBC: ***What was the best personal advice you received from your panelists?***
AB: Ann Sabbag, who owns a very successful business of her own, was a wonderful mentor. She and I had many discussions about what being an entrepreneur means. I really believed in her advice, because she's been there. She advised me to always be part of a group where I can interact with other entrepreneurs – only they can know what I'm going through. Their support will be an important part of what gets me through the tough times.

JWBC: ***What was the best business advice you received?***
AB: Chantelle Quick, a CPA from Ennis Pellum, was probably the panel member with the most mentoring experience. She knew what I needed to know about my business at any given moment, and gave me my wakeup call: having an accountant is no excuse for not looking at my numbers on a daily basis. She helped me create a dashboard of the most important numbers that I should be monitoring on a daily basis. With this dashboard, I can see at a glance if I have a problem with a part of the business or a product line.

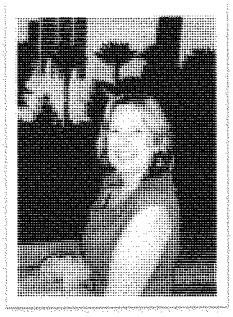
JWBC: ***What was the most important thing she taught you about your business?***
AB: Well, she taught me the real meaning of Cost of Goods Sold (COGS.) I thought I knew what that meant; I was wrong. We had a discussion one day where she asked me what the cost of one of my products was. I said, "Well, I bought it for this, and sold it for that, so I guess this is the cost of the product." Wrong, she said. What about shipping? What about the import fees? The storage? Your time in taking the order? I realized that I didn't know what my actual costs were.
Once we looked at our major product lines, it was apparent that four of them were profitable, and five didn't make us money. Chantelle asked the obvious question: "Why are you still selling those? Focus on these."

JWBC: ***How else did your mentors help you?***
AB: One of the great things they did was to connect me to experts. Matthew Breuer is an attorney, and he connected us with a colleague who specializes in copyright and trademark law. Because our designs include symbols and logos, that part of the legal code is huge for us. We learned a lot from meeting with him.
Matthew also reviewed our corporate meeting minutes and other legal filings. We were relieved when he said they were in perfect order. That meant that I didn't have to worry about that any more – I could just keep doing what I was doing with confidence. Sometimes, it's really helpful to know what you're doing right – almost as helpful as learning what you're doing wrong.
We also got help with our marketing plan. We took a long hard look at the trade shows we've been attending. We go to some each year because, well, because we always have. My mentors helped me look at the shows differently and plan to invest our time in the ones that really matter and that will help our business grow.

JWBC: ***Any advice for other business owners?***
AB: You know, this is the best thing I've done for the business. It's hard to let someone in to give you advice, because you always think that no one can know your business as well as you. And you're right. But that's exactly what keeps you from making big and even small changes that will make a difference; you're too close to the business to see it clearly. Mentors come in and take a fresh look – and they're not sentimental about anything. The decision to turn down business is counterintuitive – scary, even. My mentors gave me the courage to turn down certain business in order to grow. I couldn't have come to that decision by myself.
My confidence is sky-high now, just like my business will be soon.

JAXCHAMBER
Foundation
Women's Business Center

Phyllis Heisler – AMP Promotional Products



Phyllis Heisler started AMP Promotional Products in 2005. She's a native of Fernandina Beach, but had spent most of her professional career in Stuart, in South Florida. She spent her early years in real estate and advertising sales, and later worked with her husband in a business that provides employee awards to business. Together, they built their team sales from zero to over $1 million. Their territory included the entire state, so they moved back to Jacksonville when Phyllis decided she'd rather be close to her family.

Shortly after they relocated, Phyllis decided to branch out on her own (her husband is still employed by the award company.) She wanted to be more independent, broaden her offerings, and use her marketing background to help companies grow. She named her company on the spot to talk her way into a trade show as a business owner; the name stands for Amelia, Meredith and Phyllis (her two daughters and herself.) She kept the name when she incorporated, but these days, it describes what the business provides: Allied Marketing Professionals.

Phyllis has developed a strategic partnership with a sign company, a printer, an internet marketing firm and an embroidery company. She serves as the marketing arm for the companies, and they collaborate on integrated promotion and advertising campaigns, splitting the costs among the owners. The partners meet once a month to share leads and plan. They cross refer customers and together, offer more than each of them could alone.

The agreement makes sense for Phyllis, who likes being able to use local companies for her customers' campaigns. "I like being able to oversee the quality personally, which I couldn't do if we were ordering from out of state," she says. Phyllis works primarily with small professional firms, attorneys and financial planners, for example, and helps them create plans that she coordinates and manages. "Many of these small firms can save money by buying a piece of my expertise and experience, rather than having an in-house marketing employee," she says. She helps the firms measure their return on investment and find the right formula for investment in marketing.

"It's really the plan that's most important," she declares. "Businesses tend to think that the promotional items are what they're buying. But the products don't make sense without a strategy in place. I enjoy educating my customers about that."

Phyllis enrolled in the Jacksonville Women's Business Center's Financial Matters program in 2011. The six-month experience links a woman business owner with a pair of volunteer mentors from the banking, accounting or financial industries. Phyllis enrolled with a specific goal: she was thinking of acquiring another business and wanted to analyze her financial situation to get ready for the purchase. She would buy another product to offer her customers and acquire employees and real estate with the business.

Business mentoring has two goals: to help owners make good decisions and to avoid bad ones. In this case, Phyllis's mentors helped her see that the new activity she'd be gaining would not give her any more profitability. "They helped me avoid what could have been a big mistake," she says. "I would have doubled my workload and stress and made almost no more money." Phyllis also gained an understanding of what it would take to be ready for investors in the future. She's working on increasing her profitability and positioning herself – and her strategic partners – for growth when the economy improves. As business improves, companies will be willing to invest more in marketing. The relationships she's built during this time will allow her to take advantage of the improving market for her services.

Iowa

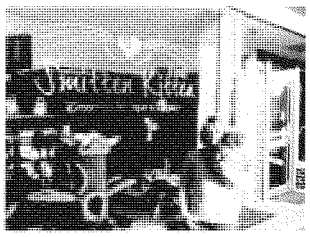
Women's Business Center

The Iowa Women's Business Center is partly funded by the U.S. SBA and sponsored by ISED Ventures, an Iowa 501(3) with a 25 year history of helping women and minorities start and grow their businesses. The ISED Women's Business Center operates with the understanding that small business ownership makes sense for women and that it can be a viable path out of poverty and toward self-sufficiency. The WBC supports its entrepreneurs through one-on-one counseling and business planning and special topic classes. It also provides financial and credit education and IDA's (Individual Development Accounts). The Women's Business Center is the only Iowa business development organization focused on providing services primarily to women. The WBC strives to create an accessible environment where women of all backgrounds can feel comfortable. As such, the ISED Ventures Women's Business Center provides services during non-business hours and on weekends. Participants work with business counselors such as Director Amelia Lobo who has an MBA and ample experience both as a small business owner, a small business lender, and a business educator.

ISED Ventures is the only dedicated small business support center in Iowa with Spanish speaking staff. The vision of the organization is to see vibrant Iowa communities where families and individuals have the opportunity to find financial stability and success. ISED Ventures provides a unique bundling of services that allow Iowans to increase wealth through long-term asset building strategies.

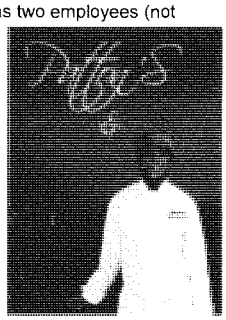
The Women's Business Center is a state-wide organization and relies on local government, not-for-profit and for-profit partners for help in recruiting students and delivering high quality services to its students. Classes and seminars are generally held at ISED Ventures offices in Des Moines. ISED Ventures is proud to have worked with thousands of clients since opening in 1987. ISED Ventures and the Iowa Women's Business Center have helped open hundreds of small businesses across the state, creating wealth and employment across Iowa.

Our Clients' Success



After seeing her aunt run a successful cat grooming shop in Lincoln, Nebraska, Betsey Qualley decided to quit her job and throw herself into starting her own similar shop in Des Moines. After taking ISED's Women's Business Center business planning classes, she worked one-on-one with staff to incorporate her business, named **Smitten Kitten**, and become an Iowa Targeted Small Business. Betsey's business is not only the only cat-specific groomer in the area, but she also sells food, litter, décor for the cat-obsessed and more.

"Since I started the **Smitten Kitten** in 2008, my business has grown exponentially," explains Qualley. "Each year, my business increases. I offer the best cat grooming services as well as high quality cat food and supplies." She also has two employees (not including the two shop cats!), and recently added a cat-boarding service. **Smitten Kitten** is located at 549 28th Street in Des Moines, IA and on the web at SmittenKittenShop.com.



Pam Patton opened ***Patton's*** restaurant in 2010 in the Capital East Neighborhood of Des Moines, IA. She has always loved to cook, and successfully operated ***Southern Drawl Catering*** for three years while working full-time at a large corporation. With the catering business a huge success, her customers urged her to open a restaurant.

Pam learned of ISED's Women's Business Center through a friend. She enrolled in ISED's business planning classes and learned about developing

her business plan, registration with State of Iowa, applying for loans and then the State's Targeted Small Business (TSB) program. "There are so many pieces to the process that you just don't think about- working capital, hiring employees, and finding good suppliers," says Patton. The Women's Business Center helped her develop her financial plan and helped her obtain financing.

Today, **Patton's** is a casual dining establishment offering Cajun Creole, Caribbean Jerk and a variety of Southern foods. At **Patton's Restaurant and Catering** "*We Let Our Cookin' Do The Talkin*!" Stop by and get a taste, at 1552 E. Grand Avenue, Des Moines, IA and PattonsRestaurant.com.

Oklahoma

REI Women's Business Center

REI
WOMEN'S
BUSINESS CENTER

580.924.5094 www.reiwbc.org

ORGANIZATION: REI Women's Business Center-Oklahoma

MISSION: The mission of REI Women's Business Center (REI WBC) is to assist Oklahoma's enterprising women wanting to explore the opportunities of starting or expanding a business.

SERVICE AREA: Entire state of Oklahoma

ABOUT: REI Oklahoma, a 501 (C)(3) established in 1982, has been meeting the needs of Oklahoma businesses and communities for more than three decades through a variety of economic development services. REI Oklahoma had its beginning in the small business lending arena. Today it has evolved into a multi-faceted economic development organization that has become the model of study for effective economic development services.

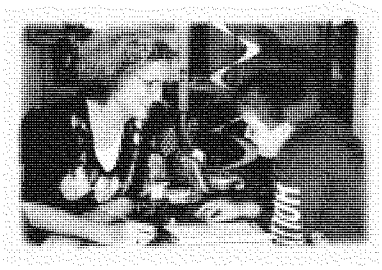
REI Women's Business Center has reached more than 20,000 entrepreneurs since opening its doors in 2001, providing training workshops, business counseling and networking opportunities. We are proud to operate Oklahoma's only Women's Business Center, a place where women gain support, encouragement, strength, answers and celebrate success.

CLIENT: **Laura Clark**

BUSINESS: **The Umbrella**

ESTABLISHED: **2003**

The Umbrella, a school of different sort, provides quality after-school tutoring, summer tutoring programs and "The Zone", a private home school for grades K-1st.



A retired elementary school teacher, Laura felt there was a need in her life for a new focus. She was passionate about working in education an d saw a need in the community for enrichment activities to children outside of the school classroom in a non-traditional setting. She wanted to offer a curriculum that expanded on the regular school curriculum and to give opportunities for current teachers to supplement their income.

This is not a million dollar success story, however, a wonderful example of one woman, who took her abilities, wrapped with passion and desire to start a successful business and along the way, has been able to touch so many lives. The Umbrella has experience a great deal of growth since opening its doors. The first few months, Laura was the only teacher/tutor and she had a total of four students. Ten years later, The Umbrella serves as a resource to 30-40 students, depending on the time of year, and provides supplemental part-time income to 12 teachers/tutors.

Laura Clark had a dream to open a business and working through the necessary steps with the REI Women's Business Center, she did just that. While many small businesses fail within the first few years, the center has been proud to celebrate Laura's 10 year anniversary and look forward to working with her to continue her success.

SBA Success Story

Success Story Questions

Owner	Jan L. Laub
Company	Twin Foods, Inc,
Address	1216 E Kenosha Broken Arrow, OK 74012
Phone	918-230-1749
Email	jan@twinfoods.com
# of employees	Self only
EIN	Number 27-3628890

1. What services or products do you provide? Granny's Good Ol' Fashion Bacon Drippings. Wholesale and online retail.

2. How did you get started in business? Where did you get the idea for this particular business? I was making a gumbo recipe that called for bacon drippings, which I did not have. I couldn't find anywhere (grocery stores or Internet) to purchase pre-packaged bacon drippings. I made a decision to develop a business plan and go from there.

3. How much has business grown since beginning? In terms of number of employees, sales? Although not where I originally planned, sales and revenues have doubled and continue to show the same trend line for year 3. No employees have been added, however with the online shopping cart, it is highly likely employees will be added to handle fulfillment.

4. What type of business assistance did you receive from SBA? I visited with the REI Women's Business Center in their Tulsa office. I was initially discussing a potential business loan as they have SBA Micro Loans as well as package SBA loans. Upon learning this was a food related business, I was referred to the OSU Food & Ag Product Center that was beneficial to getting my business going. Through the WBC I also received networking connections that were huge benefits to my start-up. Marketing and promotional assistance were received from the Women's Business Center while visiting their location in Durant and also providing updates on anything new with the business.

5. What types of obstacles did you have to overcome in order to stay in business and become successful, if any? From a 25 year sales and marketing career in telecommunications to the wholesale food business, it's not hard to figure I would have numerous obstacles to overcome. I just didn't know what I didn't know until I found out I needed to know that particular thing about the food business. Very frustrating, but by using my network I was able to overcome obstacles and sometimes avoid then altogether.

6. What is the greatest benefit of owning your own business? Having the opportunity to use all of my skills I have learned over the years from the business world to my Masters' degree. It is very rewarding to use my knowledge.

7. How did SBA loan programs or services aid in the success of the business? The Women's Business Center has offered connections to resources, seminars, training and

most importantly, they have been there as a confidential resource to run ideas past and that is so supportive and so important to someone in business by themselves. Fortunately, I did not have to get a loan but I knew that resource was available to me through the WBC and the REI loan officer.

8. What advice do you have for others who are considering going into business? Don't be afraid to use resources that are available. Seek out experts to help guide your early decision-making. It can really make a difference on success or failure.

South Dakota

Women's Business Center

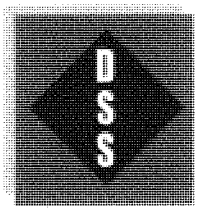
SUCCESS STORY Jamie Gilcrease

Lotus Up Espresso
32 Baltimore St.
Lead, SD 57754
605-722-4670
lotusupespresso@yahoo.com
www.lotusup.com

After nine years of experience in the coffee world, Jamie Gilcrease intended on opening a coffee kiosk in Lead, SD. Her plans quickly shifted gears when the owner of Haus Of Kaffee approached her one day and asked if Jamie would be interested in buying the place. Jamie knew that adding food to her coffee experience would be a challenge, but she was up for it! She worked alongside the previous owner to learn everything there was to learn about the shop. They discussed changes and Jamie knew that marketing would be huge. "We broadened our market to attract high school students over lunch and after school," Jamie said. "We are also open 6 am to 4 pm now, which is a lot of work considering I'm here for those hours, then run to grab ingredients or to Main Street during the summer for extra marketing."

In the ten months since Jamie took over the shop and renamed the place to Lotus Up Espresso in June of 2010, she has tripled her sales and quadrupled her coffee sales. She is proud to say that she does her own research to find the best prices and products out there to increase profits. "Products are different here than in Missoula, MO and Eatonville, WA where I previously worked with coffee." Her success can also be linked to her consistency in hours and taking advice and feedback from her best critiques, her customers.

Jamie and her family moved to Lead, SD in January 2010 to be close to her husband's relatives. Before buying Lotus Up Espresso, Jamie took guidance from the South Dakota Center for Enterprise Opportunity (SD CEO). She attended various business training sessions and met with Helen Merriman, SD CEO Director to review her business plan, her expansion ideas and to help prioritize her needs. Jamie was also selected by the SD CEO to participate in a "real life experience" with the marketing students in the BHSU Marketing Department. The students met with Jamie learn about her business, marketing needs, and ultimately designed a marketing plan for Lotus Up Espresso. Jamie expressed, "Working with the SD CEO and BHSU helped me with marketing and fresh ideas for this area".



DSS Drug Screening Services, LLC

P.O. Box 871 Belle Fourche, SD 57717
Cell 605-210-1655 Office 605-723-8740 Fax 888-241-4265
Located at 2398 5th Ave Ste 103

I am the co-owner of Drug Screening Services, LLC, having 51% of the ownership. My co-partner is my husband, Brian Raber. I find our story unique because of the purposes that pushed us forward when often times obstacles got in our way. I will full-heartedly give credit where credit is due ~ to God and to my husband. Without both being present, our business would have never existed. Brian had the idea and we had faith that God would guide us. My husband wanted a home-based business where we could work together. I, on the other hand, did not. I had been self-employed before and I was happy having a job that produced a bi-monthly paycheck and a W2 at tax time. That guaranteed paycheck and not having to itemize every single expenditure was A-Okay with me. I eventually gave in and we narrowed our options down to 5 solid choices for our home-based business venture. We had lengthy discussions over coffee, but usually our enthusiasm quickly passed, and our dreams were put on the back burner on more than one occasion. Of our five choices, being involved in the drug and alcohol testing industry intrigued us. We each could come up with several stories where substance abuse had impacted our friends and families. I grew up in the same town as Torrey Teigen who serves a life sentence all because of a meth addiction. My young female cousin spent 2 years in the MT state women prison for meth. My cousin was the warden for the SD State Women Prison for years so he offered great advice and encouragement when we discussed drug testing.

Sometime later, we attended a weekend retreat. I marveled at a young beautiful mother, at her perfect little handsome boy and at her super handsome husband. Looking in from the outside, I envisioned about how perfect her life must be. That very same night at our group meeting, we had a guest speaker. The young and beautiful mother I had envied earlier in the day was our speaker. She has dedicated her life to telling her story; in fact a very sad story. She is the sister to the man who killed the gay college student in Laramie, Wyoming. It was not a gay-hate crime as the media had portrayed, but a robbery gone bad. The men were high on meth. The robbery got out of hand and they ended up torturing and killing their victim. Our small group cried. The story very sad, but I found more sadness in my shame for I had assumed her life was perfect, flawless and beautiful. I now saw her in a different light.

My husband and I retired to our room that night and discussed the meeting. We took it as a sign that we were there at that retreat for a reason and that we were supposed to hear that message. We agreed we would start our drug screening business immediately. Our goal was to have a website so we could sell drug testing supplies to anyone who wanted to test their loved ones. We intended to keep our day jobs, to have customers order on our website during the day and we would package and ship in the evenings. From that point, it is history. We didn't jump in with both feet. It was more like dangling a toe in and adding another over a period of two years. We spent that period training, learning, organizing, licensing, legalizing, spending, advertising, and at anything else that ended in "ing." We had no ability to borrow money so we knew that our jobs were going to have to be the financial support for the business. There were times we gave up on the business and packed up anything pertaining to it. I, being the nay sayer in the beginning, was actually the one who kept pushing forward. We added an office onto our home and I started advertising, handing out business cards, decaling our vehicles and embroidering any piece of clothing we wore. This was about the time we met Helen Merriman from the South Dakota Center for Enterprise Opportunity (SD CEO). We met with her at Black Hills State University and she listened to our big ideas and empty pockets. She encouraged us and I could see the spark in her eye when we covered something she could see value and potential in. We attended luncheons, joined chambers, and attended classes. Helen was someone we trusted and we valued her opinions. She believed in us and I knew it. She was a great advisor!

In March 2010, we opened up our first office with a few hundred dollars and a credit card. We took a leap of faith. Looking back, it was the best thing we had ever done; makes us wonder why we waited so long. I was still working as a work-at-home customer service representative from 6am-10am, M-F and some Saturdays. I would work any overtime as time would allow. I opened our the office from 11am until 6pm, M-F . As of June 1, 2011, I started working the business full-time. Our first year was awesome; our 2nd year doubled; and I expect the 3rd year to double again. We may eventually need to get some sort of loan to operate as I need to hire an employee, but don't feel we can afford one at this time. We continue to see growth. We went from having only a website and 2 full-time jobs to support it, and from working out of our home to only Brian maintaining employment, to having an office, to providing a large array of services such as employment and personal drug testing, DNA testing , background checks, fingerprinting, policy writing, supervisor drug and alcohol awareness training, consortium management, and much more.

I am currently working on an article that will appear in the South Dakota Trucking Association's monthly publication regarding DOT drug and alcohol testing requirements. There is a great need to educate truck drivers and companies regarding DOT guidelines. I find great value in helping someone. I give gratitude to GOD and recognition to my husband for his ideas every

chance I get. It has not been easy to get to this point, but something kept us moving forward and we are so glad that it did. Assessing how far we have come, if I would have known then what I know now, I would have never tackled this venture; I would have ran and never looked back . We have persevered and I expect Drug Screening Services, LLC, to be in business for the long haul. My ultimate goal would be to have every business in our town implementing a drug-free workplace program. In addition, if each business background checked the people they hired, we could greatly reduce or eliminate drug users and pushers from living in our community. It's a win, win situation for everyone. Nothing would make me prouder than to see signs at every gateway coming into Belle Fourche that reads, "We Are A Drug-Free Community." I have a lot of work to do.

Michigan

Grand Rapids Opportunities for Women, Women's Business Center

Deb Tacoma – The Freedom Wand

Deb Tacoma's story is one of true entrepreneurship and invention.

The creator the Freedom Wand has a strong bond with her customers because she was in a similar situation a few years ago. Deb was in an accident that left her with limited mobility for the first time in her life. She started down the long path to recover and found that the embarrassment and frustration of not being able to do one's own personal care was enough to hinder the healing process. The tools that she tried to use to care for herself were lacking in several ways. They were not long enough for her frame, not portable, or not able to hold more than one item. Frustrated, she considered a better way and started working to make the idea into a reality.

Deb drafted the idea of what she named the Freedom Wand—a versatile, multi-purpose hygiene tool. With retracting fingers on the end of an extendable and washable handle, the device can hold any number of things that people need to use for personal care. She then worked with others to get it manufactured, and took advantage of local resources for entrepreneurs. Deb now runs her own business, Freedom Creators, selling the Freedom Wand to grateful customers around the globe.

The Freedom Wand, made in Michigan, has seen success in many forms. It is sold on Amazon, through local pharmacies, and distributed internationally through other retailers. Deb even traveled to the International Medical and Health Care Trade Show in Dubai to represent her company last January. More than 3,500 vendors were at the show, and the demand for products made in the USA was high. The Freedom Wand is made in Holland, MI by Ess Tec.

"It went over really well. Buyers were pharmacies, suppliers of hospitals, durable medical equipment sellers, and other professionals from all over the world," Deb said. She now has a litany of contacts, noting that they are located in France, Italy, India, Iran, Belgium, the UAE, and more.

Deb was part of the Pure Michigan booth featuring six kiosks with Michigan companies and individuals at the International Medical and Health Care Trade Show. She received a grant from the STEP program, or State Trade Export Promotion, which is "designed to assist small- to medium-sized businesses diversify their customer base and enter new global markets."

Deb Tacoma notes that her success has been due to support from several organizations. She thanked Grand Rapids Opportunities for Women (GROW), a Small Business Administration Women's Business Center, for assisting her in the early stages of her business development and for continued help with growth and transition to larger markets. Deb has taken advantage of business counseling and microloans that GROW offers to entrepreneurs. She also thanked the Alliance of Women Entrepreneurs (AWE), a division of GROW, for their continued support and use of their Leadership Development Fund to help cover some of the cost in attending the trade show.

Bonnie Nawara, CEO of GROW, received details from the Van Andel Global Trade Center regarding opportunities for Michigan businesses to apply for a spot at the international show. Bonnie immediately thought of Deb Tacoma and the Freedom Wand. "It's the kind of product that we can imagine being sold internationally, and Deb is a perfect representative of what it means to be made in Michigan," Nawara said.

Tacoma also said that she is grateful for the work Governor Snyder has done to help Michigan businesses sell their products internationally, and she was thankful for help received through the Michigan Economic Development Corporation.

Deb Tacoma is working on building relationships with her international contacts, and looking forward to a steep expansion in sales because of the trade show. Deb's goal is to triple her business in 2013.

For more information on the Freedom Wand, visit FreedomWand.com. If you need help to start, grow, or maintain your business, visit GROWbusiness.org or call 616-458-3404 for more information.

Trish Spaulding – Sitting Pretty

By all accounts, Trish Spaulding was doing well as a PR and Marketing Manager for a construction company in 2007. She had a reliable and revered position, but saw the market for housing and construction slump all the way to its lowest point. She realized that she could benefit from supplemental employment and wanted the added security of something to rely on in case her industry continued to fall. Trish wanted a small business that she could run on the side—something fun and relatively easy that wouldn't interfere with her full-time work.

Brainstorming, Trish considered a sweet shop. She imagined having fun creating tasty treats and imaginative packaging in cute boxes. She sought advice on the viability of her plan, noting the one flaw: "I'm not a baker." The professionals she asked advised against this type of business and encouraged her to research other ideas.

It wasn't until her daughter started planning a wedding that Trish got a new idea. What about the wedding business? Trish believed she could provide a service to brides to do two things: first, she could make their weddings prettier, and second, she could take care of a detail with as much ease as possible. Trish saw that now, unlike when she got married, people are more willing to pay for someone to take care of a service in order to take stress off of the bride and to give the family more time to enjoy the day instead of acting like the event crew. That's when she began researching a relatively new decorating trend: chair covers.

Trish looked into the idea and spoke to business professionals about the viability of her plan. With their approval, she priced the covers she would need to purchase, and got a loan from family to buy her small initial inventory and samples. Trish then went to a bridal show and began selling her service of chair cover rentals and setup.

When she had a list of orders and no idea if her plan would work or not, she sought help from Grand Rapids Opportunities for Women (GROW), a Small Business Administration Women's Business Center that helps people start, grow, and maintain their businesses. Trish took advantage of the business services that GROW offers, and with free business counseling she worked through the early stages of starting her business. She was able to expand her inventory, build relationships with wedding planners and venues, and now has a great reputation for quality products and services. She has a small group of employees that help set up and tear down for weddings, and she is able to match nearly any color with the array of covers and ribbons in which she has invested. Trish even does business with women in other states, sending them samples to make sure they know what they will see on their wedding day.

Trish loves being able to provide beautiful options for brides that they can get without having to stress or rely on their families to set up and tear down on their special day.

When asked if she was planning on turning this into a full-time business, Trish said she'll maintain her sales until she retires in a few years. At that time, she will do her fun and profitable business as much as she'd like.

According to *Forbes*, Baby Boomers are quickly become the "hottest group" of small business owners, choosing now to become successful entrepreneurs. Do you need help starting or growing your small business? Contact GROW to get connected with the best resources and information for you and your business!

Montana

Prospera Business Network, Women's Business Center

Women's Business Center Success Story

Submitted by *(name of WBC)*	Date	WBC Contact Person	Phone	Email
Prospera Business Network - Montana WBC	January 30, 2013	Amanda Schultz	406-587-3113	aschultz@prosperabusinessnetwork.org

Company Name	Street Address	City	State	ZIP
On The Rise Bread Company	81 North Star Lane	Bozeman	Montana	59718

Owner Name	Phone Number	Fax Number	Email	Website
Melinda Pierson	406-582-0272	n/a	otrbakery@gmail.com	n/a

The subject *(check one)* ☐ started ☒ bought
☐ inherited the business. Other *(specify)*

The business is located in *(check one)*
☐ leased
☒ owned ☐ donated space. Other *(specify)*

The business provides employee:
☒ Health-care benefits
☐ Child care
☒ Continuing education/retraining
☐ Other *(specify)*

☐ Exporter *(specify countries)*:

The business is *(check all that apply)*—
☐ Home-Based
☐ Rural
☐ Family-owned
☐ Husband and wife
☒ Woman-owned
☐ Veteran-owned
☐ Minority-owned: Race and/or ethnicity (voluntary)
☐ Owned by a former big business employee

Check one: ☒ This company has been in business three or more years
☐ This company is less than three years old but has a compelling story about SBA assistance

Write a summary of the success story, approximately 1-2 pages long. Include information on the following:

- Obstacles/challenges overcome
- owner's business/strengths
- owner's professional experience
- owner's educational background
- WBC and other SBA involvement and how it helped the business—enabled it to add staff or otherwise expand, further develop its product line, weather a difficult time and rebound, etc.
- owner's volunteer experience/community involvement (may include the business if volunteerism is stressed with employees)
- any other information pertinent to the story, local "hooks," points of interest, etc.—whatever makes this story unique or newsworthy

Story:
On The Rise Bread Company is a staple in the heart of the Bozeman community, producing artisan breads and sweets for wholesale customers. They have over 100 products, including a broad spectrum of wholesome breads, cases and sweets made from local (Montana) and organic grains. On The Rise takes pride in offering healthy foods made from local whole grain ingredients. They are in production 20-22 hours a day to provide the high demand of their products to over 80 grocery stores, restaurants and caterers in the Bozeman and surrounding communities.

"Our goal is to make On The Rise not only a great place to be, but also provide great healthy comfort food made with love," said Owner, Melinda Pierson. "The beauty of owning the spot we are in is that we are staying small, using locally sourced ingredients and being a niche in our community."

Originally established in 1997, Melinda Pierson, and her late husband Scott, purchased On The Rise Bread Company in September 2010. A lifelong passion of becoming a small business owner and learning about the science of baking were the driving forces behind Melinda and her family's dreams of someday owning their own bakery. Shortly after the purchase of the business, Scott was diagnosed with cancer. During Melinda's two years of ownership, she took the business from a small retail bakery on Main Street in Bozeman to a manufacturing facility in her new location just outside the Bozeman area. Not only was Melinda giving 100% to her business, but she was also caring for her husband, who lost his battle with cancer in November 2012.

"Some might think it is not wise to take over a business that already exists," said Melinda. "But I went in and wanted to learn every position. Whatever it took, I wanted to know every role so that I was capable to do it."

After her two years of rapid growth, Melinda recognized a need for a larger space with greater efficiency. In April 2012, Melinda contacted Amanda Schultz, Director, Montana Women's Business Center, for assistance with a business plan and financial projections. Together, Melinda, Amanda and later Anjie Mikesell, Prospera's Business Analyst, worked on developing a strong business plan package to present to her lender, spending ten hours of counseling preparation and meeting hours. She was already working with her bank on financing for an expansion to a new location. The expansion meant purchasing a building and more efficient equipment, which would increase production. Melinda also became more strategic and focused on how they could continue to provide the highest quality products to the community. She determined that by eliminating the walk-in, retail market and focusing on manufacturing for the wholesale market, which would ultimately provide her with the largest opportunity for future growth.

Melinda received a $157,000 loan from her bank and $150,000 from the USDA Intermediary Relending Program Revolving Loan Fund, managed by Prospera Business Network. The financing allowed Melinda to purchase a building, which eliminated her high cost of rent and gave her an opportunity to upgrade their equipment, including an efficient reliable oven for consistent production. It also allowed Melinda the flexibility to better design the bakery line for production, including a separate area for baking sweets.

"The funding allowed us to invest in a larger manufacturing facility and create a space with an open production area for a better work flow," said Melinda.

"We used to have to schedule off shifts for sweets baking because we needed to share the space," said Melinda. "The new facility gave us a clean slate to organize the bakery in a way that made sense for us and has given us a greater capacity to bake. We have room for more equipment."

Following the relocation, Melinda contacted the Montana WBC again requesting a need for marketing assistance. Since the move from the Main Street location, the local community was under the impression that On The Rise Bread Company had "closed their doors." Amanda Schultz worked diligently with Melinda on developing a press release that would communicate the move as a strategic expansion. As a result of the press release, Melinda was contacted by our local NBC and CBS affiliates, as well as our local newspaper, Bozeman Daily Chronicle.

Melinda relocated to the new space in Bozeman, at the Four Corners area, in October 2012. Since then her production and sales have increased tenfold. She is on track to increase her number of employees and grow her market to other areas in the state. Because of the reduction of costs, Melinda now provides health care benefits to all her employees. She was also able to promote two of her employees to a management role.

The oven at the new facility provides an ease in production for the On The Rise staff, it also significantly increases baking capacity. According to Melinda, baking production has increased a third from what they were able to produce previously. "What used to take us six hours, now only takes four," said Melinda. "It is easier to provide a more consistent bake for a more consistent product."

With a staff of 15 employees, Melinda is committed to staying true to her personal version of Montana roots. "I personally do not have a goal of growing exponentially, rather I think to live, parent and employ people in this part of the world is a gift," Melinda said. "I want our employees to be passionate about what they do. On The Rise is more than a business, it is a home, a family-owned entity staying true to Montana lifestyles."

Information on SBA Assistance: Get as much of the following information as the business owner is willing to share (the owner must be willing to allow the story to be used—the PIO will send a release form if the story is accepted). Use it to craft your story but don't use information in the story that the owner does not want made public. At a minimum, mention the types of assistance received.

SBA Assistance programs: check all that apply	Year rec'd asst.	Type of assistance, amt of loan, etc.	Employees when first assisted FT/PT	Employees now FT/PT	Revenues when first assisted	Revenues now
☐ 504/CDC						
☐ 7(a) Guaranteed Loan						
☐ CapLines						
☐ LowDoc Loan						
☐ 7(j) Mgt. & Tech. Asst.						
☐ 8(a) Loan						
☐ 8(a) Program						
☐ Recovery Act Loan						
☐ Disaster Assistance						
☐ Employee Trusts						
☐ FA$TRAK						
☐ International Trade Loan						
☐ International Trade Program						
☐ Microloan Program						
☐ PASS						
☐ Pollution Control Loan						
☐ Small Business Development Center						
☐ SBI						
☐ Small Business Investment Company						
☐ Small Business Innovation Research						
☐ SCORE						
☐ Small Gen. Contractor Loan						
☐ Solar Energy & Conserv.						
☐ Surety Bond Guarantee						
☐ Vietnam & Disabled Veteran Assistance						
☒ **Women's Business Center**	Apr-Oct 2012	Business plan development, cash flow management, financing and marketing				
☐ Training Seminars						
☐ Other						

Nebraska

Women's Business Center

Building a business in Central Nebraska? Remember, Efficiency Counts

She was a great friend at the bank for small business owners who just couldn't get the hang of accounting. She even went so far as to suggest to the bank president that the bank sponsor a Saturday morning class where seasoned business owners could mentor less skilled entrepreneurs in bookkeeping.

Irritated with her efforts, however, he scolded her that the bank didn't have the resources to guide every small business owner having trouble tracking where their dollars went. She was so dedicated that when she saw a business overwhelmed by the demands of tracking its cash flow she would even drop by on her own time to help deposit checks at the bank for him. But she was too late to help him--the business went under because the owner didn't qualify for an operating loan which would have resolved the problem. That's a story that sticks with her to this day.

So Connie Harvey set her jaw, quit her job at the bank, went to college, got a degree in accounting and turned to helping those frustrated business owners – and in the process, became a small business owner herself.

Harvey's business, Efficiency Counts, has served for the past eight years as a trusted consultant to small entrepreneurs in central Nebraska teaching them how to track their financials. And, she says with a smile, she's now reaching out to area bankers to host those Saturday morning classes to help teach small businesses essential skills to track their cash flow.

"There are all these really beautiful business owners who are really talented with lots of skills in what they do. When they sit down with me I think I'm able to give them a grasp of what they need to be doing to tend to their bookkeeping. But sometimes, they find it's cheaper to pay somebody like my company to tend their books rather than struggling to do it themselves.

"And without these small businesses our community doesn't exist," she said. "Cities are a partnership for living well together. (Aristotle) We need everybody. What I can do to help a small business succeed will help the bank and will help everybody."

The idea to start her own company germinated from her associate's degree studies at McCook Community College.

"I was in my last class, Entrepreneurship, and the teacher asked us to pick a business, write a business plan and present it to the class," Harvey said. "And that's what came out of my head!"

The name of her company came from her knack for attention to detail and pursuit of efficient ways to get things done. Before her bank job, she worked at the local post office where she spied a messy stack of mail route sheets and decided to consolidate them into a simple, five-sheet color coded laminated tool. The postal workers were so pleased that they use her system to this day.

One of her clients was a farmer, beet red with frustration over his books. His 12-year-old son kept hanging around the table, so Harvey strongly encouraged the young boy's dad to let him learn basic accounting principles. She said, "Besides, if he keeps the books for his dad, by the time he's 16, he'll have a skill he can use all his life and that his peers may not have."

While she was building her small business, she connected with Nebraska Workforce Development; teaching recently laid off workers the Microsoft Office products to help them get a job. She also began building databases for her clients from horse shows to trucking companies and local sheriff's departments, helping them reduce redundant data input and produce helpful reports. Problem was that while a database could take up to 10 months to build and would save her client untold time and resources, each job would generate only about $700 or less.

In Early 2007 Harvey moved with her husband from McCook to Hastings and business started to pick up, especially after meeting Monica Braun of the Women's Business Center.

The Women's Business Center, through the Rural Enterprise Assistance Project (REAP) and funded in part through a cooperative agreement with the Small Business Administration, specializes in outreach and training for rural women entrepreneurs across the state.

Braun worked with Harvey, connecting her with businesses which really needed her expertise and also helping her to properly market and properly price her services. Turns out Harvey really needed help with the latter.

"I was a pastor's wife for 20 years, and in that role you just got used to doing things for free," Harvey said. "It was very uncomfortable for me to ask for payment. But that's very detrimental if you're trying to run a business."

She now has a watchful staff to help her with that. Once, when Harvey took a job to build a complex database for one client, her employees jumped all over her when she offered a quote more in line with a modest bookkeeping job.

"One of my employees was only 20, but she was far stronger with our clients than I was when it came to payments. Problem is she's leaving to further her education, so now I have to find somebody else for that!"

Harvey admitted to a steep learning curve as an Employer.

"I work myself hard, and I really can't let go of something until it's resolved, like untangling someone's books" she said. "It's really hard for me to expect anyone else to do that."

In 2009, Harvey received a $3,000 grant from the Women's Business Center to purchase equipment; the next year, she snagged a $12,500 contract to work with REAP's clients. By 2011, she took home the "Entrepreneur of the Year" award from the Center for Rural Affairs (CFRA). Thanks to Braun's prodding, her booth is a regular one at REAP's MarketPlace, a trade show for small businesses to learn skills and demonstrate their wares and services.

With Braun's encouragement, Harvey developed a training brochure-- "Bookkeeping Basics For Business Success"--sponsored jointly by the SBA, Department of Agriculture, REAP and the USDA, now in its third printing. The brochure encourages small business owners to plan daily, weekly, monthly, quarterly and annual tasks. The theme is simple: if a small business owner tends to the financial books as if tending a garden, they will produce a beautiful crop of reports. "Working with REAP and the Women's Business Center has really broadened my horizons," she explained.

Harvey has grown her business from her home to occupying a fairly expansive office with nine desks in use. And she's giving back to the business community as a part of the growing Hastings Entrepreneurship Group.

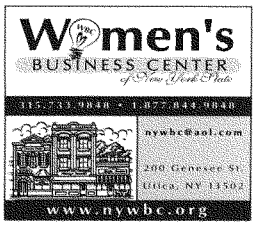
Did Harvey ever think she would be where she is now?

"Honestly, I felt most of my life that I was paralyzed with fear when dealing with people," she said. "Before I was 40, nobody knew me; I was super shy and becoming increasingly depressed. But after 40, when I had remarried, my husband asked me one day, 'What have you always wanted to do?' Well, actually, I always wanted to play the drums. So he got me a drum set. 'What else?' he asked me. I wanted to go to college. So I went.

"Even if you're 40 or 50 or older, you can still do wonderful things, grow as a person and even create a new business," she said with a smile.

New York State

Women's Business Center

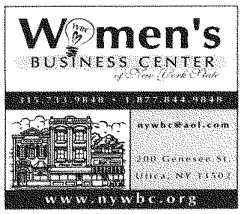


Center Profile:

1) Women's Business Center of New York State
2) Mission: The Mission of this Women's Business Center of New York State is to reach, train and coach as many women as possible in this vast SBA District who want to start-up their own business or those women already in business and want to grow their business.
3) Service Area: This upstate/central New York State District comprises approximately 75% of the state and includes eight (8) counties in the urban Capitol District, Country, nine (9) in the rural/urban Southern Tier and eleven (12) in the central urban/rural region. 29 counties in total.
4) Program scope: WBC Services: serves female entrepreneurs throughout 29 of the 34-county Syracuse District, provides assistance and training, helps direct women to resources in their area, offers entrepreneurial courses in various upstate locations, provides assistance and training in finance, management, marketing, procurement, and the Internet, SBA Loan Programs, Government Procurement, Minority and Women-Owned Business New York State Certification
5) Program output/metrics. We have assisted over 6500 women since our opening in 2001. Each woman served received on the average of 5 hours of service and each woman completed their business plan.
6) Program outcomes: Economic Metrics –Last year we helped 195 businesses, started 16 new businesses, created 54 jobs, and an estimated $187,400 in access to capital.

Client Profile:

1) Gina Trzepacz-Timpano
2) Yorkville Memorials, LLC. Purchased business in 2008 from her uncle.
3) Services provided were Small Business Training Program, Business Plan, Counseling, Loan assistance, state and federal certification.
4) When Gina Timpano came to the WBC of NYS, she was unemployed and wanted to take over the family business but didn't know where to start. She enrolled in WBC's fabulous Small Business Training Program, wrote a business plan and started her the process of purchasing the family business in 2008. Thanks to the WBC of NYS's help, she was able to get her uncle to with her to use the upcoming revenues toward the purchase price of $30,000. In her first year she profited over $140,000 and paid back her uncle. Last year her business grew by a profit of &380,000, and she has increased her employees to five. Here's what Gina says about the services of the WBC Of NYS, "I owe this alal to the WBC staff training, guidance, and continuing support. Without them, I could never have succeeded in becoming athe successful business owner I am today."



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Client Profile:

1) Deborah J. Cabral
2) The Declutter Coach, started in 2010.
3) Services provided were Business Plan, Counseling, Loan assistance, state and federal certification.
4) When Deb Cabral came to the WBC of NYS she wanted to grow her business and get state and federally certified as a Woman-Owned Business. Deb has since become a NYS Certified WBE and a federal WSOB with the WBC of NYS's assistance. Deb has since moved her home-based business into her new office in New Hartford. She has hired 3 employees. In 2011, Deb began airing her television show "Organization Motivation!" on several local television channels. In 2012, Deb Cabral diversified her ever-growing business to better serve her corporate clients by launching DC Efficiency Consulting. She has also authored the book, "Declutter Your Life Now!" Here's what Deb says about the WBC of NYS, "To the amazing women who helped me with my business, Dr. Pat, Donna Rebisz, & Tricia Badgley, your guidance has been instrumental in the success of my business."