



Unlocking the Power of Women Entrepreneurs in New York City

November 2015



WENYNYC

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Acknowledgments

We are grateful for the generous support Citi Community Development has provided to this study.

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Letter from Alicia Glen Deputy Mayor for Housing and Economic Development



Women’s entrepreneurship is an issue I care about deeply as a woman in the economic development field, a public servant, a mother, and a New Yorker. Mayor Bill de Blasio and this administration are committed to addressing the myriad issues faced by women and girls in New York City, and we believe that entrepreneurship is a critical pathway to economic security and opportunity for women.

Unlocking the Power of Women Entrepreneurs in New York City is a first-of-its-kind research effort on the landscape and experiences of women entrepreneurs in New York City. By engaging more than 1,500 women business owners through a multi-lingual online survey and in- person conversations, we uncovered a stark gap in the areas of business financing, confidence, and skills development based on the gender of the entrepreneur.

From the “Arepa Lady” in Queens to “Carry Me Cute” in Staten Island, New York City leads the nation in the number of women entrepreneurs thriving in our neighborhoods. Women-owned businesses employ over 190,000 people and generate \$50 billion in sales annually. The number of women entrepreneurs has increased 43 percent since 2002, by comparison men entrepreneurs grew 25 percent over the same period. Yet, despite the important economic impact and vibrant growth of women-owned businesses in New York City, the report found that while all entrepreneurs face challenges when it comes to accessing capital, education, information, and business networks, women often experience these challenges more acutely.

I launched Women Entrepreneurs New York City (WE NYC) in March to expand the economic potential of women entrepreneurs and small business across the five boroughs, with a specific focus on the needs of women in underserved communities. In the coming months and years, WE NYC will offer free tailored training and business services to thousands of women in order to support entrepreneurs who are starting and growing their businesses.

Based on the data and in-person insights collected in this report, initial WE NYC services will leverage public private partnerships to focus on key challenges women entrepreneurs face in New York City – including access to capital and financial planning, tailored business skills education, streamlined information, and direct connections to mentors and networks. More information about upcoming programs is available at www.nyc.gov/wenyc.

We are grateful to Citi Community Development for generously funding *Unlocking the Power of Women Entrepreneurs in New York City*. We also acknowledge the contributions of WE NYC’s Advisory Council, which consists of a diverse set of public, private, non-profit and philanthropic partners. The findings of this report and WE NYC’s tailored services will allow women to unlock their full economic potential, lifting up thousands of New York City women and their communities, as well as serving as a model for other cities around the world.

A handwritten signature in blue ink, appearing to read "Alicia Glen". The signature is fluid and cursive, written in a professional style.

Alicia Glen

Deputy Mayor for Housing and Economic Development

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Claudette, Cuisine by Claudette (Queens)

Executive Summary

Women's entrepreneurship is an economic driver of our communities and our country. Nationwide, the number of businesses owned by women has grown more than twice as fast as other businesses, contributing nearly \$3 trillion to the economy and employing 23 million people.¹

In New York City, women entrepreneurs are riding this wave of growth. The city now has roughly 359,000 women entrepreneurs who employ more than 190,000 people and generate about \$50 billion annually in sales. The number of women entrepreneurs has increased 43 percent since 2002. By comparison, the number of men entrepreneurs grew 25 percent over the same period. Despite women entrepreneurs' growing impact, there is ground to make up. Men in New York City own 1½ times more businesses than women, employ 3½ times more people, and make on average 4½ times more revenue. This entrepreneurship gender gap highlights both a challenge and opportunity for New York City.

To realize the opportunity, Deputy Mayor Alicia Glen and New York City First Lady Chirlane McCray, in partnership with the New York City Department of Small Business Services (SBS), launched Women Entrepreneurs New York City (WE NYC), a new initiative committed to expanding the economic potential of women entrepreneurs from underserved communities across all five boroughs. Women entrepreneurs are key economic actors in New York City, building businesses that support families, uplift communities, and generate jobs—leading to a stronger, more dynamic economy. Over the next three years, WE NYC seeks to serve 5,000 women with a comprehensive set of free, innovative, and tailored business services that respond to the needs identified in this study.

WE NYC has two main goals:

- **Increase income stability for women and families by supporting entrepreneurship as an opportunity for supplementary income and as a pathway for long-term economic security.**
- **Strengthen the economic impact of women entrepreneurs from underserved communities by facilitating the growth of their companies in New York City.**

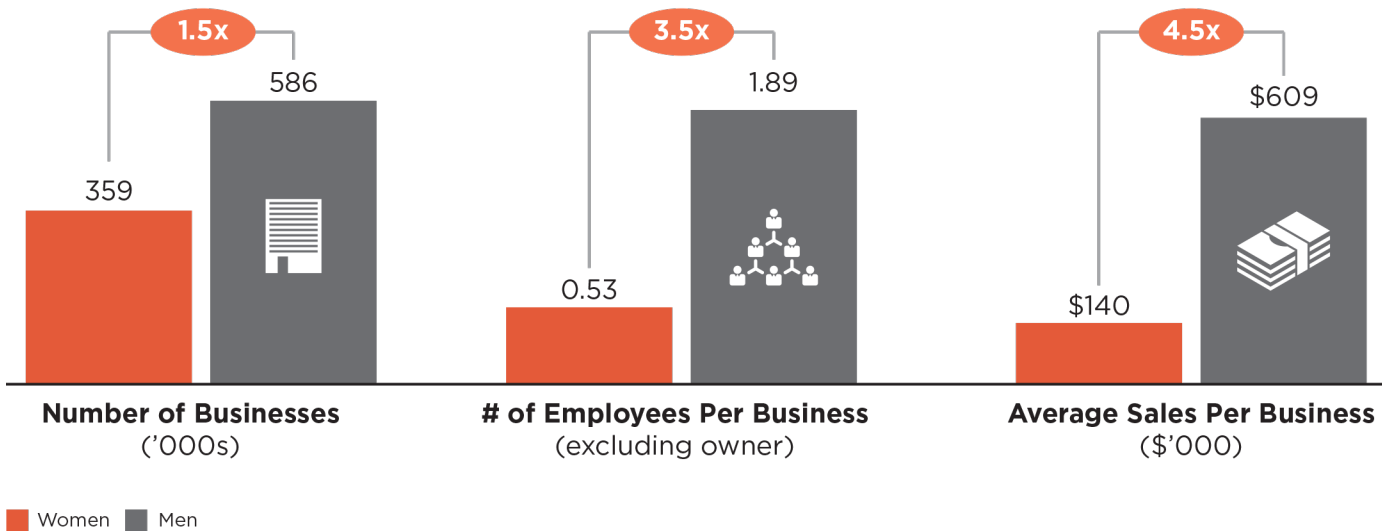
To help define the direction of the initiative, SBS, with support from Citi Community Development, commissioned a study to understand the state and needs of women entrepreneurs in New York City. The study, conducted in collaboration with global management consulting firm A.T. Kearney, sought the input of the real experts—the women entrepreneurs who work every day to start and grow their businesses. SBS and A.T. Kearney connected with more than 1,000 women entrepreneurs across the five boroughs through a multilingual online survey, long-form interviews, and community forums. (The online survey also included an additional 600 men entrepreneurs.) SBS met face to face with women entrepreneurs in interactive workshops that empowered the women to brainstorm opportunities for the future of WE NYC, identify challenges, and envision new services.

The study also included a detailed review of existing literature, an analysis of demographic data, and an assessment of current services that support women entrepreneurs. Finally, SBS launched the WE NYC Advisory Council to tap into the expertise and support of a diverse set of public, private, academic, and philanthropic partners. WE NYC's Advisory Council is comprised of various New York City leaders who are all committed to supporting WE NYC's work and providing advice related to WE NYC's programmatic initiatives in the areas of access to capital, information, networks, mentorship, business and leadership skills.

THE STATE OF WOMEN'S ENTREPRENEURSHIP IN NEW YORK CITY

Of the roughly 359,000 women entrepreneurs in New York City, only 8 percent have employees other than the business owner. Furthermore, the number and size of businesses owned by women entrepreneurs still lags far behind that of men-owned businesses, representing a significant gender gap in entrepreneurship (see figure below). The research and feedback collected for the study highlights the many issues, both structural and personal, that women entrepreneurs face when starting and growing their businesses.

1. Source: The Impact of Women Owned Businesses In the United States. Centre for Women's Business Research.



The entrepreneurship gender gap – New York City 2014

All businesses employer and non-employer (excludes public companies)

Source: US Census Bureau Survey of Business Owners 2002, 2007 data; A.T. Kearney analysis

The following section outlines some of the most important barriers women face.

Funding: Funding is vital to starting and maintaining any business, and women say they face many challenges in this area. Seventy percent of respondents say obtaining capital is a major challenge when launching a business, and sixty-nine percent say it is also a challenge when growing a business. Ninety percent say they use their personal savings as the main source of capital. Many reasons are cited for this: risk aversion, insufficient capital planning, a lack of knowledge about alternative funding sources, banks' limited interest in lending to low-capital industries (in which many women entrepreneurs are concentrated), and low or no credit score. Though men also cite funding as a significant challenge, they are twice as likely to use traditional banks to fund and launch their businesses with as much as double the capital. "My biggest challenge was obtaining funding due to my credit score," one Brooklyn-based woman entrepreneur said. "[Lack of funding] prevented me from pursuing all that goes into building a business."

Customers: Almost 75 percent of survey respondents say the lack access to business networks, as well as marketing and sales skills required to identify and target the right customer base. These issues are most acute among women who have no employees and perform all business activities themselves, leaving little time for business development. "My biggest challenge has been building a customer base and finding enough interested prospects in my target markets," one Queens e-commerce entrepreneur said.

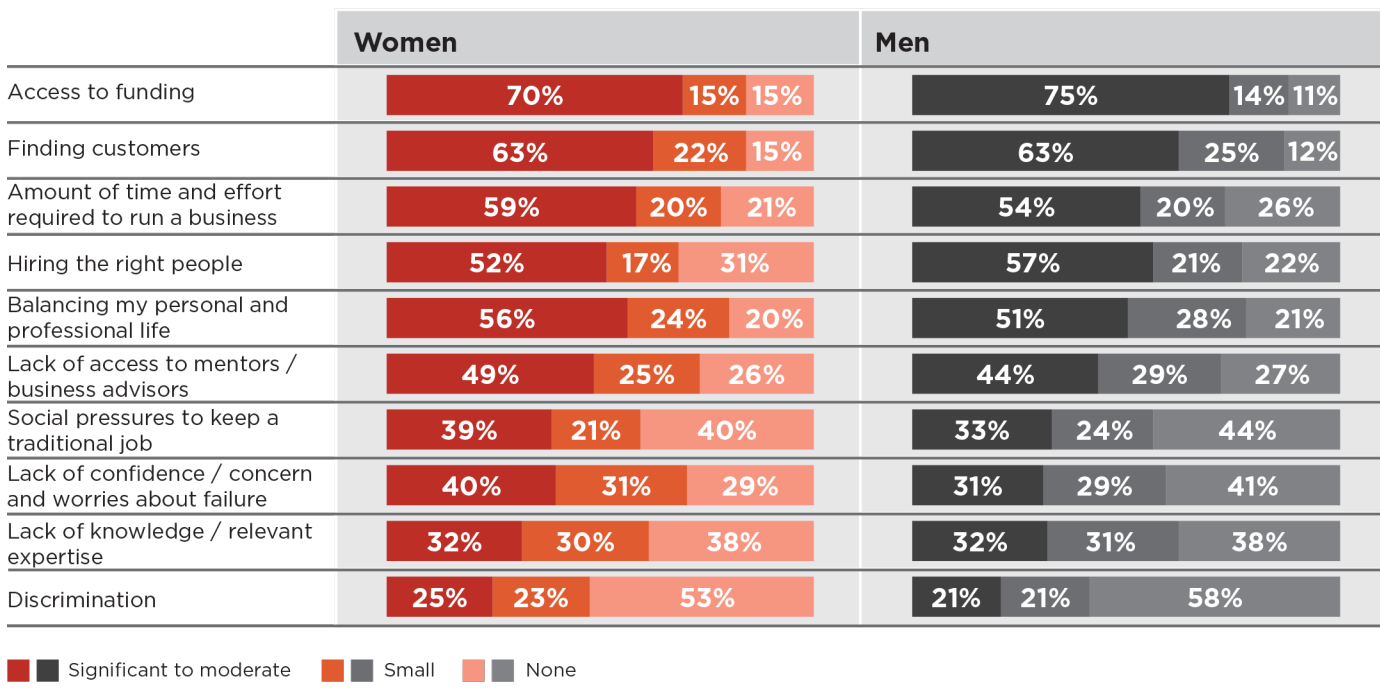
Hiring people: More than half of the women entrepreneurs surveyed say that hiring the right people is a significant challenge when they are running and growing their business. Many pointed to a lack of confidence in their people management skills as contributing to this challenge. Others pointed to the cost associated with employing people.

Mentors and business advisors: Half of women entrepreneurs surveyed said it is difficult to identify and assess potential mentors or business advisors to make the right match. When they do find the right ones, they often don't know how to make the relationship valuable for both parties. This challenge was more pronounced for women of color and women with a low-to-moderate income, nearly 60 percent of whom cited lack of mentors as a challenge. One Bronx food-service entrepreneur, frustrated in her search for helpful business advice said, "I have met with several advisors in small business programs, but have yet to find a match or someone who has actual experience in running a small business," she said.

Core business skills: Coming from many different professional and educational backgrounds, women entrepreneurs they lack core business skills, especially in sales, marketing, accounting, and finance. This challenge was discussed often in the community forums. Black women and women with a low-to-moderate income also tend to rate themselves as least proficient in core business skills, compared with other women in the survey. Overall, women perceive themselves as less proficient in business skills than their male counterparts do, indicating a lesser degree of confidence in their skills. Although their confidence increases somewhat as they gain experience, barely one-third of women who have been in business for six years believe they are proficient. One Brooklyn-based education entrepreneur said, “We are professionals in our field and are great at delivering quality services, but we still struggle with the finer workings of developing a business on our own.”

Information and infrastructure: Through the community forums and interviews, many women entrepreneurs said it is difficult to find the information and resources they need to start and run their businesses. They communicated the desire to see resources collected and listed in one place. “I wish there was a central directory or database that I could use to find out what services are offered ... and where I can meet other women entrepreneurs in my borough.” Affordable access to work and office space and capital equipment needed to start and scale a business were discussed as major challenges too. Community forum participants also cited the lack of affordable workspaces as a reason they struggle to attract and hire the best people and build strong teams.

While in many respects all entrepreneurs face similar challenges, women report some of these challenges as being more significant than their male counterparts do (see figure below).



Perception of entrepreneurship challenges by gender

Question: How challenging were the following when you started your business?

Source: WE NYC study ; Notes: N=1,019 women, 634 men

Furthermore, these issues are often most pronounced within underserved communities, which have fewer resources to begin with. This includes those earning a low-to-moderate income (less than \$50,000), those living in the outer boroughs, and those with businesses generating less than \$10,000 in annual revenue, making them important targets for WE NYC services.

Many of the same challenges persist long after a business is launched (especially accessing customers and finding capital), but the women who overcome the initial obstacles and find success tend to be more confident and ambitious with a higher appetite for risk. This points to the importance of establishing support at early stages of the business to ensure that more women entrepreneurs thrive.

However, growing a successful business and becoming profitable is not easy. Forty four percent of women entrepreneurs say they are not profitable, and for those who are, it took three or more years to get there. According to our survey, businesses that generate at least \$25,000 to \$50,000 are three times as likely to be profitable. Nearly half of the women surveyed run businesses that generate less than \$25,000. Therefore, offering effective support to scale their businesses is essential to helping women entrepreneurs be successful.

HOW TO ASSIST WOMEN ENTREPRENEURS

In developing WE NYC, SBS is committed to supporting and learning from women entrepreneurs to scale resources and launch new programs that will help women entrepreneurs overcome challenges.

To understand existing resources, the study analyzed more than 300 public and private sector organizations that offer services or support to entrepreneurs, including funding, skill building, mentoring, networking, business advisory, and business infrastructure. The study evaluated how well the available services meet the needs of women entrepreneurs. The hundreds of groups examined offer a wide range of services and programs for entrepreneurs. However, much more can be done to accelerate women's success. Not enough services are dedicated to the areas that matter most, including access to affordable loans, industry-based mentoring programs, and more robust business-skill development.

Four service areas need the most improvement:

Funding

- Connect women with credit-building services that can help them create a compelling business history and establish or improve their personal credit, vital for qualifying for micro loans.
- Coach women on capital planning, preparing loan applications, and managing debt.
- Improve access to affordable loans tailored to the circumstances of small businesses, especially for women in underserved communities. Work with lenders to increase the accessibility of micro loans (from \$5,000 to \$25,000) and help them more effectively target women entrepreneurs.

Mentorship and Networking

- Create a structured mentoring and 'advisory board' program to introduce women entrepreneurs to established professionals with specific areas of expertise.
- Host networking events to facilitate access to potential customers by connecting women entrepreneurs with potential suppliers, customers, and service providers in their industries and across sectors.
- Form peer networks of entrepreneurs in communities across New York City to help women entrepreneurs learn from and support one another.

Skills Development

- Augment existing programs and classes or create new ones to teach women entrepreneurs leadership skills such as communication and establishing and managing professional relationships, as well as the practical aspects of running a business, including pricing, responding to a request for proposal (RFP), negotiations, and licensing and regulatory requirements.
- Supplement general business training with industry-specific resources to address women's requests for more tailored guidance.
- Offer cohort-based business acceleration programs for small businesses owned by women (businesses that generate less than \$100,000 in annual revenue).

Information and Infrastructure

- Develop a centralized city-sponsored website where women entrepreneurs can find information about and access to vital services.
- Expand the availability and access to affordable business infrastructure, including office space and industrial facilities such as commercial kitchens and factories, especially in underserved communities.
- Ensure that resources are available for women entrepreneurs in the outer boroughs to complement those already available in Manhattan and Brooklyn.

Investing in programs to remove barriers for New York City's women entrepreneurs is a powerful way to combat inequality and uplift entire families and communities. In the rest of this report, we discuss in greater detail the landscape for women entrepreneurs, the challenges they face, and the opportunities to support them.

Engaging the Community

The study included significant opportunities for community engagement to ensure women entrepreneurs had an opportunity to interact with SBS, share their experiences, and voice their opinions.

In addition to the survey, more than 300 women engaged with SBS through interviews, focus groups, and community forums. Through moderated discussions, women entrepreneurs shared their motivations and passions, discussed their challenges, debated the root causes for those challenges, and brainstormed potential solutions for their most pressing needs.

Convening women entrepreneurs in these forums was enriching and augmented the survey results in immeasurable ways. In addition to confirming and adding to survey findings, these forums demonstrated:

- The enormous potential and energy of women entrepreneurs in New York City
- The overwhelming commitment they have to their own success and to the success of other women
- The desire to learn not just from professionals but from one another
- The immense benefit to entrepreneurs of building connections with other entrepreneurs



WE NYC Community Forum 2015

About the Study

The WE NYC study was designed to serve as a foundation for the New York City Department of Small Business Services to develop targeted programs to encourage and enhance the success of women entrepreneurs. This study aims to answer the following questions:

- How does the landscape of women entrepreneurs in New York City look like?
- What are the motivations and challenges for women entrepreneurs, and how do they vary by demographics or industry?
- How well New York City's existing infrastructure is positioned to support women entrepreneurs?
- What targeted actions can help accelerate the success of women entrepreneurs in New York City?

The landscape for women entrepreneurs and the supporting analysis in chapter 1 of this report are based on data from the U.S. Census Survey of Business Owners from 2002 and 2007. Conducted every five years, the census survey provides information about the number, revenue, and employment of U.S. businesses broken down by gender, industry, ethnicity, and location. In the absence of more recent data, 2014 figures were derived using an extrapolation of historical growth trends (2002 to 2007) in the number of businesses and factoring in relative GDP growth for the New York City area and industry. When information was not available for New York City, data for the state of New York was used as a proxy.

The study used multiple sources to answer the remaining questions. Primary sources include an online survey of more than 1,000 women and 600 men entrepreneurs, enabling a comparison of motivations, challenges, and attitudes between genders. Useful insights also came from direct interactions with women entrepreneurs through one-on-one interviews, focus groups, and community forums.

To complement the primary findings and form the basis of the recommendations, the study included an analysis of recent literature on women entrepreneurship, an assessment of more than 300 organizations that offer business support to entrepreneurs in New York City, and a review of best practices observed in other U.S. cities and other countries.

Definitions:

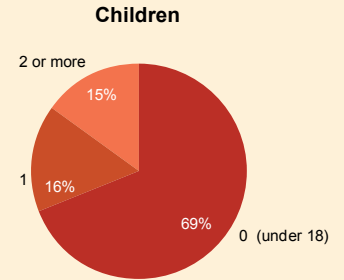
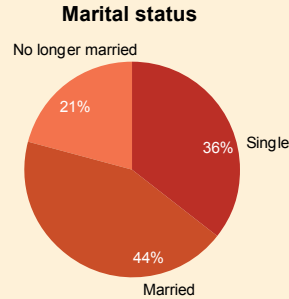
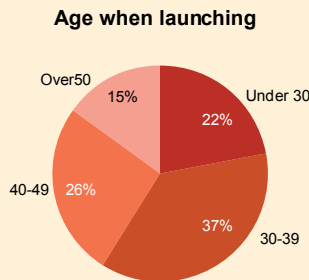
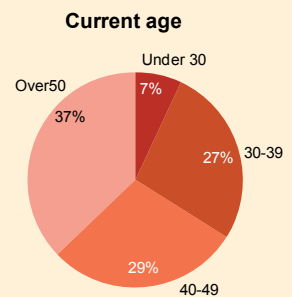
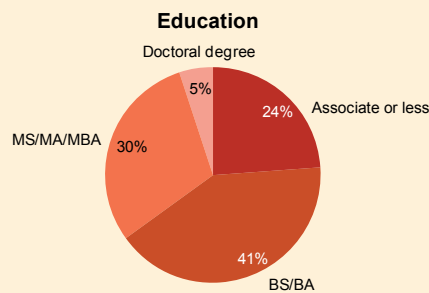
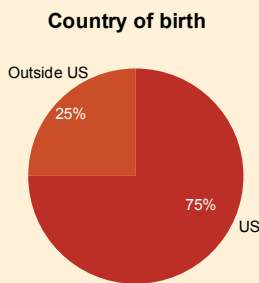
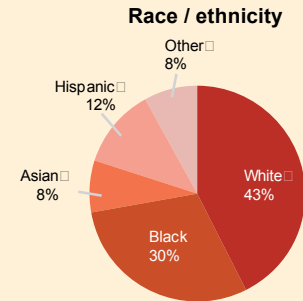
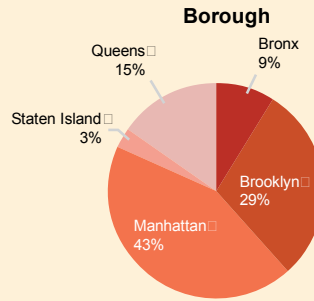
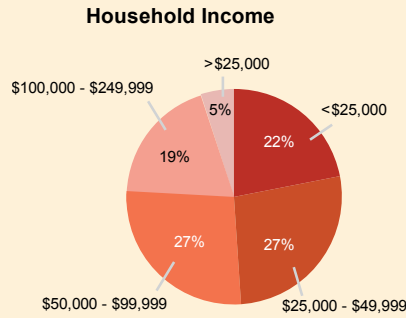
- Entrepreneur: an individual engaged in a commercial activity either through self-employment or as a business owner who employs others
- Non-employer business: a business entity that does not employ any individuals except the owner
- Employer business: a business entity that employs at least one individual in addition to the owner
- Total businesses: all public and private businesses of any size



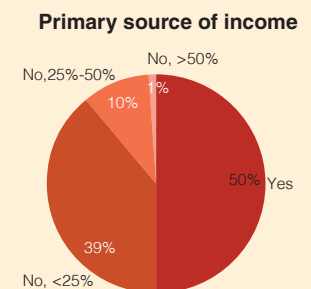
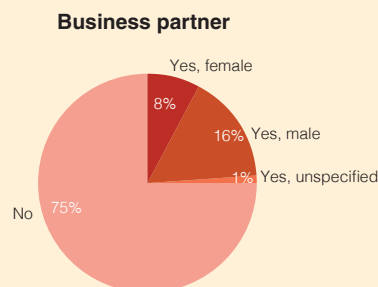
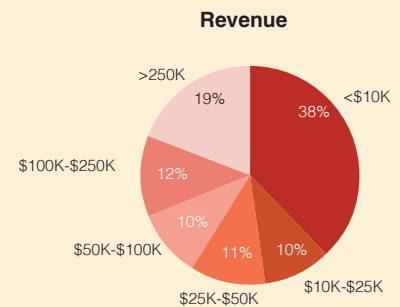
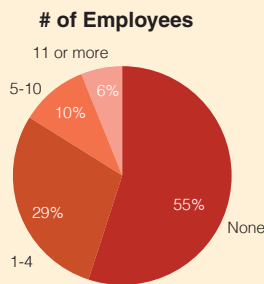
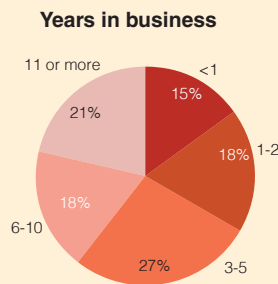
Anita, Hot Yoga (Queens)

More than 1,000 women participated in the WE NYC online survey. Below are their key demographic characteristics as well as their business profiles (N=1,019).

Personal



Business



Supporting Low-to-Moderate-Income Women to Build Thriving Businesses

Given WE NYC’s objective of supporting economically vulnerable women in underserved communities, it is important to understand how the motivations, challenges, and needs identified in this study manifest themselves in this community. For this purpose, we defined “low-income” as women who reported a household income of less than \$50,000 and compared their responses with women who reported an income of more than \$50,000. Significant differences have emerged that will be important to take into consideration as solutions are formulated.

From demographic and business characteristics perspectives, the differences that are most relevant to their needs as entrepreneurs are in education, location, and business size (see table A). Women who report a household income of less than \$50,000 are more likely to live in the outer boroughs, are less likely to have a college degree, and generally own smaller businesses.

According to the survey, the overall experiences and needs of women entrepreneurs in the lower income bracket do not vary much. For example, the top motivations (passion, flexibility, and independence), challenges (capital, time, and customers), approach to funding (primarily self-funded), and aspirations for growth are very similar to that in upper income groups. However, variations in the degree to which certain challenges are felt indicate areas that need attention. We identified three areas where the differences between lower-income and higher-income women entrepreneurs were significant:

Access to capital: Both at launch and when growing a business, capital was perceived as more of a challenge for lower-income women. Furthermore, much more women in this bracket seek less than \$10,000 in capital to start and grow their businesses.

Confidence and core business skills: Responses to questions about challenges and perception of business competencies indicate that women in the lower-income bracket tend to feel less confident in their abilities. More low-income women highlighted lack of confidence and lack of experience as a challenge. Similarly, when asked to rate themselves on core business skills, women in the lower-income bracket rated themselves as less proficient across most areas, but there is a marked difference in perceived competence level in finance and accounting skills, people management skills, and market knowledge. It is interesting to note that the difference in perception of challenges drops significantly as women entrepreneurs gain experience.

	<\$50K	>\$50K
Ethnicity	<ul style="list-style-type: none"> • 35% Black • 65% non-Caucasian 	<ul style="list-style-type: none"> • 26% Black • 59% non-Caucasian
Borough	<ul style="list-style-type: none"> • 65% outer-borough 	<ul style="list-style-type: none"> • 50% outer-borough
Education	<ul style="list-style-type: none"> • 32% less than bachelor’s degree • 24% master’s or above 	<ul style="list-style-type: none"> • 15% less than bachelor’s degree • 46% master’s or above
Business revenue	<ul style="list-style-type: none"> • 46% under \$10K • 72% under \$50K 	<ul style="list-style-type: none"> • 31% under \$10K • 48% under \$50K

Survey results: capital	<\$50K	>\$50K
<ul style="list-style-type: none"> • Start-up capital is a challenge • Start with less than \$10K is capital 	<ul style="list-style-type: none"> • 75% • 69% 	<ul style="list-style-type: none"> • 66% • 44%
<ul style="list-style-type: none"> • Growth capital is a challenge • See <\$10K to grow 	<ul style="list-style-type: none"> • 72% • 30% 	<ul style="list-style-type: none"> • 66% • 19%

Survey results: confidence	<\$50K	>\$50K
<ul style="list-style-type: none"> • Lack of confidence is a challenge 	<ul style="list-style-type: none"> • 46% 	<ul style="list-style-type: none"> • 36%
<ul style="list-style-type: none"> • Lack of experience and knowledge is a challenge 	<ul style="list-style-type: none"> • 38% 	<ul style="list-style-type: none"> • 26%
<ul style="list-style-type: none"> • Lower perception of competency in: <ul style="list-style-type: none"> – Finance and accounting skills – Hiring and people management – Industry expertise and market knowledge 	<ul style="list-style-type: none"> • 41% • 55% • 62% 	<ul style="list-style-type: none"> • 53% • 69% • 78%

Resources: Women in the lower-income bracket expressed significantly more challenges in accessing networks and mentors. Similar to their higher-earning peers, they prioritize seeking support from their personal networks. More than 80 percent of both groups cited personal networks as the top resource at launch and during growth. However, women in the lower-income group tend to use professional networks less than their counterparts and turn to social and community organizations more often. It is also interesting to note that when running and growing a business, the lower-income group uses finance and accounting services less frequently (although use of other resources was comparable between the two groups).

Survey results: resources	<\$50K	>\$50K
• Cite access to networks and mentors as a challenge	• 65%	• 42%
• Rely on professional networks to launch	• 43%	• 53%
• Rely on social / community organizations to launch	• 35%	• 28%
• Cite community support as success factor	• 34%	• 27%
• Frequently use finance/acct services	• 44%	• 62%

Implications for solutions: While these differences do not suggest a drastically different approach to supporting lower-income entrepreneurs, they do highlight a few important areas where more focused support is needed:

- Funding options to meet their needs, such as smaller loans with affordable interest
- Confidence building by bolstering core business skills and offering support from mentors and business advisors
- Structured mentoring programs
- Services that meet women entrepreneurs where they are by being more accessible in the outer boroughs and available through community organizations



Diana, Not Just Bagels (Staten Island)

Chapter 1: Women Entrepreneurs in New York City—The Landscape and the Opportunity

While New York City has seen exceptional growth in businesses founded and run by women, these businesses still lag those established by men. This chapter examines the state of women’s entrepreneurship in New York City and introduces the idea that addressing this gap could enable women to better support themselves and their families and become even more vital contributors to the city’s economic development.

Women play a significant role in New York City. A total of 359,000 women owned businesses represent 32 percent of all registered companies—an increase of 43 percent since 2002. These women employ 190,000 people in New York City and generate \$50 billion in annual revenue, an average of \$140,000 per business, compared to \$609,000 per men-owned business.

To help New York City support women entrepreneurs, the Department of Small Business Services (SBS), with support from Citi Community Development, commissioned the Women Entrepreneurs New York City Study (WE NYC). Conducted in collaboration with global management consulting firm A.T. Kearney, the study aims to identify opportunities to boost women’s entrepreneurship. This report outlines the findings (to learn more see ‘About the Study’ side bar).

As a basis for the study, the landscape of privately held businesses in New York City was analyzed to determine the number and growth of women entrepreneurs, the distribution of their businesses across boroughs and industries, and their performance relative to men entrepreneurs.

LANDSCAPE OF NEW YORK CITY’S WOMEN ENTREPRENEURS

Of the 359,000 women entrepreneurs in New York City, “non-employer businesses,” meaning those with self-employed sole proprietors, form the largest (92 percent) and fastest-growing segment. These businesses average \$32,000 a year in income, which is 34 percent below New York City’s median individual income¹. Among both men and women citywide, the number of non-employer businesses has exploded since 2002. The number of women non-employer businesses have increased 48 percent, compared to 36 percent for men-owned businesses (see figure 1). The remaining 8 percent roughly 30,000 businesses—are classified as “employer businesses,” in which at least one person in addition to the owner is employed. Since 2002, the size of this segment has increased 7 percent among women and declined 6 percent among men.

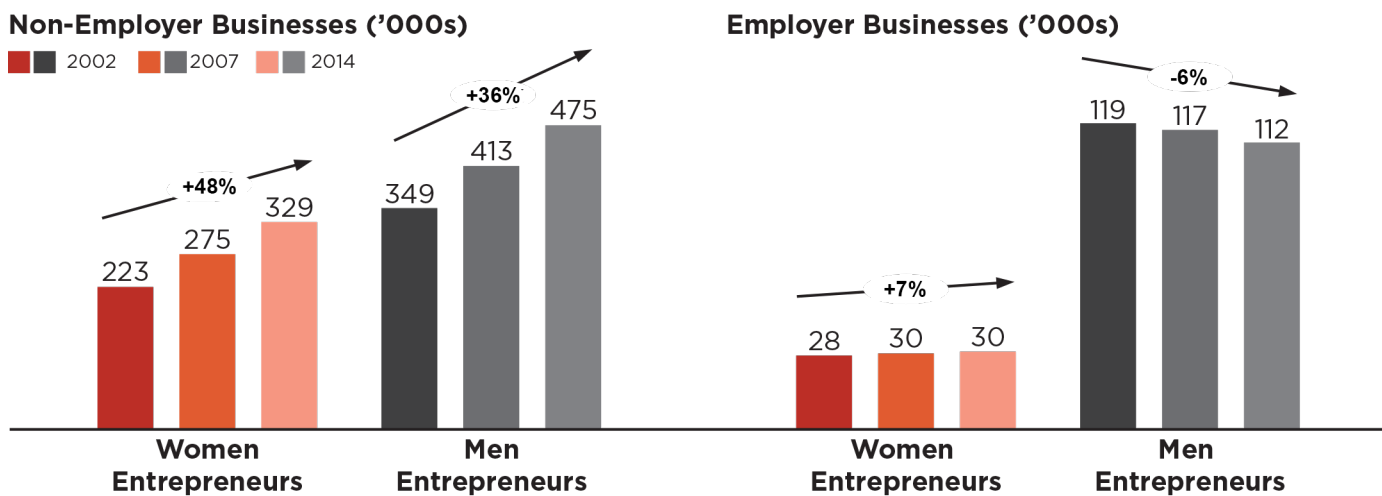


Figure 1: Growth scale in number of businesses—New York City 2002-2014

Source: US Census & Borough Survey of Business Owners 2002, 2007 data; A.T. Kearney analysis

1. According to 2013 American Community Survey, the New York City’s median income is \$39,000 for all workers, \$46,000 for female full-time workers, and \$49,000 for male full-time workers

The distribution of women entrepreneurs by borough reveals additional insights into their growing and changing impact on New York City. More than 80 percent of women entrepreneurs are based in Manhattan, Queens, and Brooklyn, mirroring the five boroughs' populations (see figure 2). In Brooklyn, the percentage of businesses owned by women is higher than the New York City average of 32 percent. The Bronx also has a higher than average percentage of women entrepreneurs (39 percent). The overall number of women entrepreneurs has skyrocketed in the past decade in Brooklyn (up 77 percent) and in Queens (up 64 percent), compared with an increase of less than 40 percent in the remaining boroughs.

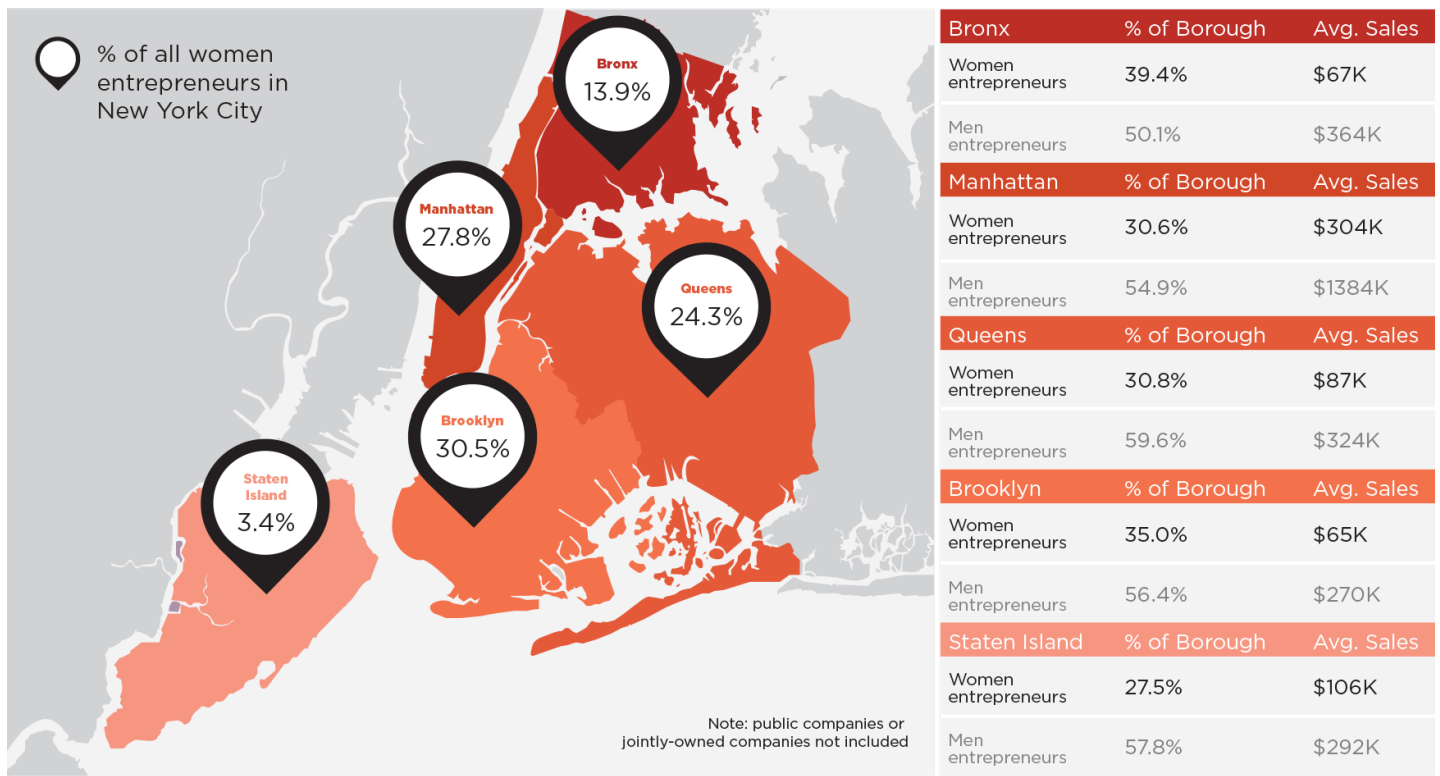


Figure 2: Number of entrepreneurs by borough – New York City 2014

Source: US Census & Borough Survey of Business Owners 2002, 2007 data; A.T. Kearney analysis

In terms of race, Caucasian women in New York City make up a slight majority (52 percent) of women entrepreneurs and generate more than 75 percent of the total revenue. Black women make up 30 percent of the number of businesses, followed by Asian women (16 percent). Eighteen percent of women entrepreneurs are Hispanic; this group is most underrepresented relative to the overall population.

From an industry perspective, women entrepreneurs are concentrated in fewer industries. Seventy one percent are concentrated in five industries compared to 56 percent for men and 54 percent for New York City overall (See figure 3). In addition, women entrepreneurs have a particularly strong presence in services: 65 percent are in healthcare, social assistance, personal and professional and other services. The subset of women entrepreneurs that have employees (a minority of 8%), have a slightly different profile in terms of industry mix, which includes a greater representation in retail and real-estate than in arts and administrative services. By comparison, men entrepreneurs are more closely aligned with New York City's overall industry mix.

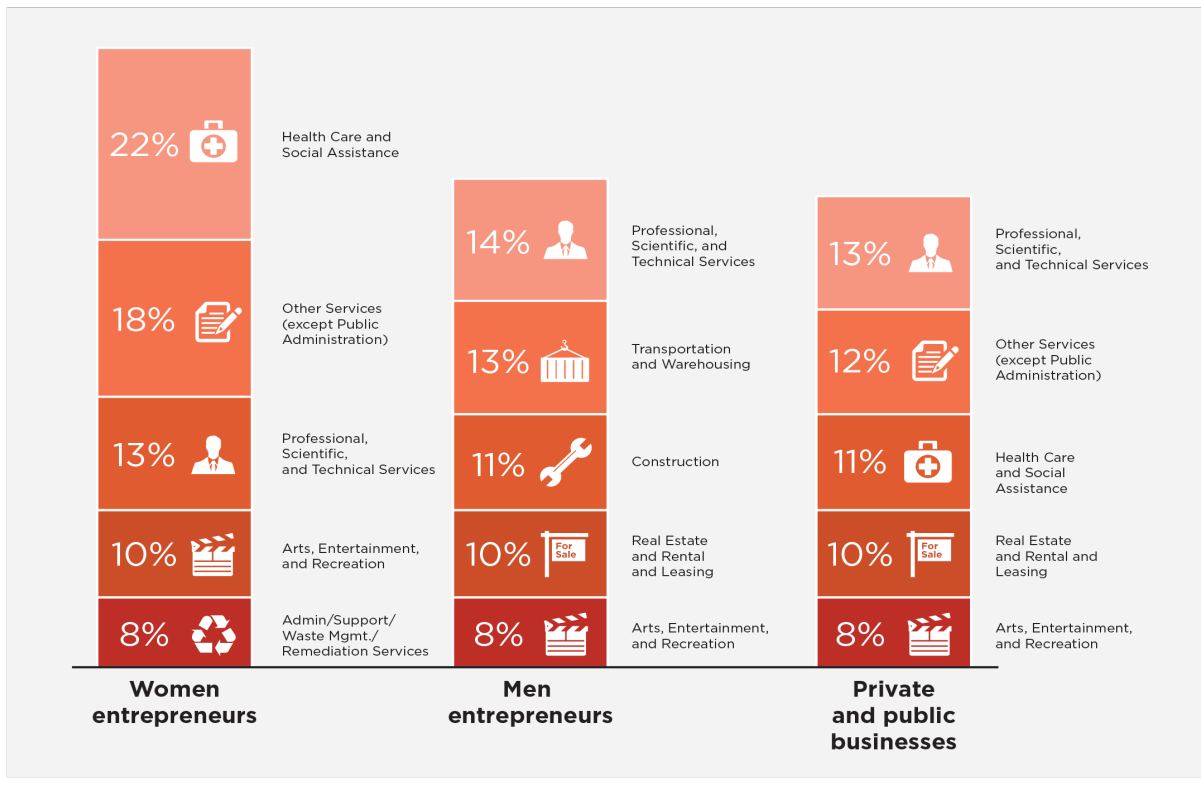


Figure 3: Top 5 industries for entrepreneurs in New York City

Note: Ranked by % of businesses by segment

Source: US Census & Borough Survey of Business Owners 2002, 2007 data; A.T. Kearney analysis

While women have a strong presence in large industries such as healthcare, social assistance, and personal services, these sectors generate lower revenue. By contrast, women have a relatively low presence in industries that represent the most revenue potential for business owners, such as wholesale trade, finance, and manufacturing (see figure 4).

Top Industries in NYC (Ranked by Revenue/Business)				Top Industries in NYC (Ranked by % of Women entrepreneurs by Industry)			
Icon	Industry	Average \$/Business	Women entrepreneurs as % of Total	Icon	Industry	Average \$/Business	Women entrepreneurs as % of Total
	Utilities	\$58M	32%		Health care and social assistance	\$646K	63%
	Finance and Insurance	\$21M	18%		Other Services: General and Personal Service	\$60K	48%
	Wholesale Trade	\$9M	19%		Administrative and support services	\$546K	42%
	Information	\$4.4M	26%		Arts & Entertainment	\$244K	38%
	Manufacturing	\$1.6M	24%		Professional, scientific and tech services	\$801K	34%

Figure 4: Women entrepreneurs by key industry

Note: Revenue reflects all businesses

Source: US Census & Borough Survey of Business Owners 2002, 2007 data; A.T. Kearney analysis

Lastly and perhaps most significantly, even though New York City is experiencing dynamic overall economic growth, there is an entrepreneurship gender gap in terms of the total number of businesses, overall revenue, and employee levels. In 2014, the gap was substantial: men owned 1½ times as many businesses as women, employed 3½ times more people, and generated 4½ times more sales (see figure 5).

The magnitude of this gap highlights the opportunity for New York City to accelerate the success of women entrepreneurs.

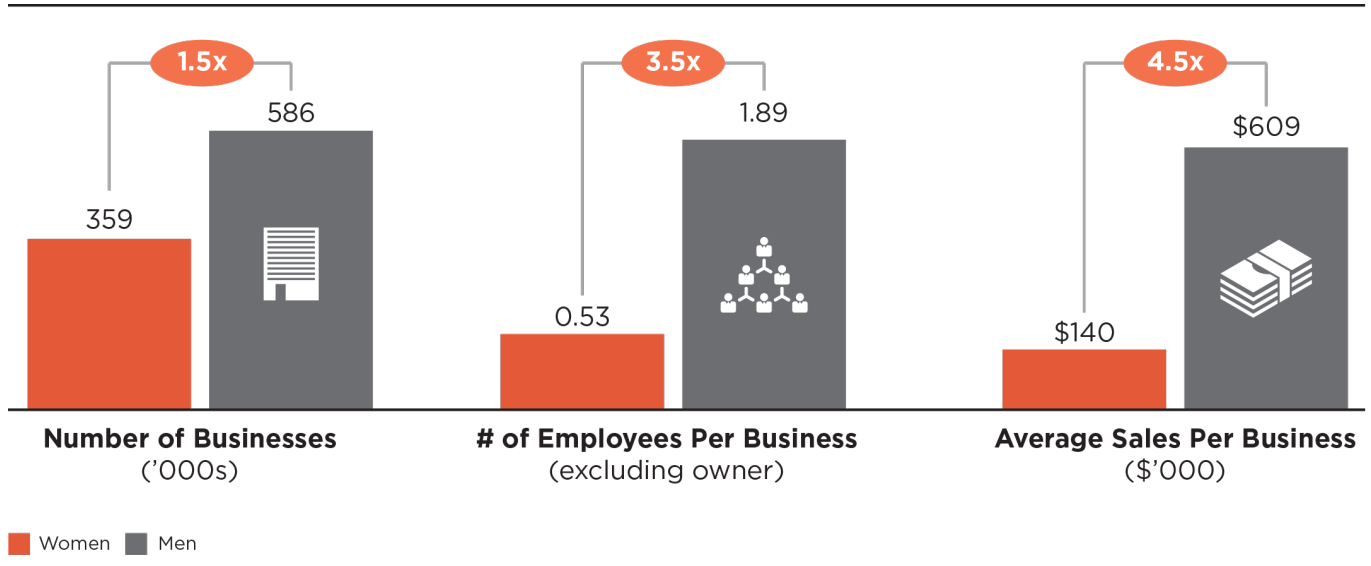


Figure 5: The entrepreneurship gender gap – New York City 2014

Source: US. Census Bureau Survey of Business Owners 2002, 2007 data; A.T. Kearney analysis

CHAPTER 1 - KEY TAKEAWAYS

Women entrepreneurs in New York City:

- Own 32 percent of all privately held firms and have grown 43 percent in number since 2002
- Have businesses that are growing faster than the ones owned by men but tend to have fewer employees and less revenue
- Are concentrated in industries with lower average revenues, including healthcare, social assistance, and personal and general services



Lisa, Rockapup (Queens)

Chapter 2: Launching a Business – Motivations and Challenges

The women entrepreneurs who participated in the WE New York City study offered insights into their diverse experiences and needs at various stages of their business. This chapter looks at what inspired them to start a business, the resources they used, and the challenges they faced in getting their business off the ground.

Women who participated in the WE New York City study cite a wide spectrum of motivations: frustration with traditional employment (“I wasn’t getting a seat at the table, so I created my own table”), self-empowerment (“I had to escape the 9 to 5. I was so tired of my cubicle and the corporate environment”), a desire to support family (“After having a child, I didn’t want to go back to work, but I wanted to contribute to our family’s income”), flexibility (“My priority is my family, and having my own business allows me to spend time with my daughter”), and passion (“I had passion for baking since I was 11 years old; having a bakery business was a natural pursuit”).

This last factor—passion—trumped all others. Sixty-nine percent of women cite pursuit of passion and purpose as key motivators in starting their own businesses, followed by 57 percent who cite independence and 41 percent who cite flexibility (see figure 6). Seventeen percent of women (compared with 13 percent of men) say they started a business out of need. “Entrepreneurship often starts with passion and need,” Patricia Greene, Paul T. Babson Chair in Entrepreneurial Studies at Babson College, said in an interview with the WE New York City study team. “But over time, once women achieve success with their businesses, they tend to forget about the (initial) need and focus on the more positive motivators.”

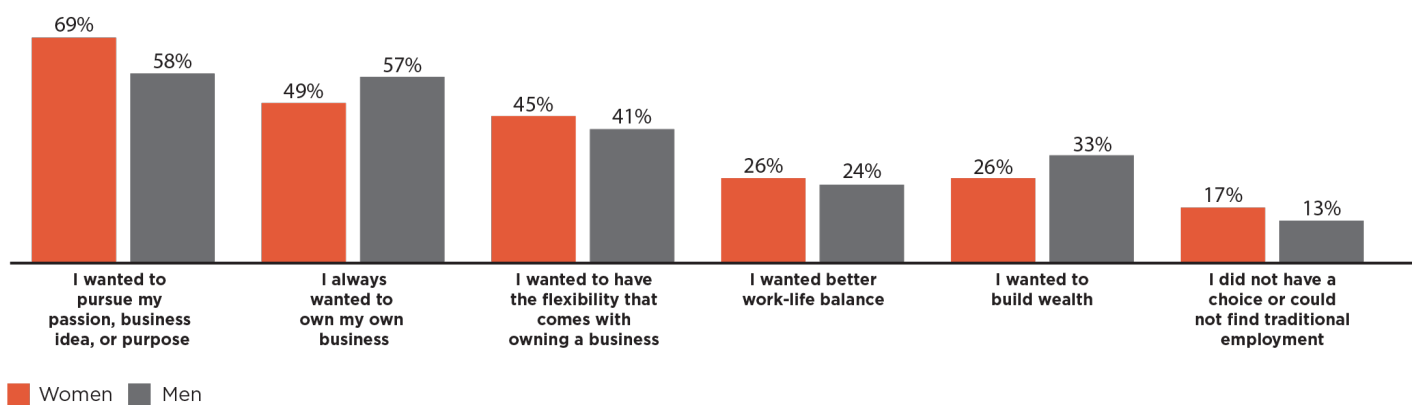


Figure 6: Key motivations to start a business

Question: Why did you start a business?

Source: WE New York City Study Notes: N=1,019 women, 634 men

Income and family were important factors in the motivations for starting a business. Twenty-seven percent of women with a household income below \$25,000 say their inability to find employment elsewhere is a key motivator, compared with the sample average of 17 percent. Among divorced or widowed women with children, 23 percent say they started their business out of need.

CHALLENGES WHEN STARTING A BUSINESS

Although starting a business can be empowering, it is not free from obstacles. The women who participated in this study shared perspectives about their challenges. One respondent who runs an office-cleaning and facility-management company said she struggles to find the working capital necessary to keep her business going. Another said she finds it difficult to find space for her education services company in Queens.

The top challenge is access to funding, which is cited as a significant or moderate roadblock for 70 percent of women (see figure 7). Access to customers is a close second, cited by 63 percent of participants, followed by the amount of time required to run a business. The fourth and fifth most common challenges are about people: hiring the right employees and gaining access to mentors and business advisors.

Understanding these primary obstacles is crucial as WE New York City develops suitable solutions and programs to help women entrepreneurs. The following examines the top challenges in more detail:

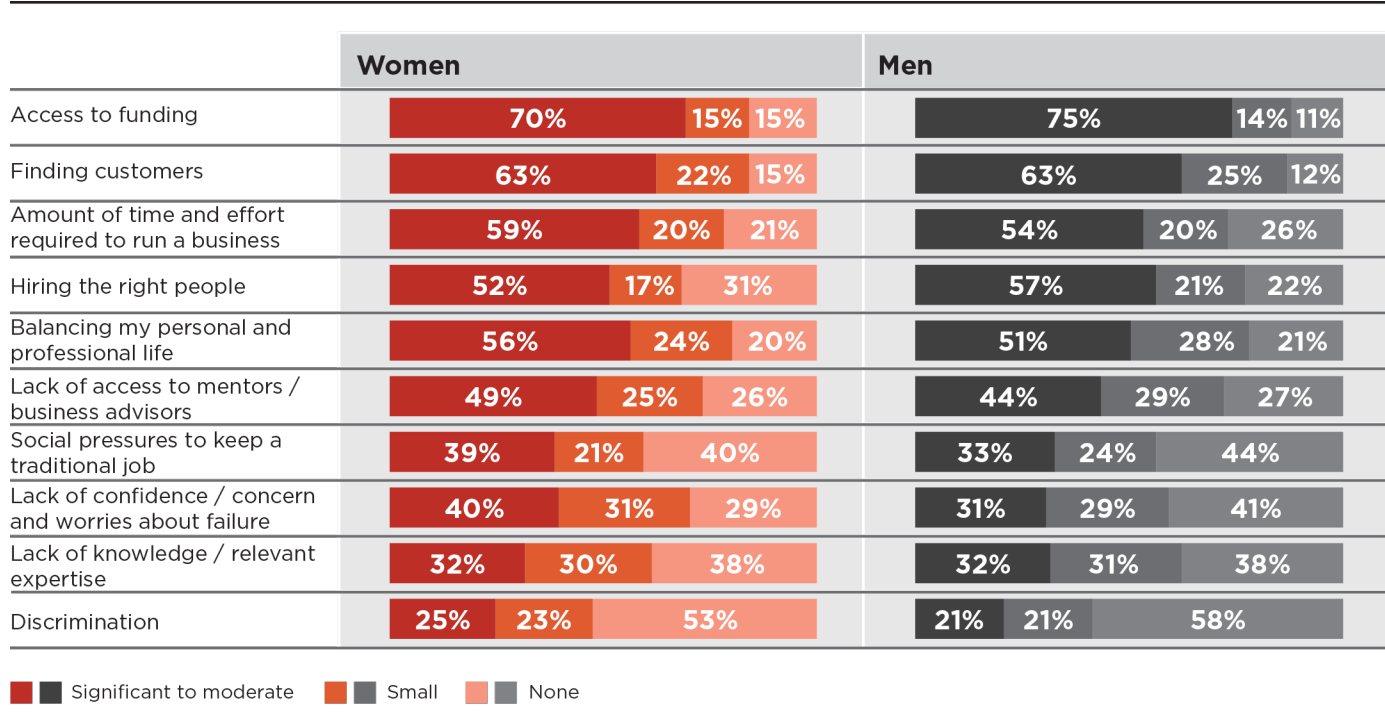


Figure 7: Business start up challenges by gender

Question: How challenging were the following when you started your business?

Source: WE New York City Study Notes: N=1,019 women, 634 men

Challenge 1: access to funding

Historically, U.S. women have received a smaller share of the total small business loans compared with men. A 2014 report on women’s entrepreneurship from the U.S. Senate highlighted the many disadvantages women entrepreneurs face in seeking loans. With approval rates 15 to 20 percent lower than for men, women entrepreneurs account for only 4 percent of all conventional small business loans—roughly \$1 out of every \$23 loaned.¹

As a result, women entrepreneurs are more likely to tap into their savings and personal networks for capital to launch and grow their businesses (see figure 8). According to the National Women’s Business Council, up to 80 percent of women entrepreneurs rely on personal savings, and only 17 percent seek business loans. The situation is similar in New York City, where funding is the most commonly cited challenge for women entrepreneurs. Many seem frustrated with the seemingly prohibitive costs of running a business, particularly to secure funds to start a business. “The biggest challenge I faced when launching my business was having funding for the business,” one entrepreneur said. “My partner and I used up all of our savings to get started.” Others feel the stress of self-financing. “There is only so long that I can include my business in the household budget,” one Brooklyn woman said.

1. 21st Century Barriers to Women’s Entrepreneurship Majority Report of the U.S. Senate Committee on Small Business and Entrepreneurship

2. National Women’s Business Council | Advisors to the President, Congress, and the SBA— Access to Capital by High-Growth Women-Owned Businesses

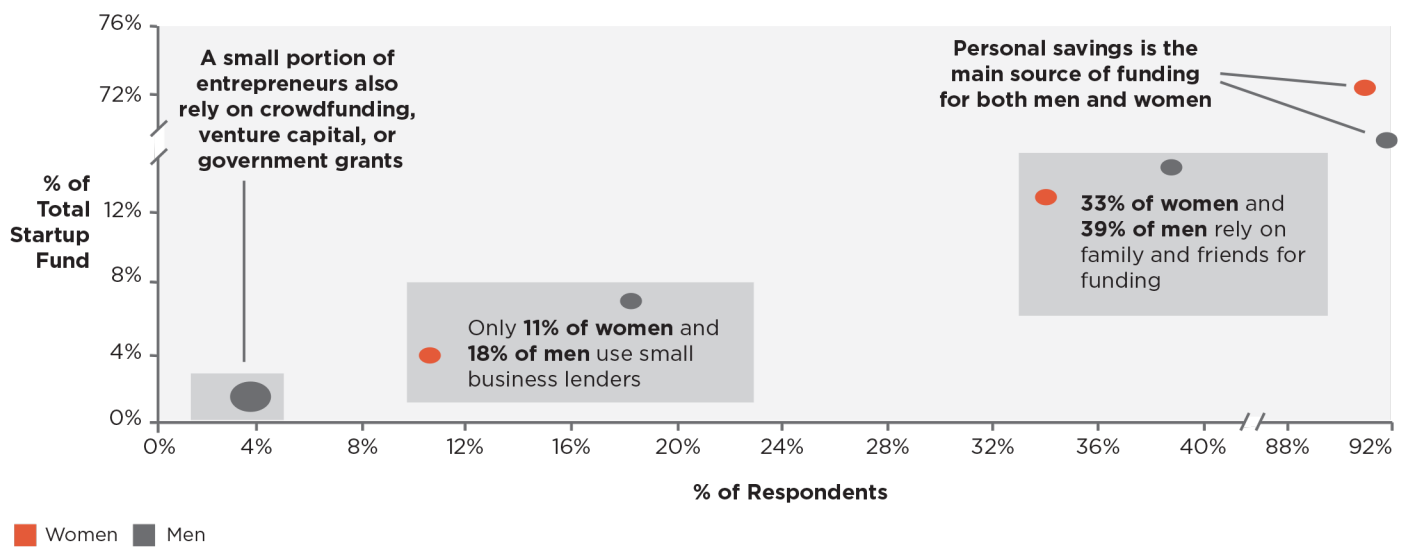


Figure 8: Sources of financing by gender

Question: How did you finance your business?

Source: WE New York City Study Notes: N=1,019 women, 634 men

Macroeconomic conditions have also played a role. Fourteen percent of women who launched their business before the 2008 financial crisis used bank loans to start their businesses, compared with 7 percent of women in business five years or less, a likely effect of a tighter post-crisis lending environment. In this environment, both borrowers and lenders are more conservative, and the loan process has become more complex. Finally, more women entrepreneurs with business revenue greater than \$100,000 per year fund their businesses with bank loans than do those with revenue under \$100,000 per year (17 percent versus 11 percent).

Related to the challenges of obtaining financing, women entrepreneurs tend to significantly undercapitalize their businesses compared with men. A little more than half of New York City women started their businesses with less than \$10,000, compared with 33 percent of men (see figure 9).

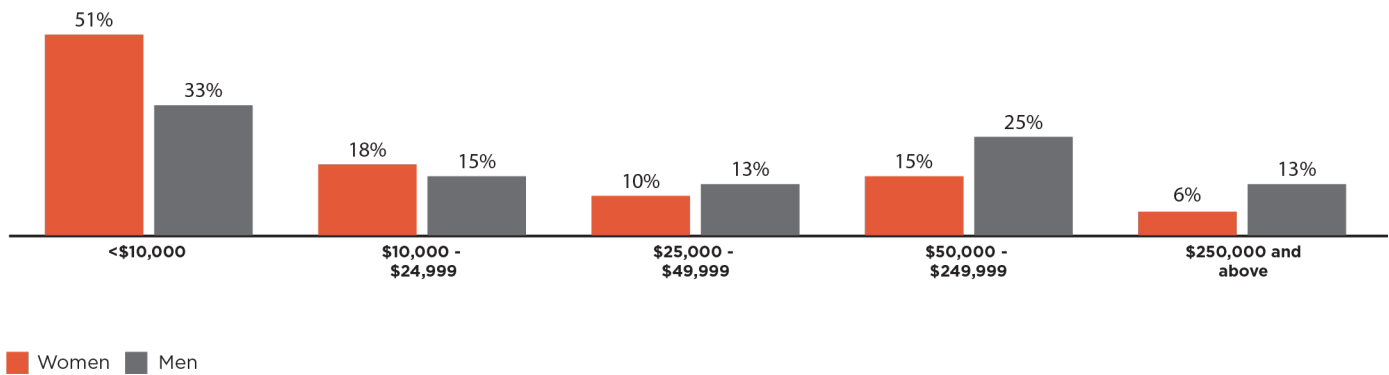


Figure 9: Start up capital by gender

Question: How much capital did you need to start a business?

Source: WE New York City Study Notes: N=1,019 women, 634 men

Only 21 percent started with more than \$50,000, compared with 38 percent of men. Black women and those with an annual income of less than \$25,000 were significantly more likely to start with less than \$10,000 (60 percent of women in these groups). With few exceptions, women across industries tend to undercapitalize their businesses compared with men (see figure 10).

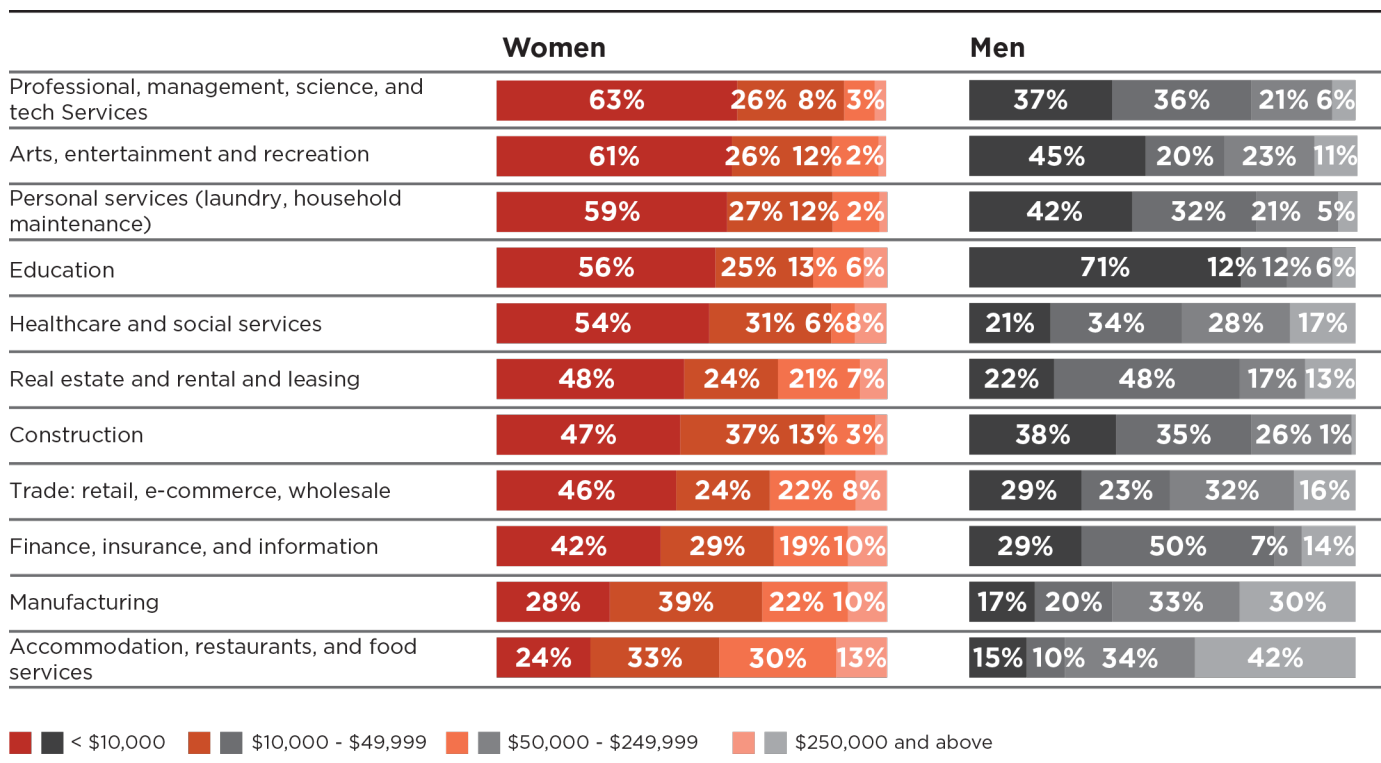


Figure 10: Start up capital by industry and gender

Question: How much capital did you need to start the business (by industry)?

Source: WE New York City Study Notes: N=1,019 women, 634 men

The causes of undercapitalizing businesses are varied. “Some causes are internal—women don’t ask or dream big—and others are external, such as the type of businesses women choose to start are less attractive to funders,” Geri Stengel, president of digital media and market research company Ventureneer, wrote in Forbes. “Undercapitalized companies have lower sales, lower profits, and generate fewer jobs.”¹

Women entrepreneurs, banks, and alternative lenders interviewed for this study offered a better understanding of why funding is a major challenge.

Three major barriers exist on the supply side (lenders):

- **Loan size and availability:** Commercial banks typically do not offer business loans of less than \$25,000, while most women entrepreneurs require less than that to start a business.
- **Industry selection:** Traditional lenders tend to shy away from industries such as food and beverage and from low-capital industries that may not offer an attractive loan-to-value ratio, such as service industries. Because women entrepreneurs tend to concentrate in some of these industries, more women are likely to face challenges when applying for loans.
- **Financial case:** Interviews with some alternative lenders highlighted that entrepreneurs seeking loans often focus on their vision and passion but neglect to build a strong financial case for their business venture. This practice may be further worsened by poor record keeping that stems either from sub-par financial skills or a desire to minimize tax implications, which often hurts a business owner’s financial case.

1. Funding Women Entrepreneurs: If Not Now, When?, Forbes, Geri Stengel

Additional factors come into play on the demand side (entrepreneurs):

- **Lack of awareness about alternative sources of funding:** Women cite giving up on pursuing loans after being rejected by a bank because they are unaware of other funding options.
- **Lack of access to small loans with attractive interest rates:** Women who turned to alternative sources of financing found interest rates to be prohibitively high, typically above 10 percent. As one fashion product manufacturer and retailer said, “I thought about a loan, but (interest rates) felt too predatory.”
- **Poor credit scores:** For some women, especially those from low-income and some immigrant communities, low credit scores or lack of a credit history are significant barriers to funding.
- **Lower appetite for risk:** Our study shows that women are more averse to risk than men. One Bronx-based food service provider said, “I did not want to get loans because I didn’t want to owe anyone or lose a part of my corporation due to funding from an outside source.” In some communities, this attitude seems to be rooted in a cultural perception that debt is bad, making some women uncomfortable with borrowing. Later, this report will discuss risk-taking in more detail.

Challenge 2: access to customers

Customers are the lifeblood of any business—and reaching them is a challenge for nearly two-thirds of women entrepreneurs, who cite a lack of access to industry networks, the inability to accurately define and target the right customers, and an inability to reach a broad enough market to sustain their business. As one woman with a catering business said, “I spent a lot of time chasing the wrong customers and learning the hard way who is going to like my services and who is going to be able to pay for them.”

Securing customers seems especially challenging for Black and Hispanic women entrepreneurs, 77 percent of whom say finding customers is a major challenge (compared with 63 percent in the overall sample). This barrier also holds true for 70 percent of immigrant women, compared with 61 percent of U.S.-born women entrepreneurs.

In speaking with women entrepreneurs about why it is so challenging to access customers, four themes emerged:

- **Having to do it all:** Women entrepreneurs who run non-employer firms have to spread their time across all business activities and are left with little time for business development and new customer acquisition. These women cite access to customers as a more significant challenge (67 percent) than women who have employees (56 percent).
- **Low self-confidence:** Some women feel unsure about how to approach potential customers. “Finding new customers and having the confidence to charge them enough was my biggest challenge,” one Manhattan woman entrepreneur said.
- **Lack of access to business networks:** The women in this study see business networks as important vehicles for meeting and landing customers. One entrepreneur in the arts field said, “Networking at professional meetings is valuable because I come into contact with people who might need my services.” Yet many women cited access to business networks as a challenge.
- **Inadequate marketing and sales skills:** The inability to identify and target the right customers or prepare strong responses to an RFP are common issues. “Finding customers and knowing to charge the correct price was my biggest challenge,” the above-mentioned arts entrepreneur said. “Sometimes, I feel I am being taken advantage of.”



Maria Cano

Arepa Lady Restaurant – Queens
Colombian Restaurant
Time in Business: More than 30 years as a food truck owner, 1 year as a restaurant owner

Motivation:

- Her titles as a lawyer, judge and public servant in Colombia were not recognized when she immigrated to the U.S. in 1984, so she turned to entrepreneurship to support her family

Challenges:

- Long process to receive the license - “It has been a hard life, but you cannot just throw in the towel when you have four children to feed”
- High real estate costs and challenges working with contractors

Challenge 3: managing time and work-life balance

While many women pursue an entrepreneurial path to have more flexibility in their lives, 60 percent say time management and work-life balance are moderate or significant challenges. One Manhattan restaurant owner said, “Starting and running my business was much more time consuming than I ever imagined.”

The nature of the challenge varied. For some women, the challenge had to do with time away from family. For others, the challenge was how long it took to get their businesses launched and to reach their goals. A Manhattan-based consultant who cited time as her biggest challenge stated, “I was constantly overwhelmed with the amount of things I had to do.”

Throughout the discussions, two main shared challenges related to customer acquisition emerged:

Starting a business while still employed elsewhere. Many entrepreneurs maintain a full-time job as they plan and launch their businesses, and many must continue working for several years afterward. “The biggest challenge is the time and the focus that the business requires,” one Brooklyn-based education business owner said. “I am working at a full-time job and running my own business in my free time.” Women who squeeze their entrepreneurial efforts into nights and weekends feel they cannot invest enough time to build and grow their businesses.

Running a business solo. Being an entrepreneur usually means having to learn quickly about all aspects of a business—and being solely responsible for it. Starting with too many unknowns was a source of frustration for one Brooklyn-based media entrepreneur: “For new entrepreneurs, there is an incredible number of things to be learned about how to run a business, and at the same time, you have put a lot of time and effort into finding clients.” Not only do these business founders need to know all aspects of the business, but until they can hire staff, they must also take responsibility for running every part. “I am CEO, manager, accountant, creative director, and content producer,” one media entrepreneur said.

Challenge 4: hiring people

Hiring people is one of the ultimate indicators of business success and economic growth. Yet for women entrepreneurs in New York City, this seems to be a major challenge. Fifty-two percent said hiring people is a moderate to significant challenge. Immigrant women entrepreneurs felt this challenge somewhat more acutely, as nearly 60 percent of women in this group said hiring the right people was a challenge.

This multifaceted issue is often linked to the availability of funds to cover the cost of employees and a workspace. In particular, many women entrepreneurs said a lack of appropriate workspace limited their ability to hire. Even free interns are out of reach for some, as most internship programs require an established workplace.



Photo credit: Ed Lefkowitz

Haegeen Kim

Dotory
Chef / Restaurant Owner – Asian cuisine - Brooklyn
Time in Business: Year

Other

- Before starting her business she was a painter – she came to NY to succeed as an artist
- She supported herself by waitressing
- Her new business started as her boss asked her to cook with him in his new restaurant

Motivation:

- While working in the restaurant she felt she could do things better and got significant support from her family
- She wanted to do something for herself, not just working for someone all her life
- She also wanted to use her restaurant as a place for artists to come and use as an exhibition space

Challenges:

- Work can be overwhelming as she has to play too many roles – chef, owner and manager
- Not having a network made it very hard to deal with even basic challenges

Entrepreneurial Insights:

- “I’m dying to connect with other female owners (restaurant owners) and discuss day to day challenges”

Challenge 5: access to mentors and business advisors

Throughout the research, it became clear that women entrepreneurs are eager to learn from one another and from others with experience and expertise who can help guide and coach them. However, 49 percent of women cite access to mentors and business advisors as a challenge when launching a business. This challenge was reported by proportionally more Hispanic women (60 percent), women with income lower than \$25,000 (55 percent), and small business owners with annual revenue below \$10,000 (56 percent).

Women say part of the challenge lies not just in finding mentors, but in finding the right mentors. “I found it difficult to find a mentor with specific industry experience who could help me start a manufacturing business,” said one Bronx woman who was about to launch a food manufacturing company. The need for industry-specific expertise was cited numerous times, along with the need for finding mentors who are a personal fit. One woman said she would value “finding someone I could trust to mentor and coach me through the process.”

In addition to mentors, women cite access to affordable business services as a challenge. Entrepreneurs value services that can help them with various business aspects in which they are less skilled or which take their time away from the core business. “Having a lawyer for reviewing contracts is key for us, and finance services, including a payroll service, are an absolute necessity,” the founder of a literary agency said. “I wouldn’t have time to do any substantive work if we had to manage payroll.” However, many women can’t afford these services, especially at the early phase.

Why are these challenges so common? Some root causes emerged from our research:

- **Lack of information:** Women entrepreneurs struggle to find information about programs, and many are unaware of available mentoring options.
- **Lack of structured programs:** Women who do participate in mentoring find it difficult to find the right mentors, and relationships are not as productive as they had hoped.
- **Affordable business advice:** Although women recognize the need for business advisory services, many said the quality of free advice is inconsistent and that other services are unaffordable.

In addition to the above, two other important challenges were frequently cited during interviews and community forums:

Access to information

One common thread throughout all of the above challenges is that it is difficult to find relevant and reliable information. Women entrepreneurs said it was difficult to find the information they needed to get started, to start and run their businesses. As a result, many were unaware of available programs and funding options. As one Brooklyn-based food manufacturer stated, a major challenge was “finding the licenses and certificates I needed. I felt stuck in the beginning not knowing what paperwork I needed and where to find it. I didn’t know where I could go for funding to help me begin the process. When you’re online and looking for info, there are so many bogus sites that come up and ask for a membership fee or small fee to begin the process, and that is something we don’t always have. So finding real business agencies that offer free or affordable help is not always easy to find.”



Sherri Royes

Chef Sherri’s Catering – Coney Island
Food Catering focused on soul / fusion cuisine
Time in Business: Year and a half

Other

- Before starting her business, she was studying hospitality management
- Cooking was a hobby
- She received support from her family – her mother drives her to events as she doesn’t have a license yet

Motivation:

- Wanted to do something of her own, something that she enjoyed doing

Challenges:

- Financing – to open a restaurant she needs both investors and savings
- Pricing her services – she was worried her customers would reject her if her prices are too high
- Getting and maintaining a customer base

Access to affordable business infrastructure

Another common challenge women entrepreneurs highlighted was finding affordable business infrastructure—from offices, workspaces, storefronts, and showrooms to manufacturing and other essential business equipment. According to one Manhattan entrepreneur in professional services, “[my biggest challenge was] finding professional office or desk space or conference space at an affordable price.” In many respects, this is closely linked to lack of funding and insufficient capital to start and grow a business. By ensuring that they comprehensively plan for and have access to the capital they will need at various stages of their businesses, women entrepreneurs will be better positioned to access the necessary infrastructure.

A Limited Appetite For Risk and Lack of Confidence also stand in the way

“You have to be scrappy, believe in yourself, and be willing to take risks,” one Manhattan tech entrepreneur said. “Ultimately, if you can’t take a big risk, you can’t expect a big reward.” Yet women reported less willingness to take risks than men. When asked how much risk they are willing to take when starting their business, 24 percent say they want to play it safe and not take any risk, compared with 13 percent of men. Forty-two percent are willing to take moderate risk, about the same as men. And only one-third are willing to take major risk, compared with 46 percent of men (see figure 12).

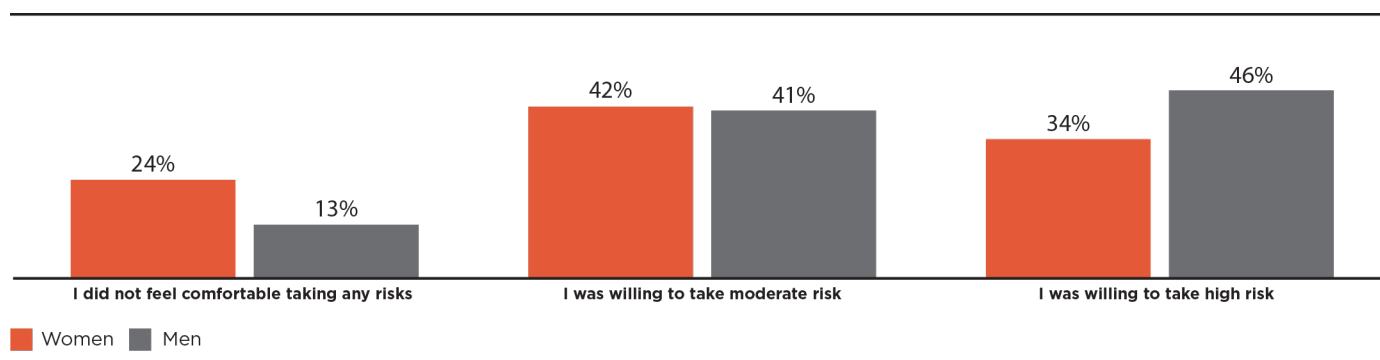


Figure 12: Attitude towards risk taking by gender

Question: How much risk were you willing to take when you started the business?

Source: WE New York City Study Notes: N=1,019 women, 634 men

The willingness to take risks also declines with age, according to the research. Women who start businesses later in life are more risk-averse than those who begin in their 20s or early 30s. Immigrant women are the most willing to take risks, with 40 percent citing openness to taking the highest risk.

In interviews, women entrepreneurs offered a number of insights into what made them more or less willing to take risks. Women who were more willing highlighted their passion, ambition, curiosity, strong support systems, and a high confidence level as primary factors for risk-taking. “I was willing to take risk because I know my level of dedication and my work ethic,” said one Brooklyn-based construction entrepreneur. “I know that anything I put my mind to will be successful.”

Those less willing to take risk point to fear of failure, financial constraints, lack of financial security, weak support systems, and lower self-confidence. “I was not comfortable taking any major risks, as I didn’t have family or friends to help raise money,” a Bronx-based manufacturer said. “My partner was unemployed for a while, so I only took the work that I could handle.”

Women also report being less confident in their business capabilities than men. Only 24 percent of women feel very confident and have no concerns about their abilities to grow and sustain their business, compared with 33 percent of men (see figure 13). Confidence and risk-taking are closely linked. Forty-five percent of the women who feel very confident in their abilities are willing to take high risks, compared with only 22 percent of women with lower confidence and concerns.

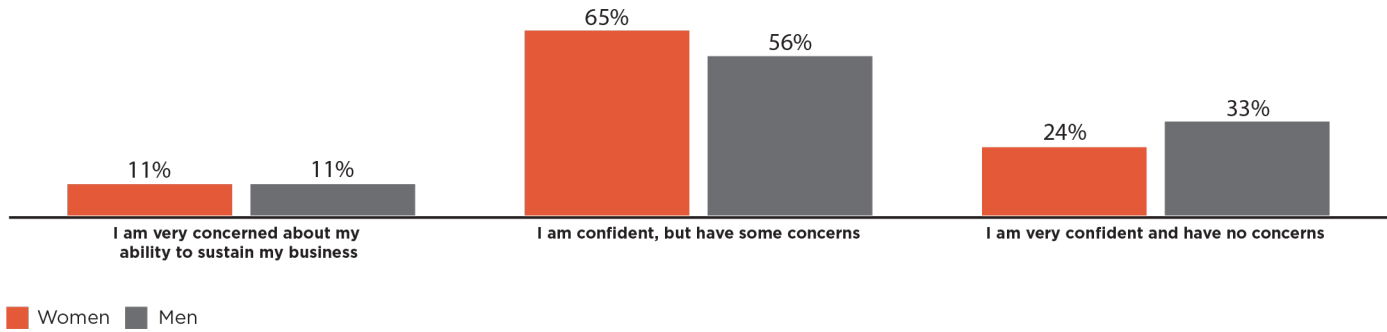


Figure 13: Confidence in own ability to succeed

Question: How confident are you in your ability to grow and sustain your business?

Source: WE New York City Study Notes: N=1,019 women, 634 men

Related to levels of confidence, less than one-third of women rate themselves as proficient in areas that are crucial for running a business such as accounting, marketing and sales, business planning, and negotiation (see figure 14)

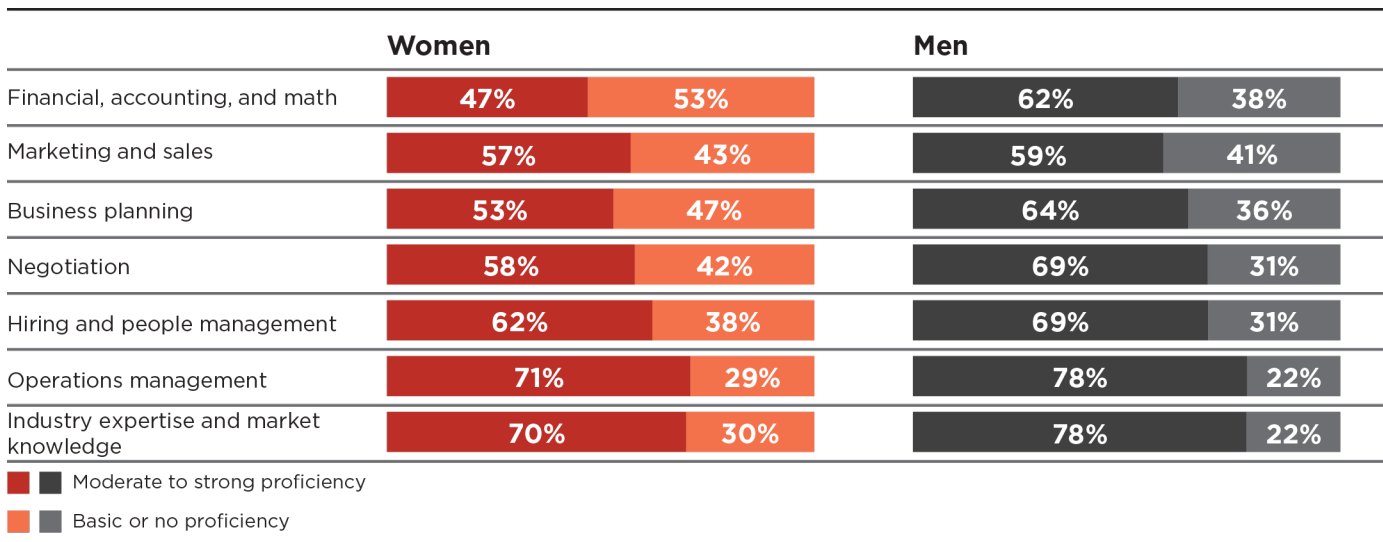


Figure 14: Self assessment—business skills proficiency

Question: How would you rate yourself on the following business skills?

Source: WE New York City Study Notes: N=1,019 women, 634 men

These results are not surprising since many women started a business motivated by a specific passion, which often was borne out of their previous work experience or interests, yet they did not possess all of the skills required to run a business. This knowledge gap—coupled with the need to become an expert in all areas of running a business quickly—is a common challenge and source of frustration. An architect interviewed for the study sums this up well: “The biggest challenge I faced was access to professional skills, expertise, and advice that my partner and I did not have, such as legal, marketing, and human resources,” she said. “We were professionals in our field and great at delivering quality services, but we still struggled with trying to learn the finer workings of developing our business on our own.”

In many cases, women feel that a steep learning curve hampers their businesses at the outset. However, many see this as an opportunity to grow. One woman entrepreneur said, “Learning about business and the latest technology challenged me, but it also gave me an opportunity to learn new skills and develop myself.”

Women entrepreneurs in New York City recognize the need to supplement their skills and acquire support resources, yet those in this study rely primarily on their personal network and rarely on professional services or other sources of support that could boost their skills and their business, either because of cost or a lack of knowledge about availability. In a later section, this report will examine the support services available in New York City.

CHAPTER 2—KEY TAKEAWAYS

Following are the most important motivations and challenges that affect the odds of success for women entrepreneurs in New York City:

- Women are primarily motivated by passion, independence, and flexibility.
- The top three challenges are access to funding, access to customers, and the time commitment needed to start and manage a business.
- Women tend to undercapitalize their businesses, with more than 50 percent starting with less than \$10,000. In contrast, 33 percent of men begin with less than \$10,000.
- Ninety percent of women entrepreneurs funded more than 70 percent of their start-up capital with personal savings.
- Women face a number of internal or personal challenges. Only one-third said they felt very confident in their success, and less than 50 percent reported feeling proficient in core business skills.



Evelyn Alvarez

Prom King – Brooklyn
Boys & young men's clothing for special events
Time in Business: Over 2 years

Motivation:

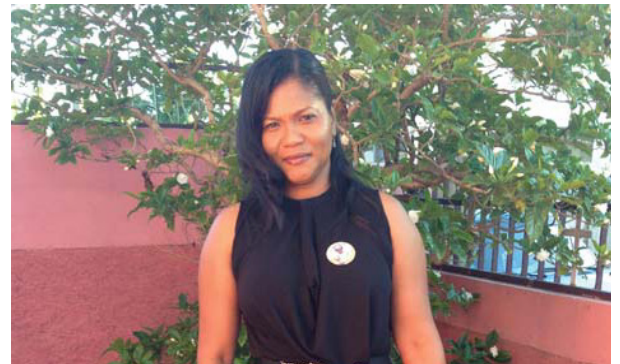
- Create a better future for her family
- Pursue an idea, make it happen, make it big (Evelyn identified a need in the community and has since added chapters in New Jersey and North Carolina, and aspires to take her concept worldwide)

Challenges:

- Bridging the gap from idea to execution
- Access to financing (“We don’t have an availability issue, we have an access issue”)
- Balancing all aspects of managing the business herself and fulfilling her responsibility as a mother

Entrepreneurial Insights:

- “There are a lot of resources but there is not one one-stop source – having a consolidated source of information will be helpful”



Carol Ababio

Cititech Computer Services – Brooklyn
Provides IT services to small businesses
Time in Business: 15 years

Motivation:

- To be self-reliant and master of her own destiny
- Set an example for her daughter for what she can achieve “failure has never been an option”

Challenges:

- Funding has been the main challenge when starting the business and today when trying to grow
- Managing all aspects of the business herself especially finance and accounting

Entrepreneurial Insights:

- “Now that there are options such as crowdfunding and angel investors – there are many more resources to get funding.”

Chapter 3: Running and Growing a Business

This chapter examines women entrepreneurs' growth aspirations, appetite for risk, capital requirements for growth, and the nature of the challenges women face as they run and grow their businesses.

Launching a business is a first step in a long process. To meet financial goals—be it income stability or wealth creation—women entrepreneurs must address the barriers to their long-term economic viability. Thus, our research sought to uncover how their growth aspirations, attitudes, and challenges evolved as women entrepreneurs gained experience.

GREATER AMBITION AND RISK TAKING

One of the most encouraging findings of this study is that the attitudes and behaviors of women entrepreneurs evolve over time. As women gain more business experience, they grow more confident and ambitious with a greater appetite for risk. Yet many challenges remain as they seek to run and grow their businesses.

Ninety percent of women said expanding their business is a priority. More than 75 percent of women and men plan to grow their business at a rate of 10 percent or more annually (see figure 15).

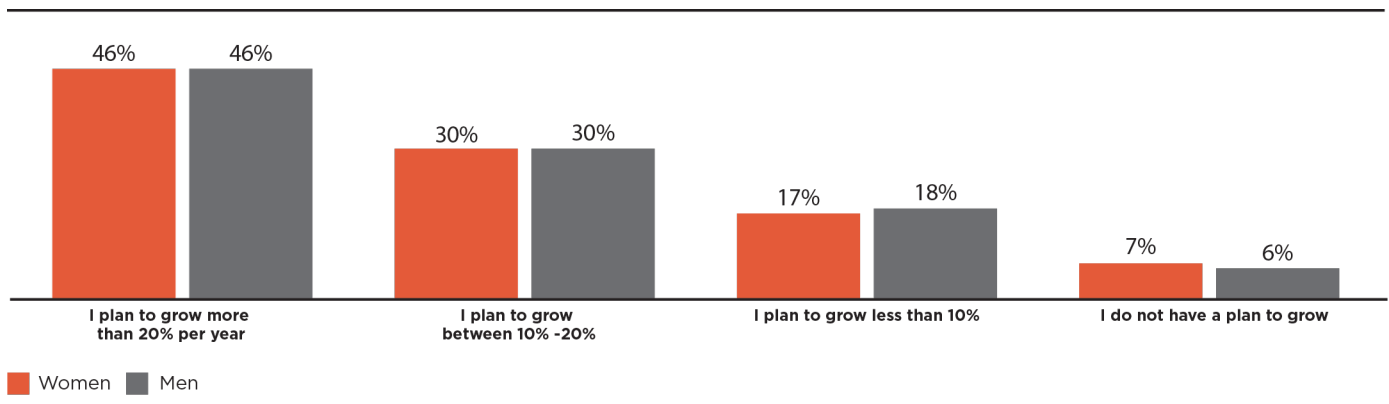


Figure 15: Business revenue growth plans

Question: What are your business revenue growth plans?

Source: WE NYC Study Notes: N=1,019 women, 634 men

Furthermore, more than 50 percent of women entrepreneurs plan to hire one to four people over the next three to five years (see figure 16). However, women are less ambitious in their hiring goals compared with their male counterparts. Only 30 percent of women had a plan to hire five or more employees, compared with 44 percent of men.

Of the 15 percent of women who said they do not plan to hire, many say it is because they cannot maintain the flexibility and independence they desire if they hire employees. “The business is really a passion project. If we expand, it would involve investing more of myself and my partner in the business,” a Brooklyn healthcare provider said. For one art consultant, it was more about the impact employees would have on her role: “Taking on more work and hiring people would require that I become an administrator rather than a practitioner. I prefer being a practitioner and sole operator, even though it is challenging.”

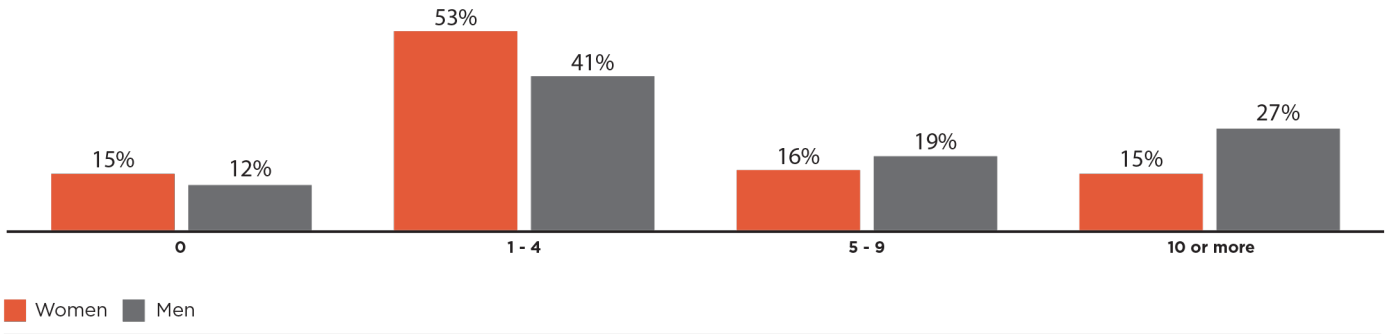


Figure 16: Hiring plans by gender

Question: How many people do you plan to hire?

Source: WE NYC Study Notes: N=1,019 women, 634 men

Women entrepreneurs are more inclined to take risks as they gain experience (see figure 17). Twelve percent of women do not feel comfortable taking any risks when growing their business, compared with 24 percent who do not feel comfortable taking risks when starting a business. The portion of women willing to take moderate risk goes up from 42 to 55 percent. However, fewer women were willing to take major risks in this phase of their business. In interviews, many women said they feel they have more to lose during this phase. “When I opened my first salon, I was single and had nothing to lose,” said a Brooklyn hair and beauty salon owner. “Opening my second salon was terrifying. At that point, I had to think about my young family and the business that I had already built.”

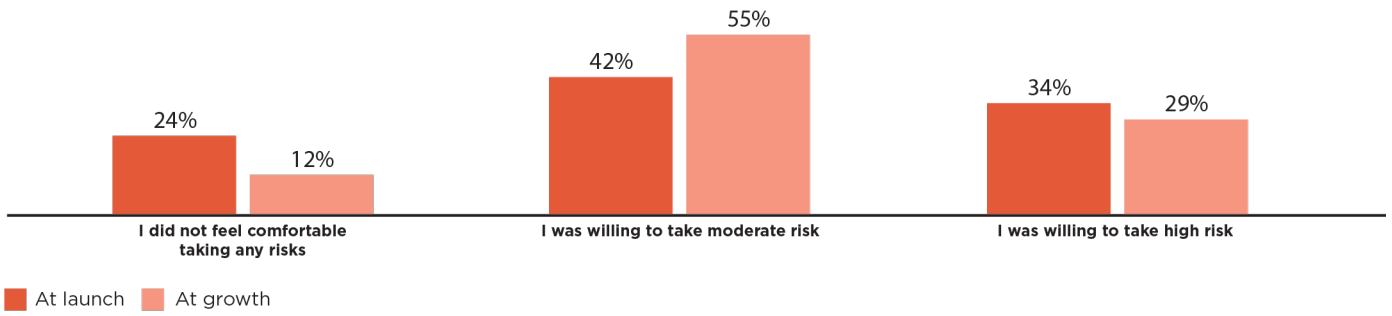


Figure 17: Attitude towards risk at launch vs. growth phase

Questions: How much risk were you willing to take when you started the business? During the growth phase?

Source: WE NYC Study Notes: N=1,019 women

Women also report being more in command of core business skills as they gain experience. Still, there is a significant gap in self reported proficiency. Even after six or more years in business, less than one-third of women entrepreneurs view themselves as proficient in financial management and sales and marketing (see figure 18).



Liz, Blue Bungalow (Queens)

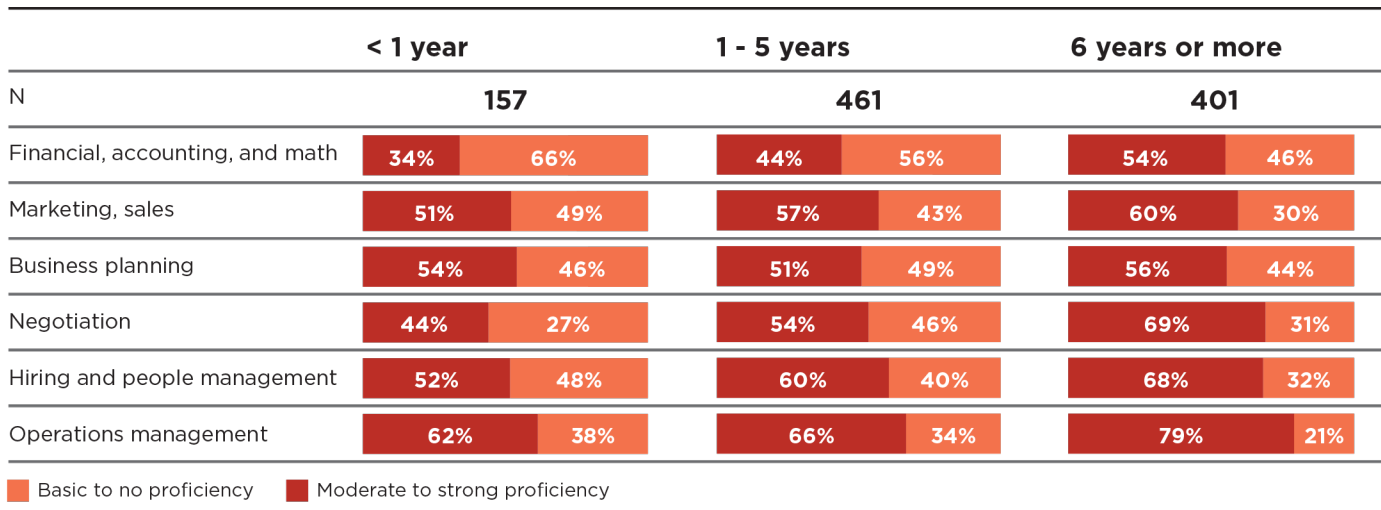


Figure 18: Business skills proficiency at different stages of the business life cycle

Question: How would you rate yourself on the following business skills?

Source: WE NYC Study Notes: N=1,019 women

FUNDING GROWTH IS STILL A TOP CHALLENGE

While confidence and willingness to take risks improve with experience and success, women continue to encounter persistent challenges throughout their business lifecycles. Access to funding is a primary challenge, followed closely by attracting and retaining customers (see figure 19).

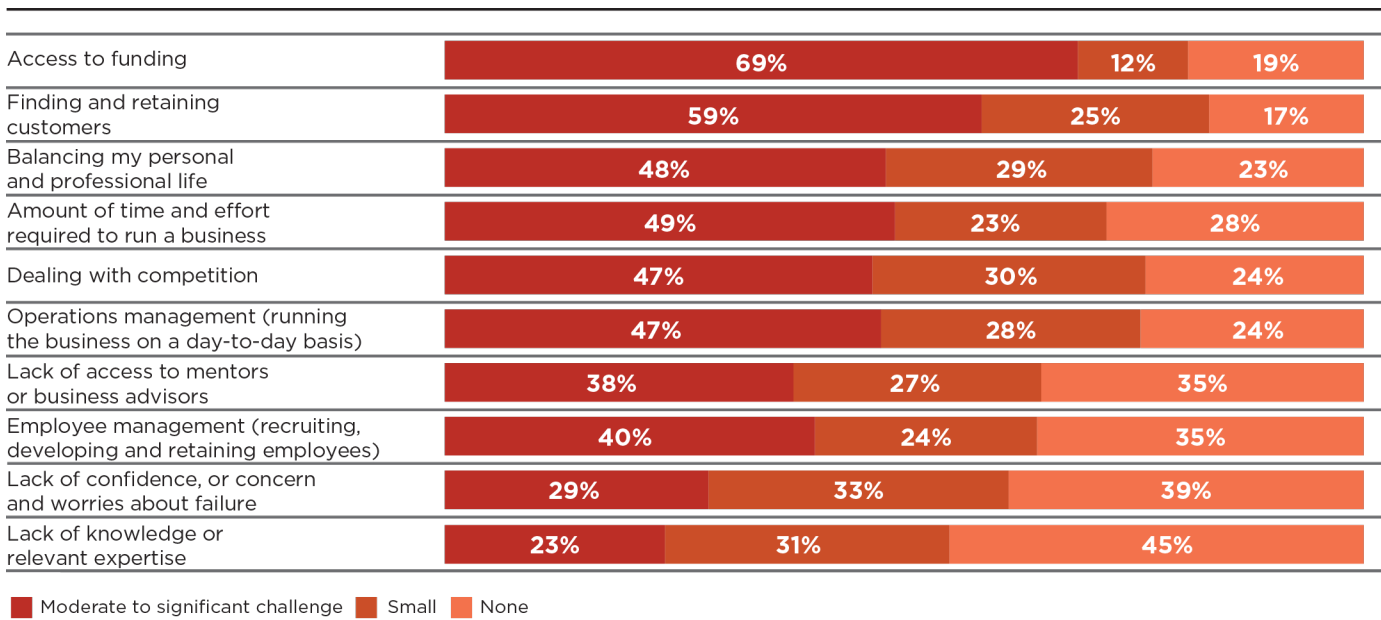


Figure 19: Challenges facing women entrepreneurs – growth phase (% may not resolve due to rounding)

Question: How do you rate the following challenges at the growth phases of your business?

Source: WE NYC Study Notes: N=1,019 women

As women grow their businesses, they seek larger amounts of funding than when they started but, compared with men, still tend to undercapitalize when growing their businesses (see figure 20). One-quarter of women require \$10,000 or less, and 48 percent need more than \$50,000, compared with more than 60 percent of men who look for \$50,000 or more to grow their business.



Figure 20: Growth capital launch vs. growth

Question: How much capital did you need to start and grow the business? (women respondents only)

Source: WE NYC Study Notes: N=1,019 women

Most women entrepreneurs use business income or personal savings to finance growth (see figure 21). But compared with starting a business, there is more reported use of bank loans and other sources of funding. Only 11 percent use loans when starting their business, while 31 percent said they would finance growth using loans, compared with 42 percent of men. Women reported a stronger preference for crowdfunding than men, indicating an opportunity to further explore crowdfunding as a viable alternative for women entrepreneurs.

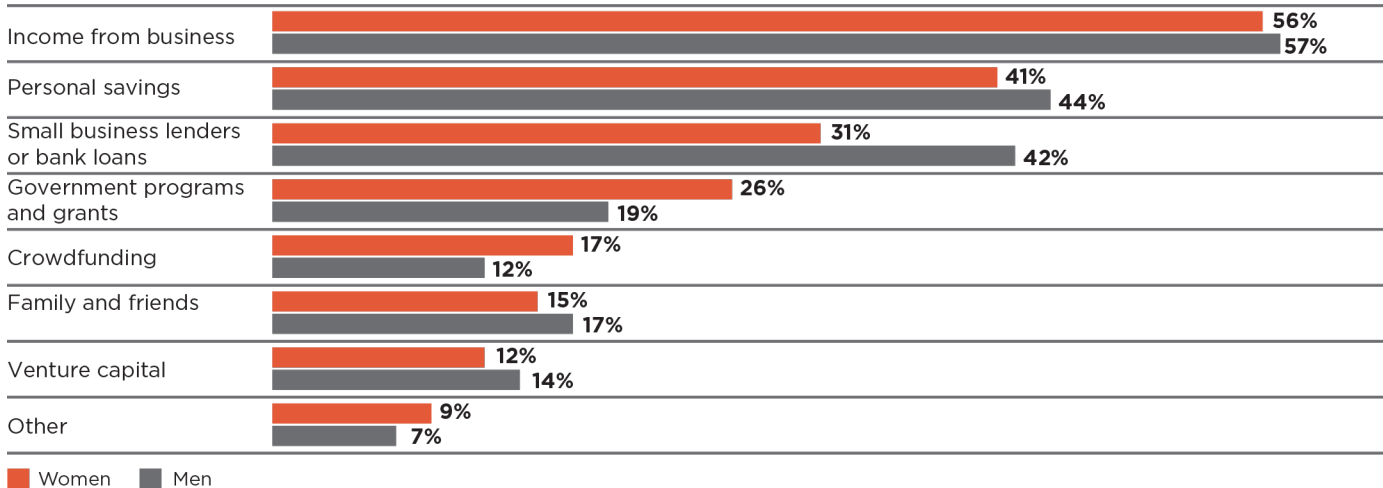


Figure 21: Funding company's growth

Question: How are you funding your company's growth?



Source: WE NYC Study Notes: N=1,019 women

Liz, Brown's Hardware (Queens)

CHAPTER 3 - KEY TAKE AWAYS

As women entrepreneurs gain experience running and expanding their businesses, their confidence and aspirations grow, but challenges remain:

- Women entrepreneurs become more confident and are more willing to take risks the longer they are in business. Fifty-five percent are willing to take moderate risks in this phase, compared with 42 percent when starting a business.
- Thirty percent of women aspire to hire more than five employees over the next five years, compared with half of men.
- The top challenges women face when starting a business persist as they grow their business, though on average they feel them less acutely.



Andrea Jimenez

DiscoveringNYC.com - Queens
Tourism website serving Spanish and Portuguese speaking tourists in NYC
Time in Business: More than 2 years

Motivation:

- Working as a server in Times Square, she saw foreigners struggle with tourism information only available in English, and decided to set up an online resource to help them

Challenges:

- Doing everything herself and wearing multiple hats is an ongoing challenge
- Faced with a tough decision to part with her co-founder who unable to devote enough time to the business

Entrepreneurial Insights:

- “Entrepreneurship is a ‘roller coaster’ – being around other entrepreneurs helps a lot – you learn from each other’s mistakes.”



Erika Nazario

Mio Mucaro – Brooklyn
Home made dolls sold on Etsy.com
Time in Business: One year

Motivation:

- Contribute to the household income while raising her child and doing something she is passionate about
- Leverage her design education and experience as a mother to create beautiful dolls

Challenges:

- Taking advantage of resources available for women entrepreneurs proved to be difficult when trying to balance family commitments
- Finding her way through the maze of available business resources ...“there is no one stop shop”

Entrepreneurial Insights:

- “The SBS (craft) program helped a lot - to make contacts and gain experience.”

Chapter 4: Finding Success

Business success is primarily defined as achieving financial and operational goals such as sales growth, job creation, and profitability—all leading to economic stability. This chapter evaluates the state of women entrepreneurs in New York City in terms of financial metrics, highlighting that many women entrepreneurs in the city self-report as unprofitable. It identifies the revenue threshold that separates surviving and thriving businesses. Understanding these thresholds sheds light on how supporting women entrepreneurs and accelerating their path from launch to profit can translate into greater success and economic stability.

SCALE MATTERS

One striking finding is that many women entrepreneurs cannot claim success in key business dimensions such as revenue, number of employees, and profitability. Nearly half of the women entrepreneurs in the study generate less than \$25,000 in revenue, and 44 percent say their businesses are not profitable, compared with 32 percent of men. Business size in terms of sales correlates closely with profitability. The survey shows that businesses generating \$25,000 to \$50,000 in revenue are nearly three times more likely to be profitable than smaller businesses (see figure 22). However, it is neither quick nor easy for entrepreneurs to become profitable. In fact, it takes three years for more than half of these businesses make money.

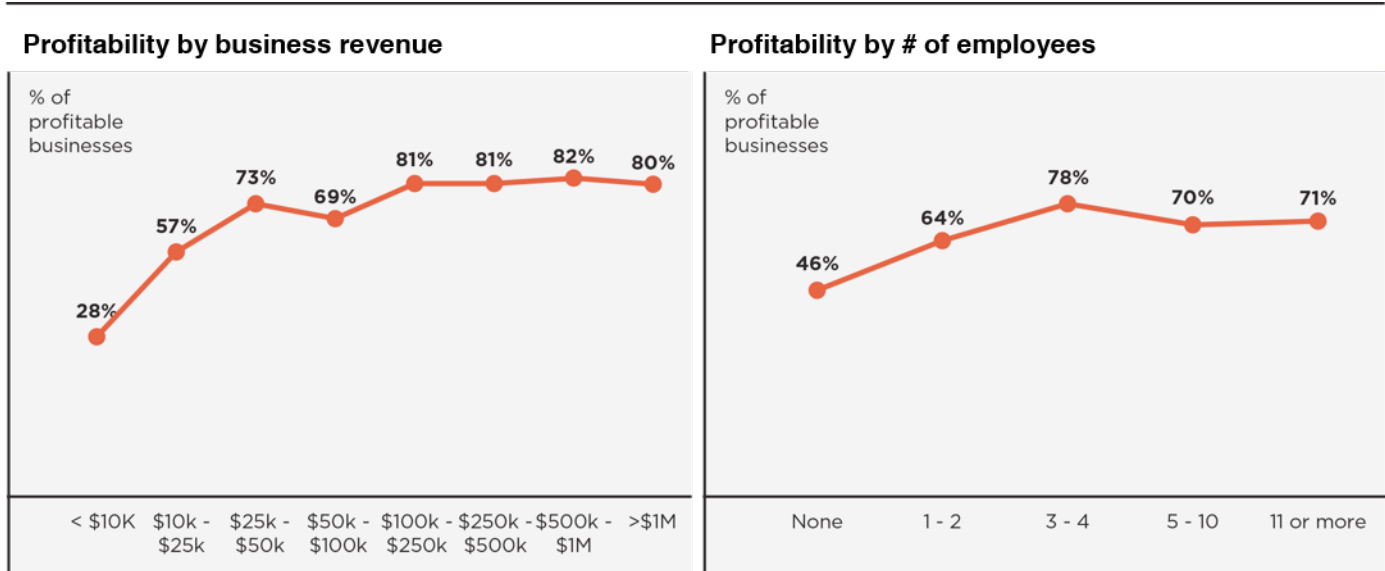


Figure 22: Profitability by business size – Revenue and number of employees

Source: WE NYC Study Notes: N=1,019 women; Note: Profitability is self-reported

A closer look at how businesses differ based on size reveals why it is challenging to become profitable (see figure 23). Small businesses (UK) make up nearly half of those included in this research, and they face more significant challenges than larger businesses, specifically in accessing funding, customers, mentors, and networks. These businesses start with less capital and have lower self-reported proficiency in core business skills, confidence, and comfort with risk. Conversely, larger businesses tend to start with more capital, and their founders appear more confident in their business skills.

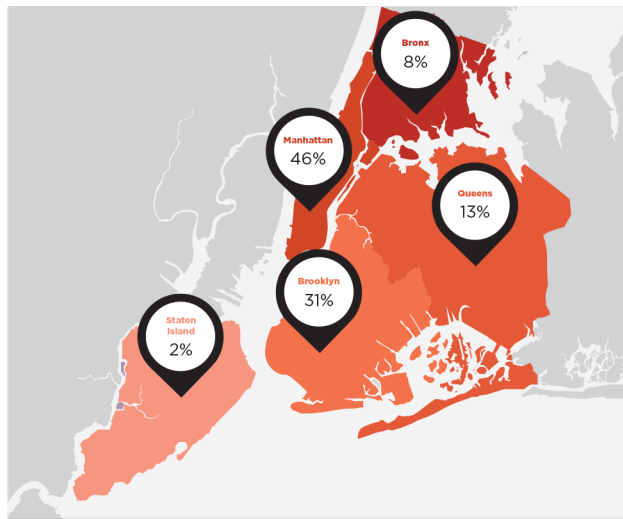
Business size (revenue)	<\$25,000	\$25,000-\$100,000	> \$100,000
Number of companies surveyed	493	215	311
At least one employee	21%	47%	77%
Start-up capital less than \$10,000	65%	51%	29%
Percent of funds from bank loans	2.4%	1.9%	7.4%
Entrepreneurs who rate themselves as proficient in core business skills (average across all skills)	50%	64%	72%
% indicating moderate to significant challenge			
- Access to capital	74%	62%	66%
- Access to customers	68%	60%	55%
- Lack of access to mentors or networks	55%	39%	44%
- Social pressure to keep traditional job	50%	36%	20%
- Lack of confidence or worry about failure	47%	33%	35%
Further differences to note at growth phase			
- Lack of knowledge or expertise	31%	21%	19%

Figure 23: Profile and challenges of businesses by size
Key factors related to business size

Source: WE NYC Study Notes: N=1,019 women; Note: Profitability is self-reported

There are also notable differences by race and borough (see figure 24). Caucasian women and those living in Manhattan enjoy a proportionally larger share of profitable businesses at nearly 50 percent.

Profitable business by borough



Profitable businesses by ethnicity
N=574 (profitable businesses)

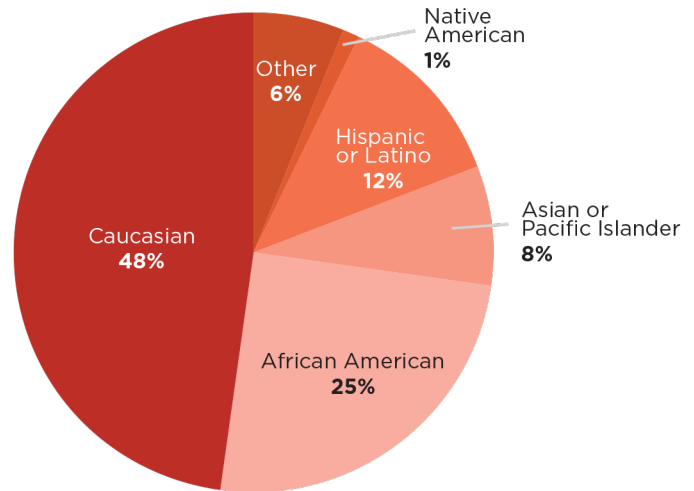


Figure 24: Profitable businesses by borough and ethnicity

Source: WE NYC Study Notes: N=574; Note: Profitability is self-reported

While higher revenues alone are not the only factor contributing to profitability and business success, the data indicates that companies that are able to achieve scale are more likely to be profitable. The focus, therefore, should be on removing the obstacles that stand in the way of scaling new and small businesses, specifically in areas of funding, acquiring customers, networks, and business skills.

SUCCESS FACTORS

Financial performance and scale are, of course, not the only measures of success. Many women entrepreneurs consider themselves successful in other ways, including finding purpose, meaning, balance, and pride for staking out their own businesses. However, the women who run profitable businesses report feeling more successful overall than those who are not profitable. Similarly, more women entrepreneurs who are not profitable say they do not consider themselves successful at all (see figure 25).

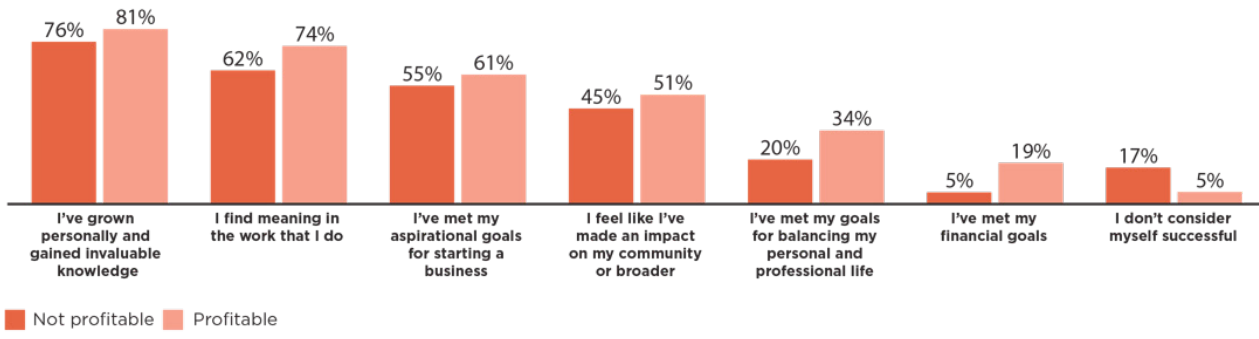


Figure 25: Measures of success

Question: In what ways do you consider yourself successful? (Please select all that apply)

Source: WE NYC Study Notes: N=1,019 women; Note: Profitability is self-reported

When asked about major factors contributing to their success (financial or otherwise), most women entrepreneurs highlight prior work experience, education, and family support as their top success factors, followed by access to business advisors and mentors (see figure 26). Although men attribute their success to similar factors, proportionally more of them say their success is related to hiring quality employees (35 percent compared with 26 percent of women). Similarly, more women running larger businesses pointed to access to capital and hiring capable employees as key success factors.

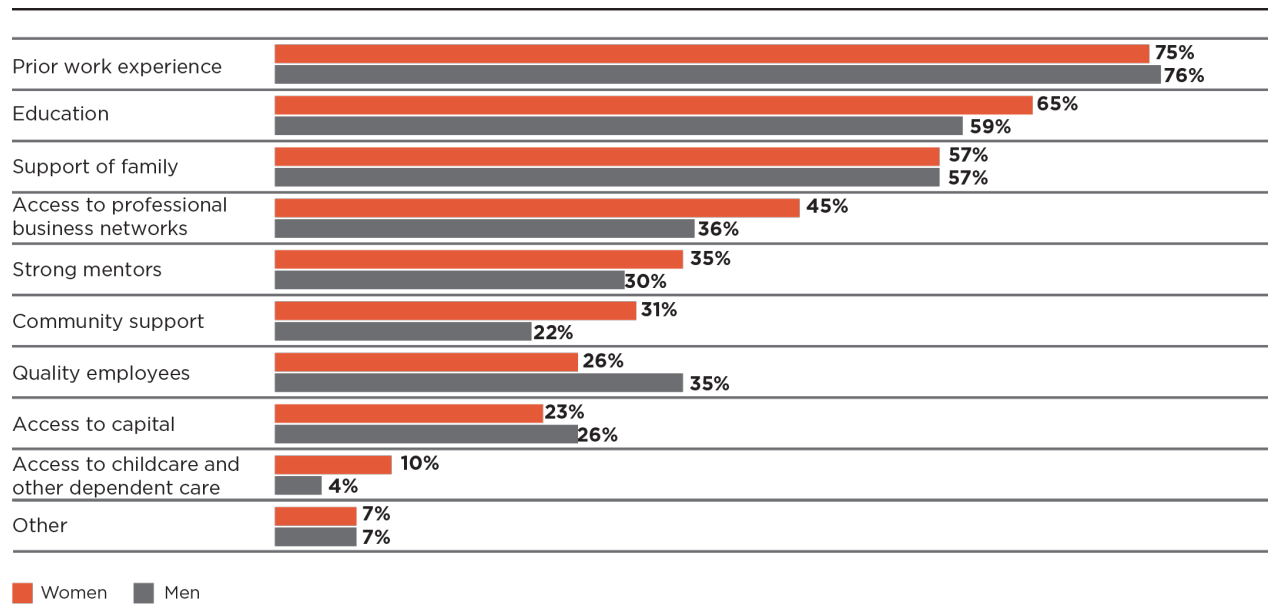


Figure 26: Perceptions of critical success factors by gender

Question: In retrospect, which factors were most critical to the progress you have made in your business to date?

Source: WE NYC Study Notes: N=1,019 women, 634 men

CHAPTER 4 - KEY TAKEAWAYS

This chapter has several important findings regarding women entrepreneurs' financial success:

- Forty-four percent of women entrepreneurs say their businesses are not profitable, compared with 32 percent of men.
- Businesses that generate \$25,000 to \$50,000 in revenue are nearly three times more likely to be profitable than smaller businesses.
- Businesses that earn less than \$25,000 in revenue face more acute challenges in funding, acquiring customers, and business skills.
- When asked about factors contributing to their success (financial or otherwise), women entrepreneurs highlight prior work experience, education, family support, and access to business advisors and mentors.



Chloe, Chloe Doughy (Brooklyn)

Chapter 5: Support Services for Women Entrepreneurs in New York City

A primary objective of the study was to assess the services that exist in New York City to meet the needs women entrepreneurs. This chapter outlines the organizations that support entrepreneurs, how they serve women, and what gaps need to be addressed to improve the chances of success for women entrepreneurs.

To map the landscape of services available to women entrepreneurs in New York City, this study analyzed more than 300 public and private sector organizations that offer services or support to entrepreneurs including, funding, skill building, mentoring, networking and business advisory, and business infrastructure. Among this sample, about 10 percent have programs that target women. (See appendix for a sample of organizations included in the research.) These organizations were assessed with a specific focus on understanding how well they address the top challenges cited by women entrepreneurs, including accessing funding, acquiring customers, managing time, and hiring staff.

These organizations demonstrate the significant number of resources available for entrepreneurs in New York City. However, women entrepreneurs do not report taking full advantage of these resources. In fact, when launching a business, most women (83 percent) rely primarily on their personal networks, about half use professional networks, and less than 20 percent turn to government programs or other outside resources (see figure 27). There is some variability in resource preference based on demographic characteristics. For example, women who have a master's degree or higher are much more likely to use professional networks: 54 percent indicate they have done so compared with 36 percent of women with an associate's degree or less. Similarly, 54 percent of women with income greater than \$100,000 used professional networks versus an average of 44 percent of women with income under that threshold.

These findings indicate women entrepreneurs are more likely to rely on people and organizations with whom they have already built a trusting relationship. "My most important resources are my personal network and professional network," one Brooklyn retailer said. "There's an element of trust and knowing what I'll be getting. We were not able to find any ways to get meaningful governmental assistance."

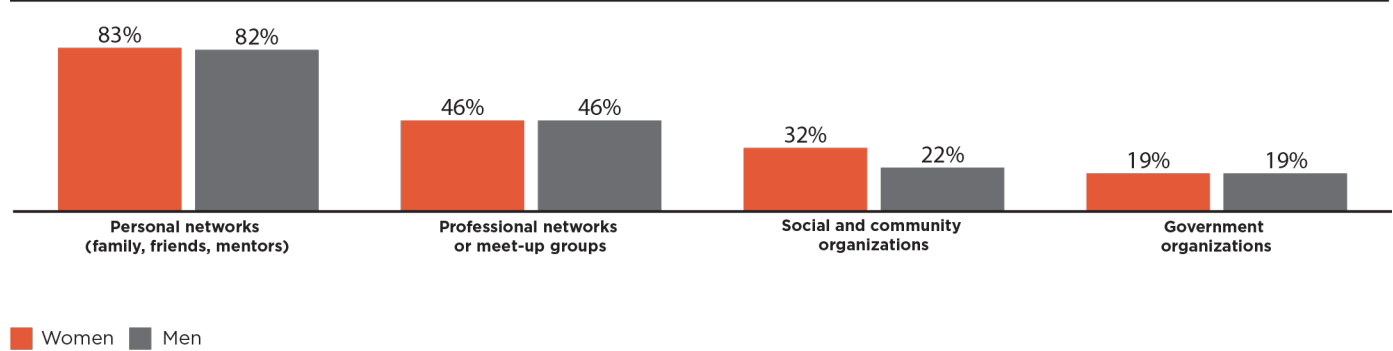


Figure 27: Resources used during start-up

Question: Which of the following resources did you rely on to start your business?

Source: WE NYC Study Notes: N=1,019 women, 634 men ce

One reason women don't often reach beyond their personal networks is the complexity of navigating all of the available information and evaluating its quality. "People don't know where to go," said a Brooklyn-based toy maker. "There's no one-stop shop that lists all free resources." In some cases, women entrepreneurs are simply unaware of available resources.

When asked which resources they use to run and grow their business, 82 percent say they turn to their personal networks frequently (once a month to a few times a year), whereas less than half use outside business services with any frequency (see figure 28). By contrast, men entrepreneurs use their personal networks less frequently but do use business services such as marketing, finance, and accounting services more often.

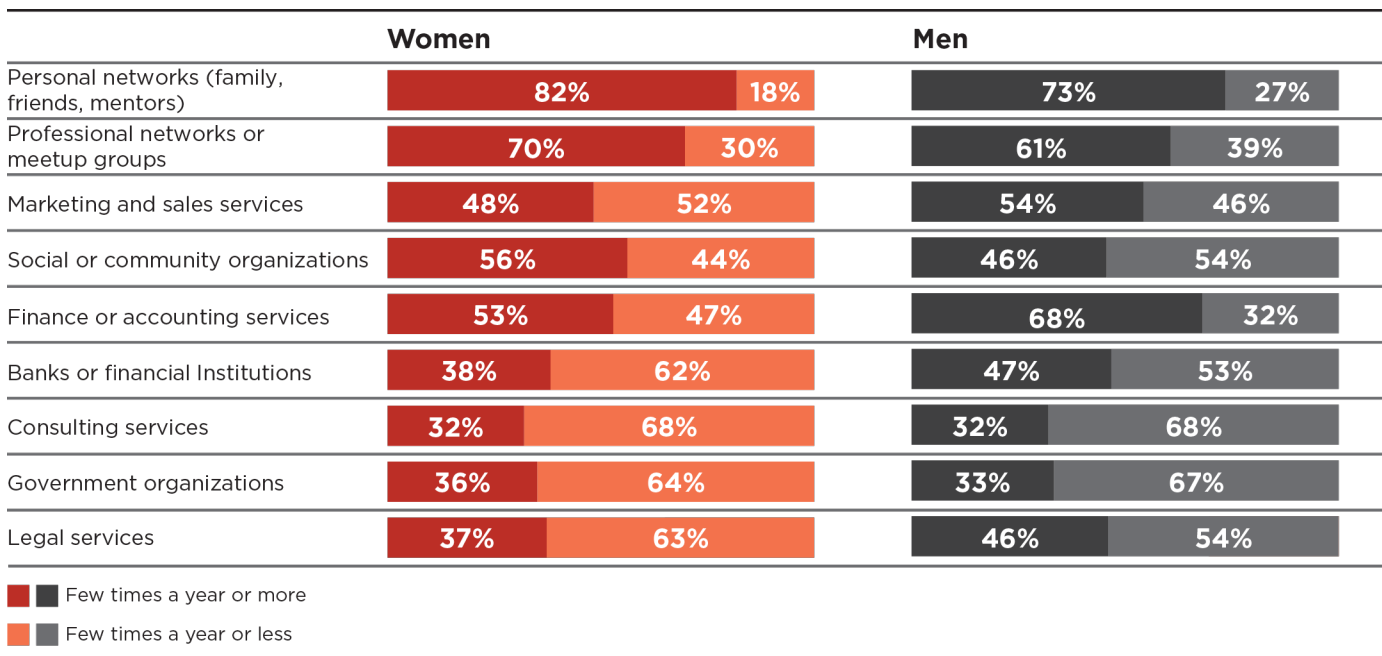


Figure 28: Resources used when running and growing a business

Question: Which of the following resources do you use as you run and grow your business?

Note: Percentages may not resolve due to rounding, Source: WE NYC Study Notes: N=1,019 women, 634 men

Further, nearly 70 percent of women with a household income greater than \$100,000 use finance and accounting services frequently, compared with 43 percent of women with income of less than \$50,000. Similarly, higher-income women use legal and consulting services more frequently. Cost seems to be a major barrier to using these services. As one woman stated during a focus group, “With limited resources, I have to pick and choose where to spend money, and marketing services is simply a luxury I can’t afford.”

Considering these findings and a careful examination of hundreds of available programs, we concluded that three major issues are limiting the effectiveness of existing organizations and the services they offer to women entrepreneurs:

- **Content gaps:** Although many services and programs are available, content gaps to meet the specific skill-building needs identified by women entrepreneurs should be addressed to accelerate their success.
- **Availability of information:** The services available for women entrepreneurs in New York City are fragmented and hard to find. “I would not even know where to start to look for a mentor,” one focus group participant said. Another added, “There is so much information on classes and funding that I am totally overwhelmed. I have no idea what is good and what is not.”
- **Limited accessibility:** Services are not offered equally across New York City, with a gap in coverage of underserved communities. Women entrepreneurs struggle to access some of the services available, as they are not delivered locally. In general, most services are concentrated in Manhattan and more affluent parts of Brooklyn.

The following section examines the available services and the gaps that need to be addressed.

FUNDING ORGANIZATIONS AND SERVICES

Four primary sources of funding that women entrepreneurs can tap into for capital were assessed: commercial banks, alternative lenders, government organizations, and grants. Figure 29 illustrates the availability and high-level eligibility criteria for each of these sources.

	Examples (not exhaustive)	Loan amount	Interest rate / fee	Example eligibility criteria	Availability
Banks (19)	Bank of America Capital One Chase Bank HSBC	\$25k - \$15 million	6% - 8%	<ul style="list-style-type: none"> • Good credit score • Strong business plan • Strong history of revenue • Collateral • Personal guarantee or co-signer 	High
Government organizations (15)	Small Business Administration- backed loans Business Integrity Commission Industrial Development Agency	\$300 - \$20 million	Below market interest rates	<ul style="list-style-type: none"> • Equity / cash on hand • Operational for a period of time • Revenue limits 	Medium
Alternative lenders (25)	Accion Grameen Project Enterprise	\$300 - \$5 million	0% - 30% + Fees	<ul style="list-style-type: none"> • Personal guarantee • Cash flow projections • Good credit standing (e.g. min 525) 	High
Grants (6)	Citizens Committee for NYC Lower Manhattan LDC Blackstone Charitable Foundation	\$100,000 - \$1 million	Free	<ul style="list-style-type: none"> • Vary greatly by type of grant • Operating revenue requirements • Industry / purpose specific • # of employees (e.g. <100) 	Medium

Figure 29: Funding: Program availability

After reviewing 65 organizations that offer grants or loans, it is clear that—at least in theory—women entrepreneurs have ample sources of capital. Major commercial banks such as Bank of America and Citi operate in every part of New York City and offer small business loans from \$25,000 up to \$15 million with market-level interest rates. Of the organizations we evaluated, only nine had programs explicitly targeting women, including Grameen America, Goldman Sachs’ 10,000 Small Businesses, and the Women’s Venture Fund.

For those seeking micro loans (typically less than \$25,000), alternative lenders such as Grameen America and Accion East offer sums as small as \$300 (though at higher interest rates) as well as services such as training and peer support. Peer lending is also opening up as an option. There are, however, fewer alternative lenders and branches than commercial banks.

Government organizations such as the Small Business Administration guarantee small business loans such as the 7(a) Loan Program and the Microloan Program. Administered through lending partners such as Renaissance Economic Development Corporation and BOC Capital, these loans offer below-market interest rates. Renaissance Economic Development Corporation, for example, provides loans of up to \$100,000 with interest rates as low as 4 percent.

Additionally, government and corporate grants exist to help small businesses start or scale up their businesses. Grants are typically designed to support specific economic development interests, so they usually have a very specific focus. For example, the Fashion Manufacturing Initiative provides matching grants to help small manufacturers scale up operations to meet orders, and the Small Business Administration’s Small Business Technology Transfer Program and the Small Business Innovation Research Program target businesses that further the nation’s innovation agenda. Corporate grants are also available. For example, Chase’s Mission Main Street program awards \$100,000 grants to 20 small businesses nationwide each year. With funding provided by Citi, the public libraries of New York, Brooklyn, and Queens (in partnership with the Queens Economic Development Corporation) conduct annual business plan competitions that provide grants to top winners. These grants do not need to be repaid yet often require strict adherence to guidelines and accountability measures and, in some cases, an equity investment in the amount of the grant.

Despite the available sources of capital, women (and men) still cite an inability to access adequate capital as a significant challenge. Interviews with banks, alternative lenders, and government organizations highlighted that many women do not meet the minimum loan criteria for several reasons:

- Loan amounts are too small.
- Credit scores are too low.
- There is a lack of collateral or cash flow.
- The applicant cannot meet equity requirements.
- The business has not been operating long enough.
- The owner cannot make a financial case.

In addition, many women reported they are unaware of the funding options available to them, particularly alternative lenders. Those who are aware of the options often find the interest rates of 8 to 30 percent too high.

SERVICE GAPS

To improve access to capital for women entrepreneurs, several service gaps need to be addressed:

- **Affordable loans.** Micro loans do exist, but the interest rates are often perceived to be too high. Women entrepreneurs need greater access to small loans with affordable interest rates that cater to the financial circumstances of women entrepreneurs, perhaps offering a lower bar for acceptance in exchange for closer monitoring.
- **Credit building.** Credit scores are often a barrier to loan approval. Programs that help women entrepreneurs overcome low credit scores and erroneous reports would be beneficial.
- **Limited accessibility.** Loan programs such as those offered by Grameen America already reach many women in underserved communities but, given the localized nature of its program, can still benefit from expansion to reach even more women.

Training and awareness. While many training programs focus on business and financial planning, women entrepreneurs are often unaware of the options

Underfunding of women's businesses relative to those of men point to a need to either improve those courses' effectiveness or specifically target the training needs of women in this area.



Anna and Oejong, Loopy Mango (Manhattan)

In the Spotlight

Grameen: Micro Loans

The microfinance and community development organization Grameen Bank was founded in 1983 by Nobel laureate Mohammed Yunus. Grameen America was launched in 2008 and now operates in 11 U.S. cities, including six New York City centers.

The problem: Obtaining capital to start or grow a business is the number one challenge identified by most entrepreneurs. The requirements of most traditional lenders—good credit, demonstrated cash flow, and collateral—disqualify many people who are just starting out, especially if they have limited means. As highlighted in the study, more than 50 percent of entrepreneurs ask for less than \$10,000, which is less than most traditional lenders are willing to lend. Micro financing has stepped in to fill this gap, and Grameen America aims to solve this problem for women who are economically vulnerable.

The focus: Grameen aims to alleviate poverty for women by providing micro loans to individuals who might not otherwise qualify for a small business loan. The model, originating in the developing world, has taken root in the United States and has been tailored to fit the needs of this market. Women can take out small loans of up to \$1,500 for a first loan. After each repayment cycle, women can borrow in larger increments as needed to grow their business. To date, the largest amount loaned is about \$10,000.

Unique approach: Grameen builds community support. In lieu of the traditional lending requirements, Grameen aims to nurture long-term relationships and trust with its borrowers. This philosophy is reflected in the group approach: borrowers join in groups of five people. Although group members are not responsible for one another's loans, they play an instrumental role in offering peer support and pressure when needed. Before obtaining a loan, borrowers are required to take a week long financial training class and to open a savings account. Grameen partners with national banks to provide no-fee, interest-bearing savings accounts for borrowers. Groups then meet weekly to network and problem solve with peers, receive ongoing training, and make savings account and loan payments. The WE NYC Team at the NYC Department of Small Business Services has partnered with microlender Grameen America to introduce free credit-building services to their community of more than 27,000 women borrowers in New York City.

Impact: Since its launch in 2008, Grameen America has loaned \$188 million to 28,000 borrowers across New York City. Becky Ashe, director of partnerships and marketing at Grameen America, said the loans are instrumental in helping women build and grow their businesses. For example, a woman who takes an initial \$500 loan could start a business out of her kitchen and then move to a storefront in four to five loan cycles. Additionally, the repayment model is instrumental to building credit and savings. In one credit cycle (about six months), borrowers can raise their credit scores to an average of 670.

SKILL DEVELOPMENT

More than half of the challenges brought up by women in the WE NYC community forums related to skill building, highlighting both a lack of confidence in skills and a lack of awareness about where to turn for help. As with funding sources, the study's review of more than 280 training programs in New York City finds no shortage of skill development programs (see figure 30). About 100 programs in the sample are focused on the skills needed to start a business including: writing a business plan, finance, accounting, and how to obtain funding. Of that group, 17 are targeted exclusively to women, including the Bronx Women's Business Resource Center, the New York Women's Chamber of Commerce, and the Tory Burch Foundation.

Beyond starting a business, many programs focus on marketing, legal matters, and operations management—all important aspects of running a business. However, there is less available on growth topics such as business expansion or hiring and managing people and on leadership skills. Some exceptions include Goldman Sachs' 10,000 Small Businesses and Interise's StreetWise MBA, facilitated by New York City's Department of Small Business Services and other organizations in New York City. These programs address developing personal leadership skills, establishing a business culture, improving operational efficiency, planning for growth, marketing, and pricing.

These programs also provide important opportunities for networking and building communities of peers and potential business associates. However, available programs such as 10,000 Small Businesses and Interise require revenue of at least \$150,000—a threshold that excludes many women entrepreneurs. A recently launched partnership between Tory Burch and 10,000 Small Businesses is geared toward smaller enterprises with at least \$25,000 in revenue in the previous year.

Stage	Training Topics	Sample Classes (not exhaustive)	Providers	Availability
Starting a business	Business plan / starting (42)	Business plan basics, business viability Assessment, 10 steps to starting your own business, building a business	BSCs Alternative Lenders SBDCs	High
	Finance / accounting (39)	Accounting & recordkeeping, quickbooks, cost control, introduction to financial projections, small business financing panel		High
	Getting funding (27)	A roadmap to financing your small business, accessing capital and credit, discover sources of funding, how to finance your business with crowdfunding		Medium
Running a business	Marketing (41)	Basic principles of marketing, how to write a marketing plan for your business, social media development strategy, mastering marketing	BSCs Alternative Lenders SBDCs CoCs BOCs CBOs	Medium
	Legal (29)	Comply with licensing and regulations, legal essentials to doing business, taxes, understanding intellectual property		Medium
	Operations (27)	Inventory control, navigating the corporate supply chain, operations, assistance with franchises, wine basics training, food safety		High
	Sales / negotiations (19)	Bidding strategies workshop, negotiating supply contracts, selling to government, minority and women businesses certification		Medium
	Technical skills (10)	Computer-based bookkeeping, technical assistance, server training, Programming		Low
	Contingency planning (5)	Recession planning webinar, risk management principles, strategic planning and managing risk		Low
Growing a business	Growth strategy (16)	Getting ahead, learn how to grow your business, strategic planning, strategic planning for small businesses	EDCs Fast Trac	Medium
	HR management (13)	Board development, human resources, hiring right!		Low
	R&D (7)	Market research, industry analysis		Low
	Leadership skills (3)	Developing personal leadership skills, soft-skills training		Low
	Procurement (2)	Procurement alliances and compliance		Low

Figure 30: Skill development program availability

Note: SBDC: small business development center. CoC: chamber of commerce. BOC: business outreach center. CBO: community-based organization.

SERVICE GAPS

As stated, skills development programs have gaps in three areas: content, information, and accessibility across New York City. In terms of content, we found the following to be the main gaps:

- **Leadership skills:** Coaching and training on leadership skills is frequently cited as a need. This includes relationship building, time management, and even stress management, with increased self-confidence as an important outcome. Only a handful of classes address this need.
- **Licensing and regulatory requirements:** The complex regulatory and licensing landscape in New York City is never easy to navigate, particularly for entrepreneurs starting out with limited resources. Easy access to thorough and industry-specific information on regulatory and compliance matters is crucial. Some women say that out of the gate, they are unable to get funding because their business plans are not compliant or that they experience significant unexpected costs and delays because they do not understand the requirements up front.
- **Pragmatic, industry-focused business skills:** Few programs offer industry-specific content. Manufacturing is different than a service-oriented business, and business to business is different than business to consumer.

- **Building skills for running and growing a business:** This is the biggest gap in services. Programs that provide skill building on these topics often require revenue of at least \$150,000, a barrier for most entrepreneurs in this study.

In addition to content gaps, our research revealed other areas that need to be addressed:

- **Awareness of existing programs.** Many women simply do not know that services are available. For example, while many women lack knowledge about capital planning and applying for loans, many did not seek out the numerous classes available on the topic.
- **Accessibility across New York City.** Many programs in New York City are offered in Manhattan or Brooklyn. For many women entrepreneurs in other boroughs, access to classes in their neighborhood is crucial. In addition, few classes are offered in languages other than English and, to a lesser extent, Spanish.

In the Spotlight

Strategic Steps for Growth: A Strategy to Grow Your Small Business

Strategic Steps for Growth provides small business owners with the knowledge, networks, and strategy they need to grow their small business.

The problem: As challenging as it is to start and operate a business, it can be even more difficult to grow one. In order to transition from one stage of growth to the next level, business owners must shift their focus from day-to-day operations to the big-picture strategy. The Strategic Steps for Growth program was designed to help small business owners face this challenging transition by giving them the tools to define and strategically implement their vision for growth.

The focus: Strategic Steps for Growth is an executive business management education program designed for City-certified Minority- and Women-owned Business Enterprises (M/WBEs) and media & entertainment entrepreneurs that want to grow their business.

Unique approach: The program provides firms with an opportunity to gain knowledge and experience through an academically-developed curriculum, peer-mentoring groups, practical tips based on real-life business experience, and advice from business leaders. Every lesson is immediately applicable, and entrepreneurs leave the class with a detailed three-year Strategic Growth Action Plan™. The program also helps small business owners expand their professional networks, while accessing a tight-knit cohort of small business owners and experts that become trusted business advisers.

Impact: Since 2010, more than 125 NYC business owners have graduated from the program. Graduates have secured over \$130 million in public contracts, and hired over 800 new employees.

Partners: This program is presented in collaboration with the NYC Department of Small Business Services, the Mayor's Office of Media and Entertainment, the NYU Leonard N. Stern School of Business' Berkley Center for Entrepreneurship & Innovation, and the NYU Leonard N. Stern School of Business' Entertainment, Media and Technology Program.

Mentoring, Professional Networks, and Business Advisory Services

Mentorship, professional networks, and business advisory services are valuable and important factors in the success of entrepreneurs. "Having a good network helps immensely," one woman entrepreneur said during a focus group. "You learn from other's experiences and don't have to reinvent the wheel yourself." A Queens-based architect added, "Mentoring and coaching services are most useful because they help me go beyond my self-imposed boundaries."

Mentoring services are less available across New York City, while professional networks and access to business advisory services are more widespread yet still not easily accessible (see figure 31). Eleven organizations explicitly target women, including United Women in Business, WAM Ventures, and the National Association of Women Business Owners.

	Definition	Sample organizations (not exhaustive)	Providers	Cost	Availability
Mentorship (6)	Structured program which pairs mentors and mentees for a continuous relationship	SCORE The Ben Applebaum Foundation Staten Island CoC Business Mentor NY	<ul style="list-style-type: none"> • Corporations • CoCs • Nonprofit 	<ul style="list-style-type: none"> • Free • \$350 - \$800 annual membership 	Low
Networking (14)	One-off events organized around a certain topic with no formal matching structure of participants	Evergreen Your North Brooklyn Exchange In good company National Association of Women Business Owners United Women in Business	<ul style="list-style-type: none"> • SBDCs • EDCs • CoCs 	<ul style="list-style-type: none"> • Free or part of membership 	Medium
Business advisory (8)	One-on-one counseling on specific business (e.g., how to write a business plan, how to run business operations), financial issues (e.g., how to get funding, how to manage capital), legal issues (e.g., how to incorporate)	St. Nick's Alliance Corporation Renaissance EDC Queens EDC Bronx CoC	<ul style="list-style-type: none"> • SBDCs • EDCs • BOCs 	<ul style="list-style-type: none"> • Free - \$400/h 	Medium
Financial advisory (10)		Start Small, Think Big Queens EDC DB Grant Associates Brooklyn Public Library	<ul style="list-style-type: none"> • EDCs • BOCs • Public Libraries 	<ul style="list-style-type: none"> • Free 	Medium
Legal (13)		City Bar Justice Center Legal Aid Society Volunteers of Legal Services	<ul style="list-style-type: none"> • Law firms • Non-profits 	<ul style="list-style-type: none"> • Pro-bono 	Medium

Figure 31: Mentoring, networks, and business advisory: program availability

Note: SBDC: small business development center. CoC: chamber of commerce. BOC: business outreach center. CBO: community-based organization.

Mentoring: This study defined mentorships as structured programs that pair mentors and mentees for continuous relationship. The nature of these relationships can vary—from one-on-one engagement to peer support to group meetings—but at a minimum, a good mentor helps build confidence and provide moral support, provides deeper business guidance, and offers help in connecting to resources, networks, and customers. One Manhattan-based retailer explained how three mentors had been instrumental to her growth as an entrepreneur: “They believed in me and continue to support me. One was integral to giving me repeat business and helping me to step up to the plate. If she thought I was good enough to do it, I did it. Another mentor taught me to never turn away work, just find a way to fit it all in. The third mentor instilled in me never to procrastinate and always get the job done on time with quality.”

Few structured mentoring programs are available in New York City. Organizations such as SCORE and Business Mentor NY offer mentor matching and online resources for entrepreneurs at no cost, but overall, the options for low-cost or free mentoring programs dedicated to women are limited.

Networks: Professional networks are another vital resources for entrepreneurs. “Professional and informal meet-ups and networking events are essential,” one Brooklyn tech entrepreneur said. “They are my source of leads, clients, and referrals, and they also give advice.”

In the technology industry, ample networking opportunities exist through meet-ups, conferences, and events that occur almost monthly. Outside of that industry, however, networking opportunities typically fall into three categories: those organized by community organizations, those organized as part of incubators and training programs, and those organized by industry or for-profit groups. Community organizations such as Women’s Housing and Economic Development Corporation (WHEDco), borough economic development corporations (EDCs), and chambers of commerce offer periodic merchant and entrepreneur exchanges. Similarly, Hot Bread Kitchen and other training and incubator programs offer periodic networking events. Beyond these, industry associations and networking organizations such as Ladies who Launch offer quality industry- or women-focused events—but at a price that may be out of reach for many.

The women in this study consider these networks important for connecting with potential customers and suppliers. Networks also provide a forum for entrepreneurs to build a community of peers to exchange ideas and stay abreast of industry trends. Women who attended the community forums also expressed that entrepreneurship can be very isolating, and numerous participants asked for more forums to discuss their experiences of being women in business. “It’s empowering to see everyone’s faces at this WE NYC forum. I was afraid to leave work and come, but it is just so exciting to see everyone here. Women need more spaces like this,” said one Manhattan business owner.

However, as highlighted, accessing relevant networks continues to be a structural and personal challenge for women entrepreneurs.

Business advisory services: As one Queens entrepreneur noted, in-depth business advice is crucial but not always affordable or easily accessible. “Hiring business coaches and also business managers have both been very useful because coaches can help you stay on your game and see your blind spots and make sure that you’re progressing toward your goals,” she said. “The managers are helpful because they are like a second brain for your business and help you with day-to-day operations.”

Some forms of business advice and services are relatively easy to access, especially legal, financial, and accounting support. Organizations such as Legal Aid and the New York City Bar provide pro-bono (or low-cost) legal services. The New York City Bar’s Moderate Means legal referral service, for example, offers individuals with a low-to-moderate income legal advisors to help on a range of business issues, including business structure, commercial leases, and contracts. Similarly, financial advisory services are provided through a range of business support centers, including the Brooklyn Public Library and borough EDCs. For example, one-on-one advice on topics such as financial management and budgeting, credit building, and debt reduction is available to entrepreneurs through libraries.

Fewer organizations offer general business advice, and fees for services that provide advice on operational topics, marketing strategy, and growth plans can run as high as \$400 per hour. The borough EDCs, as well as a number of small business development centers and business outreach centers across New York City, provide similar advice at no cost, but they are limited and may not have the industry-specific knowledge needed.

SERVICE GAPS

Several gaps exist in the three areas discussed above:

- **Structured, women-focused mentoring programs.** Affordable programs are not readily available, few are free or low-cost, and they are typically not structured. Users say it is difficult to find and connect with committed mentors who are a good match in terms of personality, expertise, and objectives.
- **Networking.** Similarly, networking organizations and business advisory services are often inaccessible or too expensive, especially in outer boroughs and for low- to moderate-income women. Those that are free or low cost are variable in quality and often don’t address industry-specific needs.
- **Access to professional services.** There is a need for high-quality general business advice and counseling. While services exist for specific legal and financial advice, few affordable resources are available to help entrepreneurs work through growth and operational challenges.
- **Information and accessibility.** Similar to most of the service areas we evaluated, finding the relevant organizations and information is challenging, and services are typically concentrated in Manhattan, limiting accessibility to those in the outer boroughs.

In the Spotlight

ATHENAPowerLink: Business Advisory for Women Entrepreneurs

Founded in 1992 in Pennsylvania, ATHENAPowerLink has grown through a community-based model, which now boasts more than 30 programs across the United States.

The problem: Though it is commonly recognized that mentors and strong networks are vital to the success of entrepreneurs, many women find it challenging to build strong networks and to find relevant mentors. Furthermore, mentor relationships sometimes lack the formality or rigor to provide targeted business advice and to tackle difficult business issues. ATHENAPowerLink was established to solve this problem.

The focus: This program aims to increase the growth and profitability of businesses that are owned by women by selecting and providing business advisory panels with women entrepreneurs. ATHENAPowerLink focuses primarily on somewhat established companies that have been in business for two years with revenue of \$100,000 or more.

Unique approach: ATHENAPowerLink goes beyond typical mentoring relationships by linking women entrepreneurs with a hand-picked panel of business advisors. Members of this advisory panel are selected based on the specific needs of the business owner. The panel and business owner work together over the course of a year in a structured manner with regular meetings that have a clear agenda to address the specific needs of the entrepreneur. Advisors are typically volunteers from the business community. The guidance differs, but participants have benefited from advisor input and help in all areas of their businesses, including evaluating strategies and operations, connecting businesses with a broader network and to new customers, providing accounting and legal advice, assisting in navigating options for capital and business financing, and morale support and encouragement. WE NYC is partnering with graduates of the Rockefeller Fellows program to provide a pilot advisory board to three women entrepreneurs in NYC.

Impact: Many participants say their experience with ATHENAPowerLink changed their lives and transformed their businesses. Women entrepreneurs reported increased sales and growth after their participation in the program. Patti Greene, entrepreneurial chair at Babson College and member of the WE NYC Advisory Council, also cited ATHENAPowerLink as a shining example of how mentoring can be done right.

BUSINESS INFRASTRUCTURE

Affordable working space is a vital need that has proven to be out of reach for many women entrepreneurs. “The biggest challenge was identifying funding sources as well as a commercial space,” one Manhattan healthcare entrepreneur said. “Commercial space is extremely expensive and requires large deposits for securing space.”

Our research finds many services available to help women entrepreneurs gain access to the important business infrastructure they need, including workspaces and capital assets such as kitchen equipment (see figure 32). However, as in other areas, lower-income entrepreneurs in outer boroughs can struggle to access these services either because of location or cost. Ten programs in the sample explicitly target women, including In Good Company, WHEDCo, and Valley Economic Development Center.

Access to affordable business infrastructure such as technical, manufacturing, or production equipment required in capital-intensive businesses was highlighted as a challenge. There does appear to be a relatively strong supply of working spaces and options for infrastructure, but as in other areas, awareness, affordability, and accessibility are seen as obstacles.

	Description	Examples (not exhaustive)	Cost	Availability
Accelerators (13)	A three to four month program for start-ups which includes training, mentorship and funding that allows them to grow rapidly	Ingk Labs Start! NYC Seed TechStarts NYC Blueprint Health	<ul style="list-style-type: none"> • Equity of the company • Royalties 	Low
Incubators (11)	An organization that provides space, some training and mentorship to startups in order for them to develop (e.g. HBK)	Green Corp / Green Worker DUMBO Incubator Greenspaces Incubator South Bronx Business Incubator StartUp Health Academy	<ul style="list-style-type: none"> • Equity (sometimes) • Fees 	Low
Working Spaces (21)	On demand office or desk in a co-working space available for individuals or firms	Hot Bread Kitchen Industry City Green Desk WeWork New Work City	<ul style="list-style-type: none"> • Per day: \$30 - \$40 • Per month: \$300 - \$3000 	High
Co-ops (20)	Work cooperatives which provide individuals with training and ability to work with others in their space	Beyond Care Bookkeeping Coop CHCANY Eco Mundo The Working World	<ul style="list-style-type: none"> • \$10/month • \$25+/year 	High

Figure 32: Business infrastructure: program availability

Accelerators and incubators: Riding the wave of the tech boom in New York City, accelerators, incubators, and co-working spaces have proliferated. As the names imply, accelerators, and incubators are good models for giving young companies the support needed to get off the ground. Most offer a combination of workspaces, business infrastructure, and intensive training, mentoring, and business advice to give them the best possible start. The vast majority of accelerators and incubators are tech-focused. Recently, the New York City Economic Development Corporation supported the establishment of incubators in other industries, including manufacturing, design, fashion, and food.

However, the eligibility requirements, costs, or location of most available organizations put them out of reach for many women entrepreneurs. The Athena Center for Leadership at Barnard College has taken on this challenge by launching the Athena Pledge, an advocacy campaign for incubators and accelerators to have at least 33 percent women-led companies by 2017. Others are creating opportunities for low-income women in particular, including Hot Bread Kitchen, a food-based incubator in Harlem, and Lehman College's Bronx Business Bridge, a small business incubator and working space aimed at serving low-income entrepreneurs in the Bronx (see sidebar: Supporting Low-to-Moderate Income Women to Build Thriving Businesses).

Working spaces: New York City is home to more than 50 co-working spaces. Groups such as We Work have opened locations all over Manhattan, offering workspaces and access to equipment and opportunities for training and networking. Some of these spaces are focused on specific communities. In Good Company, for example, offers workspaces for women entrepreneurs. However, as highlighted, entrepreneurs in this study find a lack of affordable workspaces to be one of the biggest challenges. BXL, a new business incubator and workspaces in the South Bronx, charges rates as low as \$20 per day for workspaces, or under \$200 per month for a membership. It is one of the few that charges below-market rates while also providing a high-quality work environment and access to business incubation services.

Cooperatives: There are more than 20 worker-owned co-ops in New York City, which serve as good models for supporting low-income entrepreneurs. This is especially true for service-based industries that tend to be more informal in nature, such as home healthcare, cleaning and laundry, and childcare. Co-ops such as Si Se Puede for house-cleaners and Cooperative Home Care Associates for home aides typically provide training and access to customers and benefit their members by formalizing their work, thereby creating job stability and a path to business ownership, equity, and asset building. Co-ops fill a gap left by accelerators, incubators, and workspaces in terms of the industries served and accessibility. However, awareness of co-ops remains limited.

SERVICE GAPS

As stated, infrastructure gaps are primarily in two areas:

Affordability: While many options exist to rent workspaces or incubator space with access to office or production equipment, the costs may be prohibitive to entrepreneurs, especially those from underserved communities or who are just launching their businesses.

Accessibility: Most facilities and programs are concentrated in Manhattan and North Brooklyn, making it difficult for entrepreneurs in the outer boroughs to access services on a regular basis.

In the Spotlight

Hot Bread Kitchen: Food Business Incubator

Hot Bread Kitchen was founded by Jessamyn Rodriguez in 2007 to increase economic security for foreign-born and low-income individuals by enabling access to the food industry.

The problem: For entrepreneurs seeking to enter the food business in a professional capacity, the cost of training and access to kitchen equipment is often a barrier. Hot Bread Kitchen creates more access to the tools that food entrepreneurs need to launch and grow their business.

The focus: The program creates opportunities for low-income entrepreneurs who are interested in food through its affordable training and incubator programs. The bakery training program teaches aspiring food entrepreneurs and bakers the key skills of the trade. HBK Incubates combines affordable kitchen rental with a business development program, giving food entrepreneurs a viable option to start and establish their business for two to three years without the cost of building a commercial kitchen.

Unique approach: The incubator program takes an all-encompassing approach to supporting food entrepreneurs. In addition to affordable kitchen space, food entrepreneurs have access to one-on-one business counseling, including financial advising, access to a kitchen consultant, monthly workshops, and entrepreneur exchanges. Hot Bread Kitchen also plays an important role in helping entrepreneurs connect with customers through their retail location in La Marqueta in Spanish Harlem, various green market locations, and an ongoing relationship with Whole Foods. Hot Bread Kitchen periodically organizes pitch sessions where entrepreneurs can present their products to Whole Foods in the hopes of seeing their products on the grocery retailer's shelves. When entrepreneurs land big orders, Hot Bread Kitchen will help ensure their success by advising on how to meet the order requirements and even rallying its staff to help produce the order.

Impact: Hot Bread Kitchen serves 45 food businesses and 30 bakery trainees.

CHAPTER 5 - KEY TAKEAWAYS

Despite the large number of organizations and services supporting entrepreneurs in New York City, gaps remain for women entrepreneurs:

- Availability of information and ease of navigating the process to start a business
- Limited availability within lower-income communities and outer boroughs
- Service gaps, with the following being the most important to close:
 - » Funding. Access to affordable capital that meets the needs of the business and the financial circumstances of the entrepreneur and sufficient guidance on capital planning
 - » Business skill development. High-quality training that addresses leadership skills, industry-specific skills, and pragmatic skills needed to run and grow a business
 - » Mentors, networks, and business advisory. Programs both structured and affordable to connect women entrepreneurs with individuals and groups that can provide one-on-one support, business guidance, and a broader community of business leaders and potential customers
 - » Business infrastructure. Widely available, affordable access to co-working space and business incubators



Noelle Ramos Vasconcelos

ReOrgYou Inc.
Administrative services e-store
Time in Business: 5 years

Other

- Noelle is originally from Cuba and has a background in retail sales, marketing, and PR
- Starting her business happened by accident – after graduation she decided she should try doing what she's good at – organizing work. Therefore she started as a freelancer

Motivation:

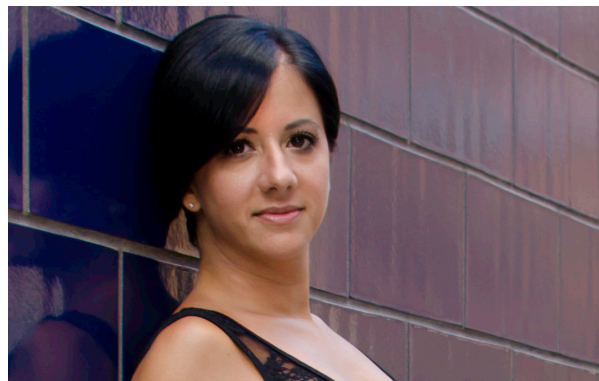
- Wanted to have freedom and flexibility
- Seeing that an idea of hers goes from concept to reality

Challenges:

- Getting clients – it took her 4 years to get her 1st client
- Building a brand was very hard and time / resource consuming
- Then later on she struggled with letting go of clients as she was too stretched

Entrepreneurial Insights:

- "I thought, I'm really good at organizing so why don't I do this professionally"
- "There are so many resources but only now (4 years later) do I have a network of women business owners"



Maria Palmieri

Joel Salsa Dance Studio
Salsa Dance company - Manhattan
Time in Business: 4 years

Other

- Maria worked in marketing and advertising for 7 years
- She finally decided to take the risk and dedicate all her time to the studio
- She started it with her partner Joel

Motivation:

- Tired of someone else being her boss, now she can be her own manager
- Dancing has always been her passion so wanted to dedicate her time to it

Challenges:

- Biggest challenge was making the decision to start, let go of her secure job and not give into social pressure
- Money was a problem but they didn't even think of taking a loan – didn't think it was necessary, wanted to grow organically
- Managing money – splitting personal and professional

Entrepreneurial Insights:

- "We haven't looked for solutions that are available because we have NO time to look"
- On taking risks Maria says "I just had anxiety for weeks" while Joel says he "just went for it"

Chapter 6: Recommendations – Accelerating Women’s Entrepreneurship in New York City

Based on the survey, community forums, and analysis of the landscape of support services available for women entrepreneurs in New York City, the final step is to formulate a set of recommendations to serve as the foundation for WE NYC programs. These recommendations fall into four categories: funding, mentorship and networking, skill development, and information and infrastructure. Where possible, recommendations build on and maximize existing services and infrastructure. Ultimately, the desired outcome is to simplify the process of starting and growing a business in New York City for women entrepreneurs and to create a support system that enables them to thrive.

FUNDING

Access to funding tops the list of challenges for women entrepreneurs when they are both starting and growing their businesses. As such, it is vital to address this need to help women entrepreneurs start and grow their businesses. In addition to ensuring that women entrepreneurs are well-informed about funding options, a number of additional areas are essential:

Facilitate access to affordable loans: Women entrepreneurs need greater access to affordable loans tailored to the circumstances of small businesses, especially in underserved communities. In particular, they need access to better loans terms. First, interest rates for loans of up to \$25,000 should be more attractive (for example, lower than the typical 12 percent or more that is offered by alternative lenders). Financial requirements, such as credit and liquidity, should be less rigorous. Furthermore, in lieu of financial requirements, women entrepreneurs would benefit from additional business advisory and mentoring support as a means to mitigate potential credit risks, similar to the United Kingdom’s Start Up Loan program. In addition to loans through traditional banks or alternative lenders, peer lending and crowdfunding are emerging as important sources of capital for women entrepreneurs. Educating women about these options can help open viable new sources of capital.

Connect women with credit-building services: Loan rejection based on poor credit ratings is common for many women entrepreneurs. Credit building services would help women gain access to loans, many of which—including micro loans—depend on business history, personal credit, or both. Connecting women with lending programs that allow them to build credit, such as Grameen America, would be valuable in helping women build their businesses.

Offer financial education and training: Women entrepreneurs need more comprehensive training and awareness about capital planning to help them create a long-term financial road map, understand capital requirements at different stages of the business, and develop a plan for combining various sources of capital to meet the needs of their business. Additional programs that focus on how to launch successful crowdfunding or peer-lending campaigns could also help women entrepreneurs maximize the potential of these sources of capital.



Jane, Foxy and Winston (Brooklyn)

In the Spotlight

Start Up Loans: Funding for New Businesses

Launched by the UK government in 2013, Start Up Loans is a government-funded program to provide advice, business loans, and mentoring to new businesses.

The problem: More than 70 percent of entrepreneurs cite funding as a challenge. As highlighted in the challenges chapter, entrepreneurs may have difficulties meeting loan requirements from traditional lenders or may find interest rates predatory. The UK government's Department for Business Innovation and Skills launched Start Up Loans to make access to affordable capital easier for UK-based entrepreneurs.

The focus: Start Up Loans provides loans of £2,000 to £25,000 (with a 6 percent APR fixed interest rate) to entrepreneurs looking to launch a business or with businesses that are fewer than 12 months old (or 24 months in special cases). The program focuses on providing recourse and funding to entrepreneurs who may have been refused traditional bank loans and, perhaps most importantly, at interest rates that are not two times conventional business loans.

Unique approach: Start Up Loans operates through a network of delivery partners that administer the loans and provide business support throughout the stages of launching and running a new business. Loan seekers receive support from a business advisor to complete their business plan and cash flow forecast. Participants are assigned a mentor and receive a minimum of five hours of mentoring over a year. Start Up Loans hosts a variety of skill-building workshops and provides a helpful information portal with a start-up tool kit, resources, templates, and online guidance for all stages of launching a business. Delivery partners provide their own value-added services. For example, Virgin's Richard Branson, a strong supporter of entrepreneurs, launched Virgin StartUp as a delivery partner to the umbrella program. In addition to the core StartUp loan services, Virgin provides media exposure through its various digital outlets and offers on Virgin services.

Impact: Since launch, Start Up Loans backed 28,000 businesses and loaned £150 million. The average loan is £5,000. Also, 46 percent of entrepreneurs backed were previously unemployed. Over the life of the program, only 10 to 15 percent of companies have stopped trading, compared with the national average of 50 percent of businesses that fail in the first two years. The program has had a positive economic impact: the 27,000 companies launched created 37,000 jobs, and for every £1 GBP loaned, £2.86 was returned to the government.

MENTORSHIP AND NETWORKING

Mentoring programs are the biggest gap in available services. Access to mentors with the right skills and expertise is something that most women in our study say is highly valuable, yet they struggle to find such resources. In addition, networking events, which are more readily available, are highly valued by women entrepreneurs, but there are many opportunities for improvement.. As such, the following steps are recommended:

Create a structured mentoring program to facilitate access to professionals with specific areas of expertise leveraging the breadth and depth of industry expertise in New York City's private sector. To maximize the value of the mentoring relationships, the program should not only focus on matching entrepreneurs and mentors but also on training mentors and mentees.

Establish an advisory board program similar to Athena PowerLink, in which two to three professionals with specific skills are assigned to act as an advisory board for an entrepreneur for one year. New York City has all of the characteristics needed to make this type of program a success. Although this model is labor intensive and potentially difficult to administer, the benefits could be transformative for women entrepreneurs.

Create and host networking events that bring together women entrepreneurs with peers and potential customers. In the interviews conducted for the WE NYC study, women entrepreneurs frequently said networking events were valuable.

In the Spotlight

Women's Housing and Economic Development Corporation (WHEDco): Childcare Microenterprise Program

WHEDco provides residents of the south Bronx with the resources required to build a vibrant community, including affordable housing, quality childcare, fresh food, and economic opportunities.

The problem: Low-income entrepreneurs, especially those starting micro-enterprises, typically have limited access to the resources they need for their businesses, including training, networking, and access to customers. The Women's Housing and Economic Development Corporation (WHEDco) aims to fill this gap through its small business programming.

The focus: The Childcare Microenterprise Program focuses on supporting entrepreneurs with home-based childcare businesses. Focused on legally exempt childcare providers, WHEDco conducts screening to ensure compliance with health and safety standards and provides training and licensing assistance. The New York State Office of Children and Family Services awarded WHEDco the contract to screen all unlicensed caregivers who receive subsidies for children on public assistance. WHEDco's goal is to help these caregivers become licensed.

Unique approach: Through its Home-based Childcare Training Institute, WHEDco aims to raise the bar of early childhood education in informal childcare environments. The program also helps women build valuable professional and business skills, giving childcare entrepreneurs the confidence to seek licensing that will enable them to grow their businesses. As members of WHEDco's affiliate network, entrepreneurs have ongoing access to professional development and technical assistance, as well as access to a referral network for parents seeking childcare.

Impact: WHEDco screens more than 45,000 legally exempt childcare providers and trains more than 500 childcare providers each year. The 400 WHEDco-affiliated childcare providers make on average of \$40,000 per year.

SKILL DEVELOPMENT

As outlined in chapter 2, less than a third of survey participants considered themselves proficient in core business skills such as accounting or sales and marketing. Although many classes are available in New York City, the classes tend to focus more on starting a business and less on running and growing a business. They are also not equally available across the five boroughs. These lessons point to the following recommendations:

Build on the existing breadth of training offerings to build (or create more awareness of) tailored curricula for women entrepreneurs, focusing on gaps such as operational and growth topics and practical sales and marketing skills such as pricing and responding to government and private sector RFPs. When possible, training should be offered in an industry-specific context.

Create programs that focus on leadership and management skills, including confidence building, establishing and developing lasting client relationships, and managing people.

In the Spotlight

10,000 Small Businesses: Training Program

Launched by Goldman Sachs, 10,000 Small Businesses is a \$500,000 investment to support entrepreneurs, with the ultimate goal of spurring economic development and job growth.

The problem: As cited in the study, more than half of women entrepreneurs do not feel proficient in their core business skills, and many said much of the available training does not equip them with the pragmatic skills they need, especially as they move beyond the launch phase. The 10,000 Small Businesses program was created to help entrepreneurs with this issue.

The focus: 10,000 Small Businesses helps entrepreneurs manage and grow their businesses, with the goal of helping them take their businesses to the next level. The program provides three services: practical business skills training, access to capital, and a network of mentors and peers. Eligibility for the program requires two years in operation to ensure that skills learned can be immediately applied.

Unique approach: A key differentiator of the 10,000 Small Businesses program is its education curriculum. Created by Babson College, the curriculum focuses on practical skills that entrepreneurs need to run their businesses, identify and implement changes to improve their business operations, and identify and take advantage of growth opportunities. Additionally, the curriculum targets some of the common challenges entrepreneurs face. For example, many study participants cited their challenges in separating themselves from the day-to-day operations to focus on growing the business, along with reluctance to hire people because of fears related to losing control. The 10,000 Small Businesses Program provides training and guidance on how to make the transition from “doer” to leader and to manage teams and instill a strong culture. Also, the curriculum tackles the challenge of accessing capital by educating entrepreneurs about financing options, providing training on how to assess capital needs and how to present themselves to financial institutions to be more bankable. The cohort-based approach convenes a group of entrepreneurs over nine modules, during which they have ample opportunity to network with one another and with advisors and mentors. WE NYC partnered with 10,000 Small Businesses in New York City.

Impact: 10,000 Small Businesses rigorously measures the performance of its participants. Its latest annual report highlighted that 64 percent of participants reported an increase in revenue, 45 percent reported creating new jobs, and thanks to strong networking opportunities, 80 percent reported doing business with one another.

INFORMATION AND INFRASTRUCTURE

One of the key findings from the study is that information about resources available for women entrepreneurs is difficult to find. Frequent comments from women entrepreneurs in interviews and community forums include “I wish there was a central directory or database that I could use to find out what services are offered ... and where I can meet other women entrepreneurs in my borough” and “I don’t even know where to start.”

Two recommendations focus on access to information:

Create a digital portal that gives women entrepreneurs easy access to the information and resources they need at all stages of starting and running a business. This WE NYC site would serve as a mechanism to both promote women entrepreneurship and simplify the process for starting and running a business.

An information portal can create a clear pathway for women entrepreneurs who are starting a business. Similar to the newly launched San Francisco Business Portal, a site that guides entrepreneurs step by step through starting a business—including links to resources, information and tips, and industry-specific guides—can be very valuable. Given the overwhelming volume of services in New York City, this portal will be most effective if, in addition to providing a directory of all available resources, it helps women make decisions by featuring recommended resources.

Create WE NYC ambassadors: WE NYC will benefit from bringing its information-based resources into the physical communities through WE NYC ambassadors. This would include individuals who have deep knowledge of the available resources and requirements to start and run a business. They should be positioned within community-based organizations in neighborhoods and communities currently underserved by existing support services.

In the Spotlight

San Francisco Business Portal: Access to Information

The San Francisco Business Portal was launched in November 2014 as a collaboration between the Office of the Mayor, the Office of Small Business, the Office of Economic and Workforce Development, and the Department of Technology.

The problem: When navigating the complex landscape of resource providers, licensing and permit requirements can be daunting and nearly impossible for aspiring entrepreneurs.

The focus: San Francisco launched a program to simplify the process of starting, running, and growing a business in the city. The objective was to bring together a complex set of information in a way that was easy to digest and easy to navigate.

Unique approach: With the help of a design firm, San Francisco took a human-centered approach to designing the website. To create an easy-to-navigate experience, the city interviewed potential users to understand their needs and then mapped the customer journey. The result is a portal that takes people step by step through the process of starting a business, including clear instructions, links to forms, helpful tips, and links to recommended resources.

Access to industry-specific start-up toolkits and licensing and permitting requirements enhance the ease with which entrepreneurs can quickly get to the information they need, understand all of the requirements to launch their business, and minimize the risk of unknowns that could result in costly mistakes or delays.

Access to affordable workspace and business infrastructure was also cited as a common need. However, as suggested by the landscape of service providers, this need is not yet met in neighborhoods and at the price points that WE NYC participants require. While there is no shortage of workspace in New York City (especially in Manhattan), location and affordability are major barriers.

Two recommendations will help close this gap:

Encourage development of more affordable incubators and workspaces: The New York City Economic Development Corporation has already invested in creating more incubators and workspaces addressing specific industry, community, and affordability needs. Bronx Business Bridge and BXL are both good examples of emerging lower-cost workspaces. Women entrepreneurs need greater awareness of the current and future options that meet their needs.

Connect WE NYC participants to incubators and workspaces: Connecting more women entrepreneurs to incubators and workspaces is a practical near-term solution to make these types of programs more accessible. In addition to making information about options more available, one approach is to sponsor access to WE NYC participants after completion of a program. This is a common practice in technology accelerator programs, giving entrepreneurs a “runway” to establish their businesses without incurring rental costs and allowing them to tap into the community that a workspaces offers. On a selected basis, WE NYC could explore sponsoring additional workspaces with NYC EDC or existing for-profit entities, especially in underserved communities. Such workspaces should have targeted programs for low-to-moderate income women entrepreneurs, similar to the Renaissance Marin small business development program. Where the gap is location, such as in Queens or outer Brooklyn, new workspaces are required and could be jointly developed with NYC EDC and local community organizations.

Finally, as discussed in chapter 5, geography is a significant gap in services. Most services are available in Manhattan and downtown Brooklyn, but they are less available in the outer boroughs and languages other than English. The importance and value of delivering services in the communities where women entrepreneurs live came across loud and clear in this study. As such, WE NYC’s new programming should focus on offering services across New York City—meeting women where they are. The community forums that took place as part of the study are a great example of what can be achieved when reaching out to women in their communities.

In the Spotlight

Renaissance Marin: Business Incubation and Affordable Workspaces

Renaissance Marin is a non-profit small business development program launched in 2012 as a partnership between Renaissance Entrepreneurship Center and the Marin Community Foundation.

The problem: The high cost of real estate is a barrier for many entrepreneurs to acquiring an office. While the co-working space is booming, the costs may still be too high for entrepreneurs in low-income communities, or availability in their communities may be limited.

The focus: The mission of the umbrella organization, Renaissance Entrepreneurship Center, is to “increase the entrepreneurial capacities of socially and economically diverse women and men, and thereby strengthen our communities through the creation of sustainable new businesses, new jobs, and the promotion of financial self-sufficiency.” Renaissance Marin offers a range of business services, including business incubation, drop-in co-working office and kitchen space, training, and business counseling.

Unique approach: For both the incubator programs and co-working space memberships, Renaissance Marin promotes a cooperative and collaborative environment with five factors they consider vital to entrepreneurial success: connective networks, timely informational forums and hands-on classes, consultative and mentoring services, technical business assistance, and financial services. Many of the above services are included in the memberships, which are subsidized at below-market rates. Members must qualify as low to moderate income, and the center prioritizes entrepreneurs with fewer than two years of experience. The recently launched Bronx Business Bridge at Lehman College and BXL Business Incubator in the south Bronx provide similar services to underserved communities. Both incubators were launched with sponsorship of the New York City Economic Development Corporation.

FILLING IN THE GAPS AND NEXT STEPS

WE NYC is a tremendous opportunity—a chance to support women entrepreneurs in New York City in a variety of ways. Focusing on the gap areas identified in this study, improving access and information around existing programs and infrastructure, and engaging the wider community in New York City through various forms of public-private partnerships can help women entrepreneurs become an even stronger economic engine for New York City and its communities.

Areas for Further Research

In addition to the findings presented in this report, this study pointed to three potential areas for additional research:

- Conduct a detailed study of all available funding programs to assess the need to leverage WE NYC’s capacity to offer funding that targets women entrepreneurs.
- Examine available talent markets and services required to support women entrepreneurs in expanding their access to talent.
- Examine the landscape of women entrepreneurs beyond registered businesses to assess how best to support this population.

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