UNLOCKING ASSETS:
BUILDING WOMEN’S WEALTH THROUGH BUSINESS OWNERSHIP

November 21, 2019

Co-Sponsoring Organizations:

- SOUTH BEND | ELKHART
  SMART CONNECTED COMMUNITIES
- Indiana Philanthropy Alliance
- SOGAL
- NEW AMERICA
Working Together to Achieve Economic Security for All

As the only membership organization for grantmakers focused on advancing economic security, the Asset Funders Network connects philanthropic leaders to drive greater impact where it’s needed most.
Today’s AGENDA

➢ OPENING

● Dana Strait, Saint Mary’s College
● Pete McCown, Community Foundation of Elkhart Co.

➢ WOMEN, WEALTH & BUSINESS: INSIGHTS & HIGHLIGHTS

● Taryn MacFarlane, Asset Funders Network
● Bethany Hartley, South Bend - Elkhart Regional Partnership

➢ INDIANA VOICES: FEMALE FOUNDERS PANEL

● Nicola Brown, SoGal Foundation
● Jada McLean, Hurry Home
● Alexandra Sejdinaj, South Bend Code School & Startup South Bend – Elkhart

➢ DESIGN LAB

● Molly Martin, New America

➢ CLOSING KEYNOTE: UNLOCKING POTENTIAL

● Kathy Burnette, Brain Lair Bookstore
● Willow Wetherall, Women’s Entrepreneurship Initiative of Saint Mary’s College
Unlocking Assets: Women, Wealth, and Business Ownership

Women face 5 headwinds in starting and growing a business.

Their risk tolerance for start up and growth is inversely related to their experience of the market: the market for their products, the market willing to invest in them, and the market willing to believe in them.
Headwind #1- You need $ to make $

Business ownership is associated with higher levels of wealth

The median net worth of all unmarried adults who own businesses is close to nine times higher than unmarried adults who do not own businesses.

Roughly 70% of current businesses acquire their startup financing from personal assets or those of their family.

Prior wealth plays a critical role in business startup and growth.
FIGURE 1 | MEDIAN WEALTH OF SINGLE MEN AND WOMEN BY RACE, 2016

Source: Authors’ calculations from the Survey of Consumer Finances, 2016.
This chart does not include women-owned firms owned by those individuals of "some other race" or who are classified under more than one race.

Source: Survey of Business Owners (2012)
Limited Access to Capital
Occupational Segregation
Limited Access to Network & Mentors
Lower Levels of Business Education & Training
FIGURE 3 | FINANCING SOUGHT BY REVENUE SIZE OF FIRM AND GENDER

WOMEN-OWNED APPLICANTS TEND TO SEEK SMALLER AMOUNTS OF FINANCING EVEN WHEN THEIR REVENUE SIZE WAS COMPARABLE

- TOTAL AMOUNT OF FINANCING SOUGHT BY REVENUE SIZE OF FIRM (% OF APPLICANTS)

Categories have been simplified for readability. Actual categories are ≤$25K, $25,001–$100K, $100,001–$250K, $250K–$1M, >$1M

Source: NY Federal Reserve
**FIGURE 4 | RATE OF BUSINESS OWNERSHIP BY GENDER AND INDUSTRY (2012)**

**SOURCE:** Survey of Business Owners (2012)
Headwind #3: Occupational Segregation

APPENDIX FIGURE 3 | BUSINESS REVENUE BY GENDER AND INDUSTRY

INDUSTRY

PROPORTION OF REVENUES

EDUCATIONAL SERVICES
OTHER SERVICES
HEALTH CARE AND SOCIAL ASSISTANCE
ADMINISTRATIVE & SUPPORT & WASTE MANAGEMENT & REMEDIATION SERVICES
ARTS, ENTERTAINMENT & RECREATION
REAL ESTATE & RENTAL & LEASING
PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES
ACCOMMODATION & FOOD SERVICES
INFORMATION
TOTAL FOR ALL SECTORS
TRANSPORTATION & WAREHOUSING
MINING, QUARRYING, & OIL & GAS EXTRACTION
WHOLESALE TRADE
RETAIL TRADE
MANUFACTURING
Agriculture, Forestry, Fishing & Hunting
FINANCE & INSURANCE
MANAGEMENT OF COMPANIES & ENTERPRISES
CONSTRUCTION
UTILITIES

MAJORITY FEMALE-OWNED
EQUALLY OWNED
MAJORITY MALE-OWNED
Headwinds # 4 & 5: Networks & Lack of Training
Improve Access to Responsible and Equitable Financing

Examples: Opportunity Fund and The Detroit’s Entrepreneurs of Color Fund

Support Women-Led Ventures in High-Growth Fields

Examples: Springboard Enterprises and Women Who Tech

Close the Mentorship and Network Gaps

Examples: MicroMentor

Support Alternative Methods of Business Education and Training

Examples: Babson College Women Innovating Now (WIN) Lab and the US Small Business Administration’s (SBA) Women’s Business Centers
Conclusion

The financial security and overall well-being of families increasingly rests on the shoulders of women.

Funders, investors, and supporters should alter our own work to reduce business headwinds.

By increasing our own risk tolerance, we can partner better with female founders and CEOs in our midst.

To-do, today:

Equalize financial capital

Share social capital
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