

WOMEN'S ENTREPRENEURSHIP HUB

Listening and Learning from Women Entrepreneurs



What do you think of when you hear the word “entrepreneur?” Do you think of someone who used their corporate experience and professional skills to launch a startup? Or a person who saved up for years to retire early and pursue a passion project? What about a woman pursuing a “side hustle” to make ends meet while still working in a low-paying job?

For generations, women have been taking care of their families and supporting the economy by using their skills outside the traditional workforce. That might include the woman who cares for children in her home, the woman who does freelance art and design, or the woman who sells cheesecakes around every holiday. These women are using their ingenuity, skills, and experience to earn additional income to make ends meet, to build savings, to go back to school, to enroll their kids in programs, or to build economic security and wealth.

Nearly half (47 percent) of businesses started by women in the past year are minority-owned,ⁱ and Blackⁱⁱ and Latina/xⁱⁱⁱ women are the fastest-growing groups of entrepreneurs. While the percentage of women entrepreneurs has been increasing steadily over the last decade, it grew even more during the pandemic. Women left their jobs at rates never before seen because their

employers did not provide the flexibility they needed to manage the significant caregiving responsibilities and economic instability that came with COVID-19. To add to that, women in low-paid, frontline jobs did not have the option to work from home and did not always feel it was physically safe to go to work given public health concerns.

The stresses of the pandemic added to existing frustrations that Women of Color have always experienced in the workplace, such as pay inequities, gender and racial bias and discrimination, and lack of advancement opportunities. Many women addressed this by leaving the traditional workforce to find better opportunities, which often included starting businesses of their own.^{iv} A recent study of businesses that launched during the pandemic found that Women of Color entrepreneurs were particularly driven by financial and child care needs in their desire to start a business. They were more than twice as likely as white entrepreneurs to start a new business because they were laid off or worried about their financial situation, and almost a third of these women were the sole income providers for their family.^v

Black and Latina/x women entrepreneurs, particularly those with lower incomes, have unique motivations for starting a business compared to wealthier or white entrepreneurs.





One study showed that Black entrepreneurs are particularly motivated by financial security and independence, with the goal of building generational wealth for their families.^{vi} Another found that Latina/x entrepreneurs are influenced by a strong sense of responsibility to their families, including the desire to provide opportunities for younger and older generations and the need for flexibility to manage family and work obligations.^{vii}

Entrepreneurship is a viable pathway to economic freedom for all women, and can particularly benefit working class communities of color by generating economic activity that goes back into the community.^{viii} But when most people picture an “entrepreneur,” a low-income Black or Latina/x woman earning money on the side is not what comes to mind. And that translates into fewer resources and supports for this important and growing group of business owners.

“I definitely need funding but with my business only being a year old, I don’t qualify for anything.”
-Woman Entrepreneur

For more than 50 years, Women Employed has been working to increase the economic security of women, and to close gaps in economic equity. We are focused on growing the economic power of women in Illinois—particularly those who are low-income, Black, and/or Latina/x. We know these women. We understand their needs and the barriers they face. Women Employed believes

that anyone starting a business to increase their income or build wealth should be afforded access and opportunities to make their vision of success a reality.

“I have to start hiring so I’m not doing all of it alone and I think that’s probably where I am now, getting support and staffing to further my organization.”
-Woman Entrepreneur

However, in exploring the business service organizations, government agencies, investors, and nonprofits which make up the entrepreneurial ecosystem, we found few services that focus on the needs of Women of Color or low-income entrepreneurs. Women Employed is committed to centering Black and Latina/x women entrepreneurs, particularly those that lack access to information, knowledge, networks, or coffers—working with them to determine the best way to address their needs.



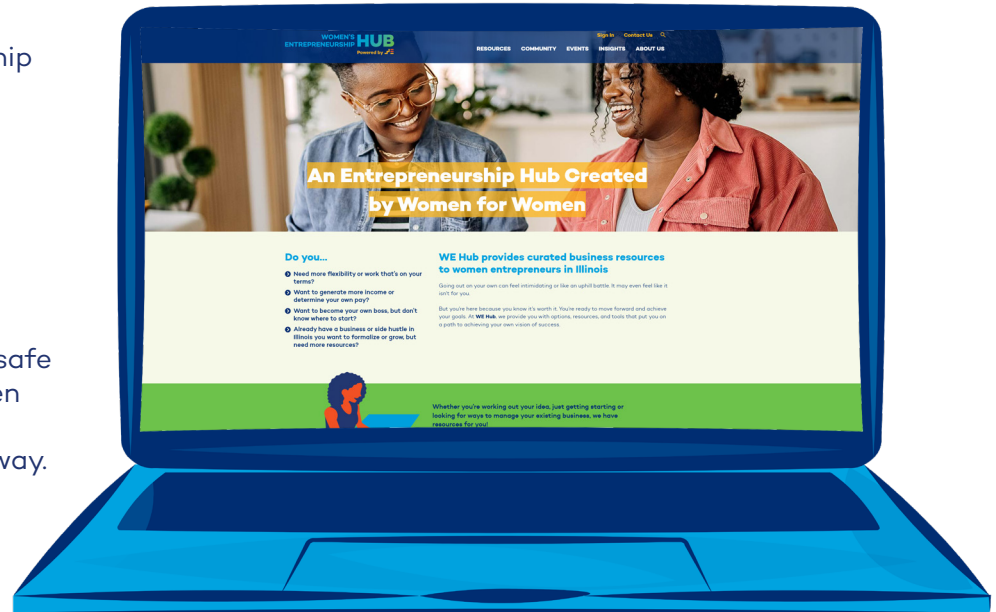
The Women's Entrepreneurship Hub (WE Hub)

"Now that I have my own dashboard where I can learn different things, it's been a game changer. The WE Hub has helped me learn how to market to customers, close deals, get leads, and even how to communicate differently. I've also learned different levels of leadership and the kind of leader I am. It's all been very helpful."

-WE Hub User

In the Fall of 2022, Women Employed launched the Women's Entrepreneurship Hub (WE Hub)—the first online entrepreneurship hub created by and for women in Illinois, curating a plethora of business resources into one trusted location. With the goal of closing the access gap, the WE Hub was created with Black, Latina/x, and low-paid women—and their unique circumstances—in mind to provide a safe and supportive environment for women to connect, create, and manage their entrepreneurial journeys in their own way.

The WE Hub aims to ensure that more women in Illinois have the resources they need to start or grow successful and sustainable businesses. Many of these businesses operate informally, without an official business license, so they are not able to take advantage of some of the economic benefits afforded to other entrepreneurs, such as deducting business expenses on taxes or applying for small business programs, grants, or loans.^{ix} It is essential that we support these entrepreneurs at all phases and mitigate barriers along the pathway to full business ownership, creating access to more opportunities and resources. The ultimate goal of the WE Hub is to help clear the path to entrepreneurship and build an online community of women helping, lifting, and inspiring other women.



Upon joining the WE Hub, a new user completes a short questionnaire about their entrepreneurial stage, needs, preferences, and geographic location. With that information they receive a personalized dashboard, including a toolkit with resources and events targeted to their needs. It is accessible in 6 languages and features 200+ resources on topics including funding, legal support, and training opportunities from 75+ trusted partners across the state, ranging from banks to small business development centers to law clinics and more.

The Needs of Women Entrepreneurs

In addition to closing the gap in access to information, demystifying the entrepreneurial path, and building a community, Women Employed is committed to driving systems change. We want to learn more about the challenges, barriers, and bright spots so we can help improve the existing entrepreneurial ecosystem. We are starting by listening to and learning from WE Hub users, women entrepreneurs, and business service organizations throughout the state. This is particularly

"I keep on hearing that I need to hone in on a specific skill set, I need to find my niche, but I'm not sure how to do that. I need some help trying to figure that out so I can move to the next stage of development."

-WE Hub User

important because most of the existing data on business owners does not address the ways in which gender, race, and income affect the entrepreneurship journey.

We have been connecting with women entrepreneurs by attending events, conferences, and meetings across the state. We co-lead the Women's Economic Power Agenda (WEPA) Summit, hosting discussions on entrepreneurship that brought together a diverse group of women, many of whom were immigrants who were either already running or seeking to start their own businesses. We have sought feedback from WE Hub users and participants in workshops we hosted with partners. In these spaces, we have met women entrepreneurs in virtually every industry including real estate, renting and leasing, accommodation and food services, child

"Stepping into these rooms where different demographics and people are more financially stable than you can feel very intimidating."

-WE Hub User

care services, beauty and hair, cleaning, online retail, tourism, agriculture, wine, healthcare, and consulting. These women have confirmed that, as small (and often new) business owners, their needs are not being met by the existing entrepreneurial ecosystem in a variety of ways.

Their biggest challenge is access to financial capital, including frustrations with grant access and processes. Nationally, only about two percent of venture capital funding goes to women entrepreneurs.^x Black women receive less than one percent of venture capital and these investments actually plummeted in 2022, despite an increase in Black-owned businesses.^{xi} In 2023, the Small Business Association (SBA) issued nearly \$34 billion in business loans across the U.S., but less than one-third went to women-owned businesses, and even fewer to entrepreneurs of color.^{xii} We are even seeing legal attacks on firms, such as the Fearless Fund, that seek to raise and give capital specifically to Black and Latina/x women.

Lack of access to funding is particularly problematic given the wealth disparities and lending discrimination that Women of Color also face, resulting in higher interest rates or denied loans or credit lines. Black and Latina/x small

"My biggest need is capital because I want to expand from people just looking at me as a woman of color braiding hair."

-WE Hub User

businesses tend to start with less capital on hand, making them less able to weather economic downturns as they establish themselves. A recent study found that Latina/o/x-owned businesses had lower rates of approvals for loans over \$50,000 than white-owned businesses, even when the Latina/o/x-owned businesses had stronger metrics.^{xiii} In fact, some entrepreneurs of color avoid applying for funding at all because they believe they will be rejected.^{xiv} This may explain why the Annual Survey of Entrepreneurs found that while white business owners relied primarily on bank loans for startup capital, Black business owners relied primarily on personal credit cards, and Latina/o/x business owners on personal and family savings.^{xv} However, a reliance on credit cards and personal savings is not realistic for the Black, Latina/x, and low-income women business owners we are centering because they have little to no discretionary income.

In Illinois, women entrepreneurs outside the Chicagoland area experience a disadvantage.

Most of the business service organizations supporting entrepreneurship are in the Chicago area, so business owners living elsewhere in Illinois have less access to mentorship, resources, and opportunities. Women in smaller cities often feel overlooked because they often compete for opportunities or funds against much larger businesses in Chicago that operate in the same industry; for example, a small business downstate competing against Navy Pier for a state tourism grant.

They need more opportunities for professional networking and peer support. Lack of a supportive professional network is a particular challenge for Women of Color, who may have had fewer mentorship and training opportunities in their careers. Women of Color are disproportionately likely to work in low-paid, frontline, and/or gig jobs—making them less likely to have peers with formal business experience to

“It’s important to put yourself in the same rooms and spaces as individuals who inspire you and who you want to learn from.”

-WE Hub User

help guide their entrepreneurship journey.^{xvi} Additionally, these women are more likely to be solo entrepreneurs, and this self-reliance can make it challenging to access supportive professional networks. All of these factors contribute to fewer social networks to tap for advice, guidance, or marketing and exposure, all crucial supports for women who wish to start a new business. Women we talked to particularly desired a safe space for Women of Color to discuss their unique challenges as entrepreneurs and to support each other through the challenging journey of establishing and maintaining their businesses.

There is a need for business training, skill building, and general advice, including strategy for start up and development, building a business plan, budgeting, working with vendors, staffing, getting clients, marketing, basics of insurance or related legal issues, and more. Several entrepreneurs talked about the need to “find a niche” for their business, the challenge of developing a brand, and of being overwhelmed by the possibilities and scope of work. Existing entrepreneurial resources often focus on

expanding a business, but many of the women we have worked with are just trying to get started and manage the basics. The entrepreneurs we talked with expressed a need for technical guidance and training on business skills, including how to use software and technology platforms—like databases, human resource platforms, and accounting software—social media strategy,



“I’m a co-owner of an art design and development company with my husband. We’re kind of semi-starting out and I’m struggling with what to do next. We kind of went into it blind and are just figuring out how to refine our brand since it is both design and art. I guess I need help clarifying my brand and finding the capital and funding to scale it.”

-WE Hub user

grant writing, and more. Additionally, most business services are “do it yourself” resources, while the majority of WE Hub users would like more supportive structures to assist them.

Entrepreneurs need support balancing their businesses and personal lives, including planning for the future.

Most women entrepreneurs, including most users on the WE Hub, still hold traditional jobs in addition to starting, building, and managing their business. A large proportion are also caregivers for children and other loved ones. The women we connected with voiced a need for resources for child care, healthcare, and transportation services in particular to help them better juggle all their responsibilities. This is especially true for aspiring entrepreneurs who are domestic violence survivors but have plans for starting their own businesses for greater economic security—which is a need we heard about from survivors themselves. Retirement is also a big area of concern for most entrepreneurs. Not only do they often feel unprepared for retirement, but also uninformed—particularly those who are immigrants.

“I manage my time as my job requires it. I can fix dinner, attend events, help with homework, and run my business.”

-WE Hub user

Non-English speakers are frustrated by the lack of language access for most business services.

Entrepreneurs in Illinois reflect the racial and cultural diversity of the broader population, including many women who are not fluent in English. Illinois has a significant population of immigrant women who are interested in starting—or have already started—businesses. But most business supports and resources (both public and private) are only available in English, creating a significant barrier to success, though starting a business in a new language is a significant challenge.^{xvii} Yet research shows that immigrants are more likely to start new businesses than the general population, and between 1996 and 2011 immigrant entrepreneurship grew 50 percent.^{xviii} This includes immigrants with less than a bachelor’s degree, who are even more likely to start businesses than those with higher levels of education, contributing \$43 billion to the U.S. economy each year. In Illinois, immigrants made up 23 percent of entrepreneurs in 2019, even though they were only 14 percent of the population.^{xix}



shows Black and Latina/x women feel outside the entrepreneurship ecosystem because they often lack role models and formal management experience, and many are situated outside the social and financial business networks.^{xx} We suspect there are many women who are interested in entrepreneurship but don’t seek services or attend entrepreneurship support events because of this same hesitation.



There is a need to expand and evolve who we classify as entrepreneurs. Many of the women we talked to do not identify themselves as “entrepreneurs.” So often Women of Color express a lack of self-confidence about pursuing business ownership because they don’t fit the typical image of an “entrepreneur,” experience insecurity about their skills and resources, and do not receive the same support as many other “traditional” entrepreneurs. All of this is compounded for immigrant women, whose immigration status and lack of English fluency add to their insecurities about pursuing a business. This is also supported by research which

“I thought I just made and sold cookies for fun, but I guess I am an entrepreneur.”
-Woman Entrepreneur

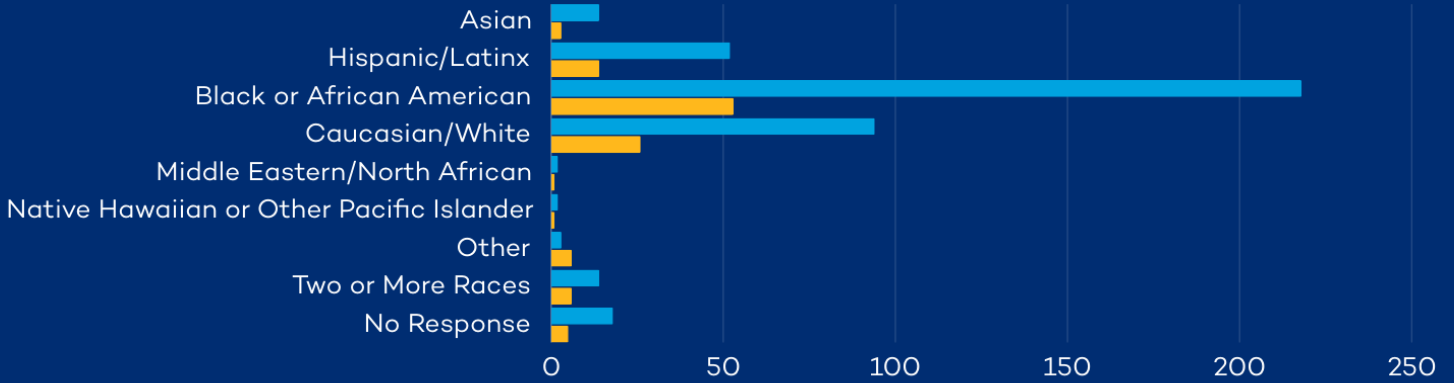
Despite their hesitation to identify as entrepreneurs, Women of Color still view business ownership as a worthy objective. We talked to Latina/x women who described entrepreneurship as “effort, ambition, compromise, security, financial wellness, strength, love, achievement, community, resistance, persistence, empowerment, and perseverance.” They believe that entrepreneurship will be a way to help them meet their financial goals and provide more flexibility between their work and home lives.

Information on WE Hub Users

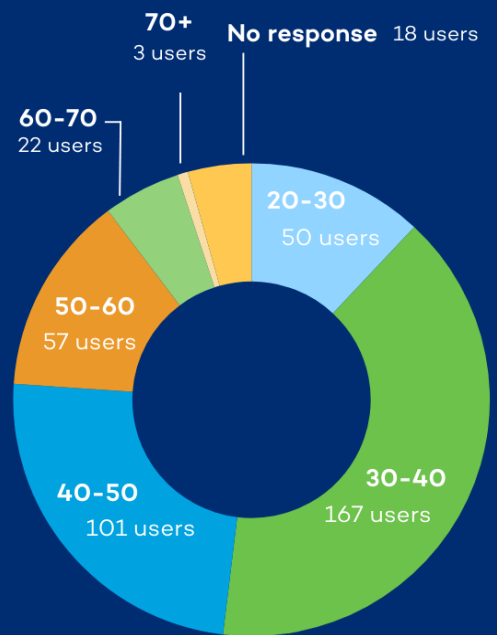
Data as of 12/31/2023

WE Hub Users by Race

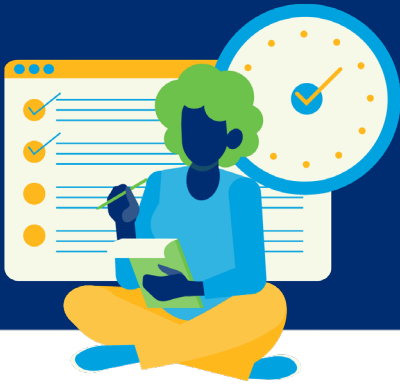
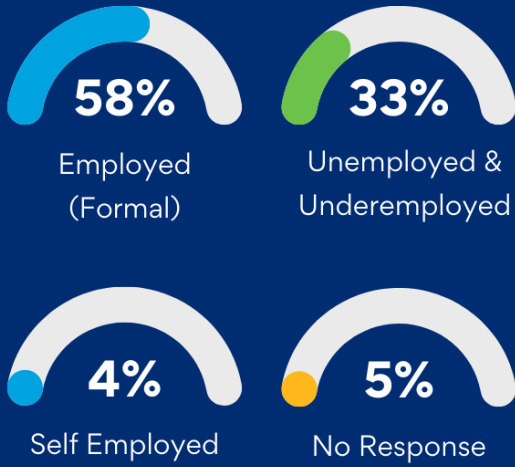
■ User Number ■ Percentage out of 100



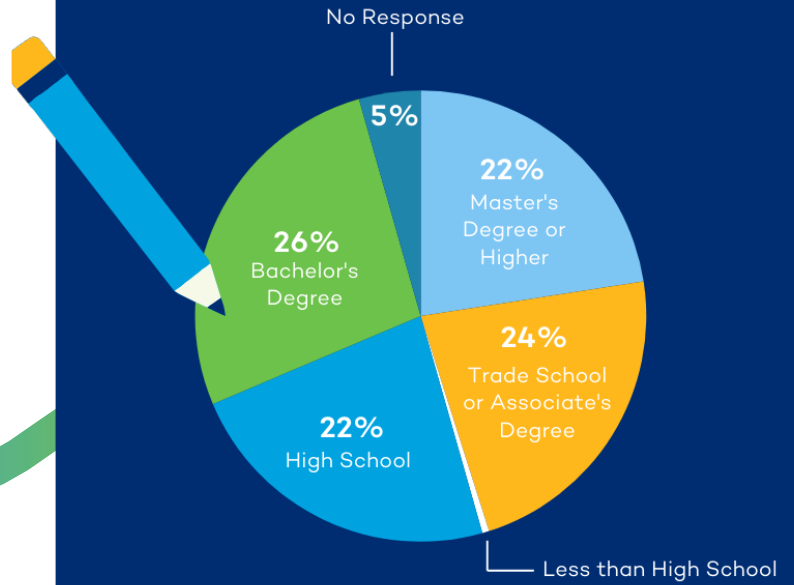
WE Hub Users by Age



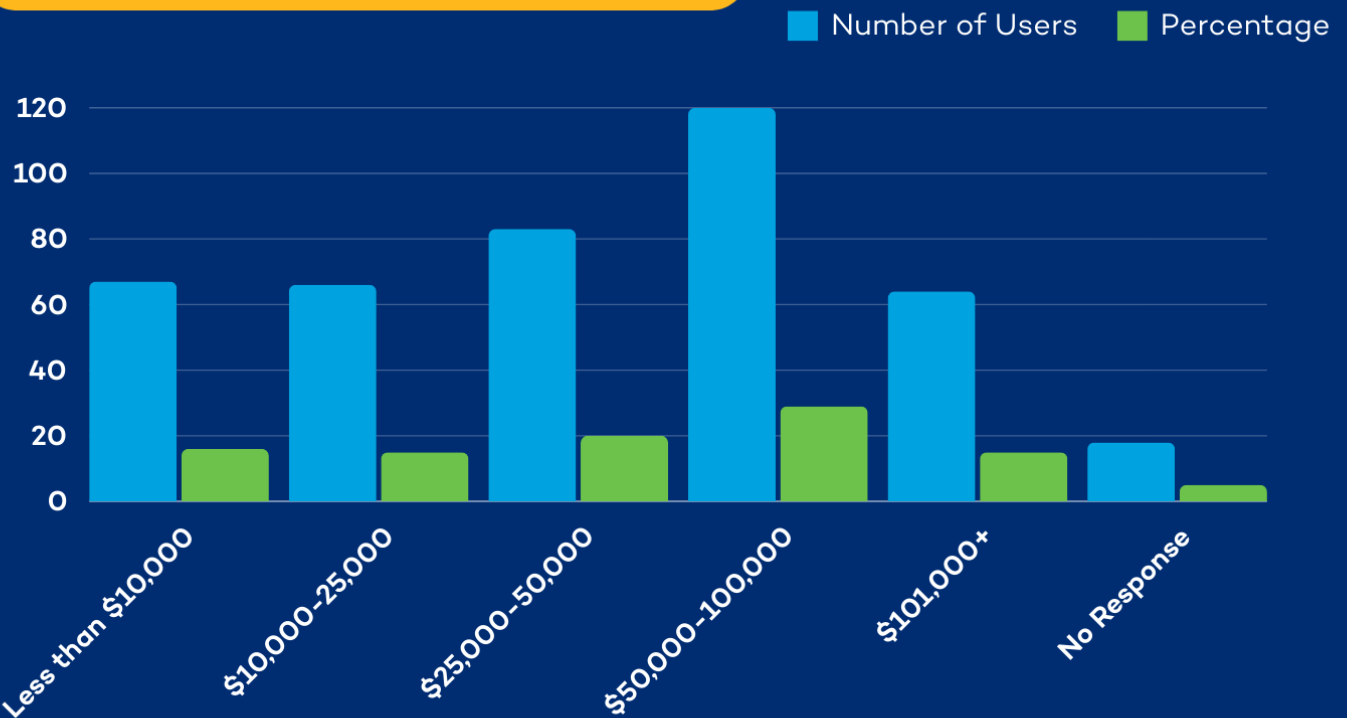
Employment Status



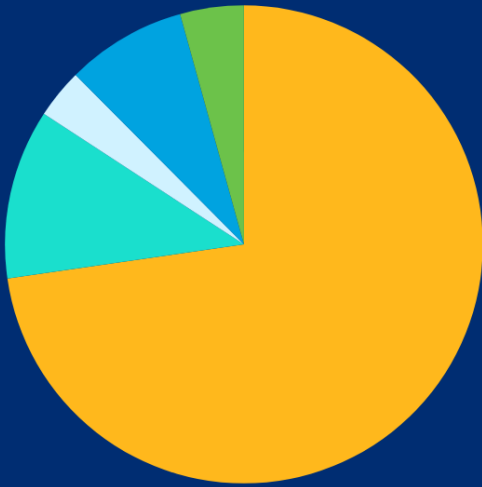
WE Hub Users by Education Level



WE Hub Users by Household Income



WE Hub Users by Business Revenue



- \$0-1,000 73%
- \$1,000-5,000 12%
- \$5,000-10,000 3%
- \$10,000+ 8%
- No Response 4%

Total: 418



WE Hub Users by Resource Preference

DIY



133 Users

Support



285 Users

WE Hub Users by Business Stage

26%

Ideation

32%

Setting Up My Business

42%

Managing Existing Business



Recommendations

Based on our learnings, we have recommendations for how the broader entrepreneurship ecosystem can center and better support Women of Color.

- **Remove barriers to funding.** Many existing funding opportunities, including those targeting “minority” entrepreneurs, have very high minimum revenue thresholds for eligibility. For example, we have seen a grant which requires \$100,000 in annual revenue, an amount that far exceeds the average revenue sales for early-stage Women-of-Color-owned businesses. Other funding opportunities assume (or even require) a relationship with a large bank, such as the initial rounds of the federal Paycheck Protection Program during the COVID-19 pandemic, which left out many smaller and Black and Latina/x women business owners. Barrier mitigation grants could help to address the financial needs of smaller businesses. Another solution is to offer loans that are not dependent on credit scores or that put liens on private property which deny access to historically disadvantaged groups who disproportionately struggle to build wealth and own property, who are more likely to hold debt, and who are therefore less likely to qualify for loans. We need to expand access to financial support for business owners in order to create new pathways to entrepreneurial success.
- **Offer start up opportunities for the smallest of businesses.** Starting a business can be prohibitively costly for those who lack resources or networks: there are fees associated with filing with the Secretary of State, creating a website or social media presence, financial software, and more. Many entrepreneurship resources and funding opportunities are focused on expansion. They require you to already have a successful business up and running—for example, asking for five-year average revenue. Some also expect a minimum number of employees (or an increase over time), though according to the Census Bureau, over 95 percent of Latina/x women and 97 percent Black women business owners are solo entrepreneurs without employees. Other opportunities assume a brick and mortar location—a reality not typical for many Women of Color entrepreneurs, who often run small businesses out of their home. Additionally, some definitions of “small business” can include revenue up to \$30 million, or up to 1,200 employees, depending on industry.^{xxi} Women with truly small businesses (both in size and revenue) find themselves at a significant disadvantage when competing for limited business supports with more experienced entrepreneurs who have larger businesses and higher revenues.
- **Ensure people at all levels of knowledge and education can access and understand business resources.** Many of the application materials, templates, guides, websites, and other resources available to people who want to start a business are written in complex language that assumes knowledge of business acronyms, legal terms, and financial jargon. This creates a significant obstacle for people with limited business knowledge or who don't have a business degree or certification. Yet the majority of small business owners do not have a college degree.^{xxii} It is also difficult for entrepreneurs to understand the different resources available, and processes required at the municipal, state, and federal levels. Government resources are particularly difficult to navigate—for instance, the process for getting officially licensed and certified as a small business is confusing and can take weeks to be finalized. Resources must be written in accessible language that readers of all levels can understand and that clearly explains how these processes work.

- **Address disparities across geographic locations, paying attention to those outside of Chicago.** Most Illinois business service organizations, competitions, and other entrepreneurship supports are in the Chicago area, so business owners outside the urban area have fewer opportunities to learn and grow. When rural entrepreneurs need to compete against those in Chicagoland, it puts them at a disadvantage and creates barriers to equity. There must be grants and opportunities specifically designated for rural areas.
- **Provide multilingual resources.** Spanish, Polish, and Mandarin speakers represent a significant portion of Illinois residents, and their language needs should be reflected in entrepreneurship resources.^{xxiii} We recommend that government agencies be required to provide their resources in multiple languages, and we encourage private business service organizations to do the same. This would include multilingual trainings and tools, applications for funding or other business supports, and more.

Conclusion

Black and Latina/x women have shared with us their desires and challenges in starting businesses to earn additional income while having the flexibility to manage their work and personal lives. Historically, women—and especially women who are low-income, Black, and/or Latina/x—have often applied their skills and expertise outside the traditional workforce to earn the extra income necessary to keep their household afloat. But all too often, they have not been recognized for their ingenuity, initiative, and know-how, because many people have a narrow definition of entrepreneurship that excludes these women—a significant population of entrepreneurs whose goals may look different.

We want to change that. We want to ensure more women can see themselves as entrepreneurs, and build economic power for themselves and their communities through business ownership. This will take some learning (and unlearning), shifting of mindsets, transforming narratives, and changing how resources are allocated. The WE Hub provides an opportunity to not only support women business owners, but to learn how best to center and meet their needs. We are committed to sharing our learnings with the larger entrepreneurship community so that, together, we can build a more accessible, inclusive, and supportive space for all kinds of entrepreneurs.





We pursue women's equity in the workforce so they can pursue their dreams

WE Hub is powered by Women Employed (WE), a non-profit organization advancing women's equity in the workplace since 1973. For more than 50 years, WE has shaped policy change, expanded access to educational opportunities, and advocated for fair and inclusive workplaces so that more women, families, and communities can thrive.

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Designed by Leticia Trujillo

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