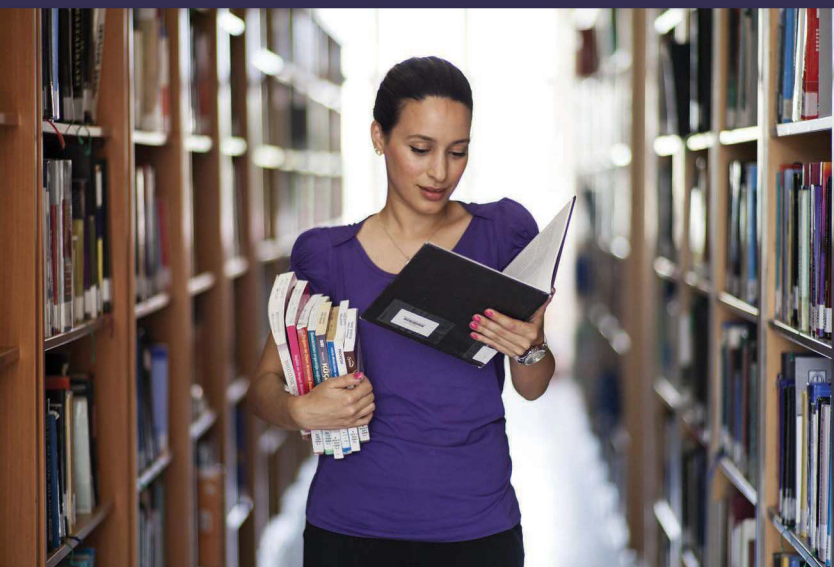




# 2022

## COVID-19 IMPACT ON WOMEN-OWNED BUSINESSES



**THE ISSUE**

Women’s participation in the workplace is critical to every community’s economic success, but systemic inequity prevents women entrepreneurs from fully contributing. Crisis exacerbates the consequences of inequity but we lack enough specific data to inform targeted solutions.

**Barriers**

Limited access to critical resources

Disproportionate care-giving burdens

**Consequences**

COVID-19 permanently closed 26% of women-owned businesses vs 20% of men-owned businesses during Feb-Apr 2020

- National Bureau of Economic Research

Many of the hardest hit and slowest recovering industries have a high proportion of women-owned businesses



**Female founders already do more with less**



Nationally, they **receive just 2%** of all venture capital funding.

- Crunchbase 2020



But deliver **2x more** revenue per dollar invested than men.

- BCG 2018



Women leading tech enterprises achieve **35% higher return** on investment than men.

- Forbes 2019

**We are under-utilizing female enterprise**



Women own **39% of private companies** and **23% of small businesses.**



But can only contribute **4% of national revenue** and **8% of jobs.**

- American Express 2019

**We cannot allow this pandemic to set back a generation of entrepreneurial women.**

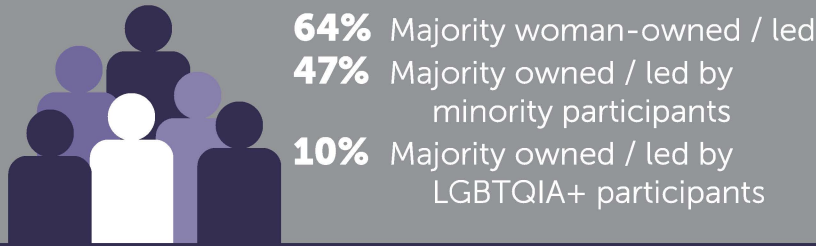
Suzanne Clark  
President  
U.S. Chamber of Commerce

## THE PROJECT

We surveyed small business owners and leaders statewide to help California decision-makers understand which issues most urgently impacted California’s small businesses. Our process was specifically designed to inform targeted actions that break down systemic barriers to equitable success.

## THE SAMPLE

### Participating Business Characteristics



#### Most Common Types

*Sole Proprietor, Partnership, Self-Employed*

**42%** Women  
**34%** Men

*S-Corporation*  
**23%** Women  
**29%** Men

*LLC (Limited Liability Corporation)*  
**17%** Women  
**20%** Men

**Majority Business Age**  
**10+** Years



#### Most Common Industries

**9%** Education, Restaurants / Food Service, Retail

**8%** Healthcare

**7%** Leisure / Hospitality / Tourism, Personal Care

**Average Change in Revenue 2019-20**  
+\$55,910

**Change in Total Number of Jobs 2019-20**  
-5,635



### Remote Work for Employees Since March 2020

*More than half of the businesses adopted or continued remote work*

**15%** women moved  
**76-100%** of their company’s operation to remote vs **9%** men

**28%** will allow remote work 3+ days / week

Admin positions most likely to continue working remotely:

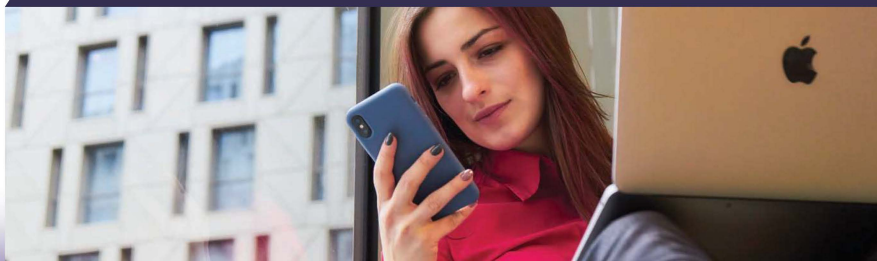
**IT / Help Desk**

**Marketing / Advertising**

**Legal / Compliance**

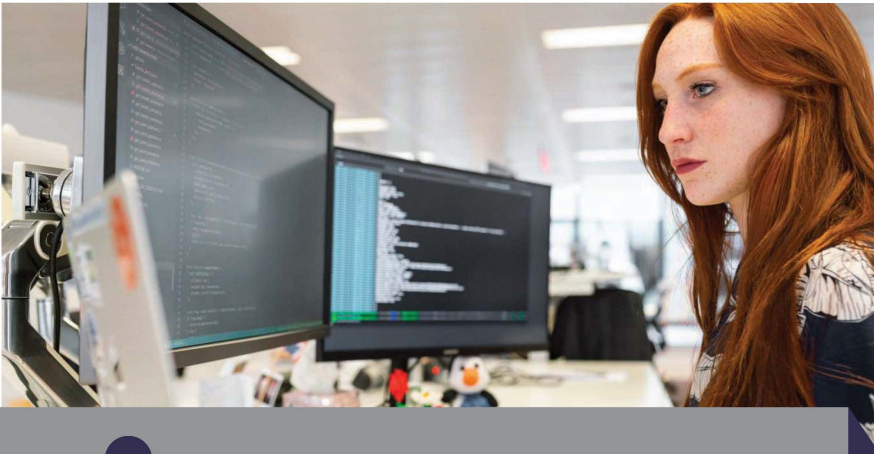
### COVID-19 Impact on Jobs Since March 2020

**26%** of businesses laid off workers



**THE PROJECT**

**THE SAMPLE** (Continued)



**Participant Characteristics**  
**1,420** Survey Participants



**Most Common Positions**

- 49%** Owner / Co-Owner
- 13%** Sole Proprietor
- 10%** CEO

Half derive **76-100%** of their household income from their business

**18%** manage a disability / chronic physical or mental health condition

**6%** are veterans



**Caregiver Status**

*Almost half are responsible for dependents*

- 26%** for children <18 years old
- 16%** for at least one adult 18+ years old (parent, partner, child, etc.)

**Sandwich Generation:**

- 6%** care for both (2x as many women (**6%**) as men (**3%**))

**57%** of women caregivers are women of color



**Gender Identities**

- 65%** Cis Female
- 34%** Cis Male
- 1%** Non-Binary or Transgender

**Most Common Races / Ethnicities**

- 53%** White
- 22%** Hispanic or Latinx
- 12%** East / Southeast Asian
- 12%** Black, African American, or South African

**Most Common Primary Languages**

- 83%** English
- 8%** Spanish



**OUR FINDINGS**

Since March 2020, women-owned/led businesses have faced significant disadvantages compared to men-owned/led businesses in accessing critical resources for sustainability and success. Women of color and primary caregivers (predominantly women) particularly benefited less from available funding than other groups as well as juggling greater non-work related demands on their time.

**ACCESS TO CRITICAL ASSISTANCE**



**Financial Assistance**

**80%** of participants requested government relief funds since March 2020

**Most helpful:**

- California Venue Operators Grants
- Paid Sick Leave & Paid Family Leave Credit
- Employee Retention & Rehiring Credits
- Paycheck Protection Programs (PPPs) & Loan Forgiveness
- California Relief Grants

**However, women of color were less likely to apply than white women or all men**

**28%** women of color didn't know how to apply

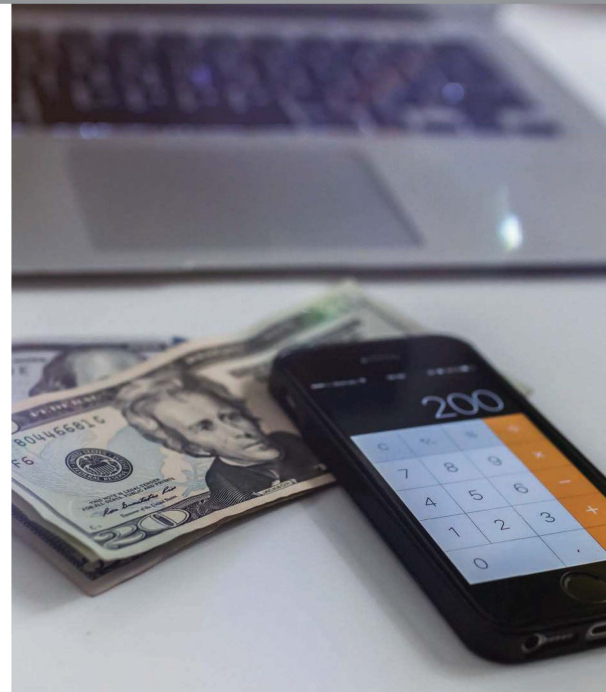
**8%** didn't trust the validity or legitimacy of the programs

**Women of color (13%)**

received less assistance from banks or financial institutions than **men (22%)**

Women of color relied more on assistance from **family / friends (58%)** than **white women (38%)** or **all men (40%)**

**Community spirit.** Many participants refrained from applying for government relief fund because "others need help more."



**When the system works**

**Thanks to tremendous help from SBDC, SBA, and PPP, my business is saved.**

Survey Participant

**When the system fails**

**Women of color (18%) were denied relief funds 2-3 times more than men (9%) and white women (6%)**

**OUR FINDINGS**

**ACCESS TO CRITICAL ASSISTANCE** (Continued)



**Other Assistance**

(e.g., new health rules, employee safety, new target markets)

A third of participants received other assistance, mostly from Small Business Development Centers

Women particularly relied on Women’s Business Centers and Small Business Administration offices, receiving less assistance than men from Small Business Development Centers or business bankers

**COVID IMPACT ON OPERATIONS**



**32%** businesses have returned to pre-pandemic operating levels or will recover within 6 months

**44%** will take 6+ months to recover

**19%** doubt they will ever recover

**Women of color will fall further behind**

Almost half of **women of color (47%)** will need **6+ months** to recover vs **38% of white women**

More than half of **women of color (57%)** saw decreased demand for their products / services vs **48% of white women**



**RACISM**

**70%** of participants and their businesses have not experienced race-related discrimination or harassment in the pandemic environment

But **10% of women of color** and their businesses were targeted

**IMPACT ON CAREGIVERS**



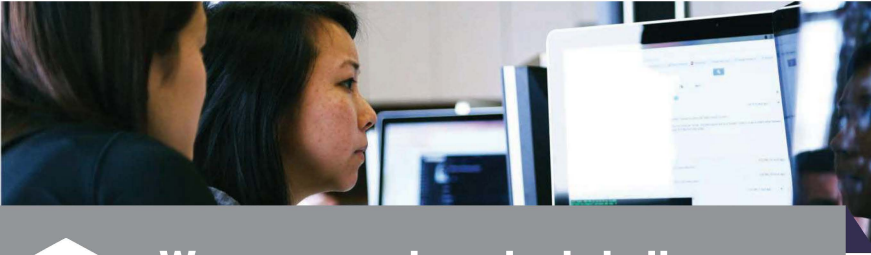
**Most caregiver participants spent time during their typical workday on children or other dependents during 2020-21**

However, half of women caregivers spent **5+ hours / workday** vs **35% men**

Furthermore, **55% women of color** spent **5+ hours / workday** vs **43% white women** and **35% all men**

## OUR FINDINGS

### IMPACT ON CAREGIVERS (Continued)



#### Women caregivers had challenges with government relief programs

**17%** found the Paid Sick Leave and Paid Family Leave Credit *Not At All Helpful* vs **0%** **non-caregivers**

**20%** found COVID-19 Economic Injury Disaster Loans (EIDL) *Not At All Helpful* vs **11%** **non-caregivers**

**28%** did not know how to apply vs **14%** **non-caregivers**

**10%** did not apply because they distrusted the validity or legitimacy of the programs vs **2%** of **non-caregivers**

**Caregiving owners / leaders (32%)** were more likely to have employees who reduced work time to meet greater caregiving demands at home vs **non-caregiver owners / leaders (19%)**

**48% caregivers** say their businesses will need **6+ months** to return to normal operating levels vs **40% non-caregivers**

## RESILIENCE

Women adapted differently from men, being more likely to transition to remote work, increase marketing efforts, and improve safety for customers and employees

**Women of color** were the least likely to lay off workers vs **white women** or **all men**

**48% of women** caregivers adjusted their products or services to remain relevant

**A third of women caregiver participants are single, increasing their potential for burnout**



## CONCLUSIONS

We are grateful to be able to provide uniquely actionable data about pandemic hardships endured by small business owners in our own state. The ramifications to California’s economy and family well-being are huge, given that 99.8% of our businesses are small enterprises which employ 48.5% of our total workforce (U.S. Small Business Administration 2021), and half of our participants derive 76-100% of their household income from their enterprise.

This study also illuminates how crisis exacerbates existing vulnerability. Women have historically been denied fair access to critical resources for success, especially capital, and are still burdened by society’s expectation that they shoulder the lion’s share of caregiving responsibilities. Furthermore, they are least likely to receive key information about available resources for sustainability.

**Women of color (30%) are less able to invest new owner equity into their businesses than white women (41%) or all men (43%)**

COVID-19 starkly demonstrated how these disadvantages limit the sustainability, recovery, and growth of enterprises owned/led by women at multiple intersections of identity, notably women of color who are primary caregivers.

Yet, women-owned businesses have enormous potential to electrify California’s economy with new revenue and jobs, considering we have the most women-owned firms in the country (U.S. Census Bureau). Their numbers increased 58% from 2007-18, FIVE times quicker than all U.S. businesses on average (American Express 2018), and Black women’s enterprise is growing the fastest (Forbes 2020). Overall workplace gender parity could increase California’s GDP by \$272 billion, or 9% (McKinsey 2016).

## CALL TO ACTION

### Stakeholder Groups Include:

- Business associations
- Trade groups
- Policymakers
- Banking institutions
- Investment fund managers

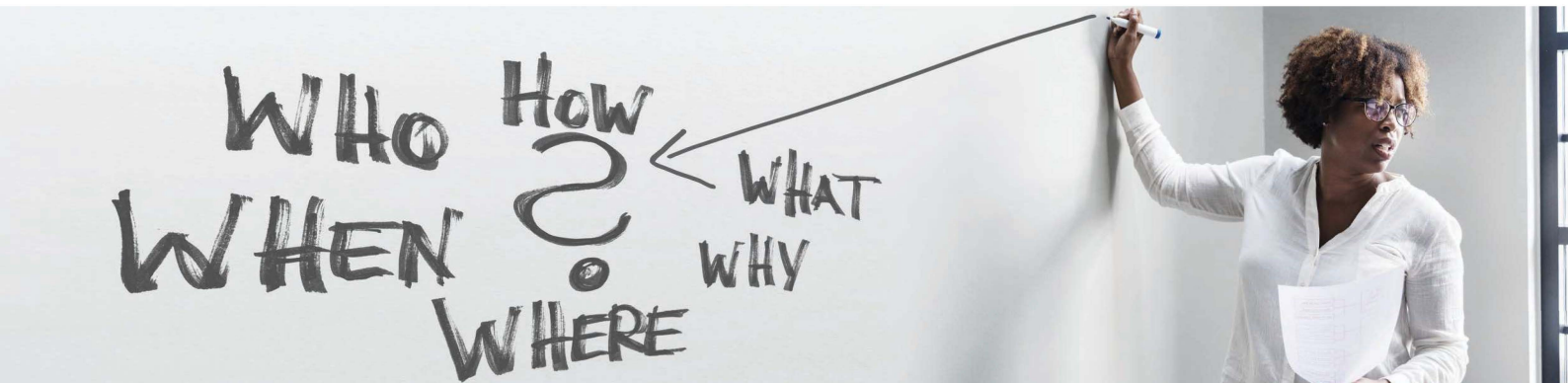
### Goals Include:

Make sure women at all intersections of identity get fair consideration for business capital

Rebuild social expectations and support structures for caregivers

Increase / improve communication channels about resources to women of color and caregivers

Policymakers, small business advocates, and other stakeholder groups have a pivotal opportunity to heighten the resilience and innovation of California’s small business ecosystem by elevating cultural transformation to a statewide priority. In doing so, we can establish California as an economic and social powerhouse on the national scale. Our success depends on working together to dismantle discriminatory systems and rebuild our culture to level the playing field for all deserving populations.





**ABOUT PARTNERS**



U.S. Small Business Administration  
 Funded in part through a cooperative agreement with the U.S. Small Business Administration.



Funded in part through a Grant with the Governor's Office of Business and Economic Development.



The California Office of the Small Business Advocate (CalOSBA) within the Governor's Office of Business and Economic Development supports economic growth and innovation and ensures that ALL California small businesses and innovative startups have the information and direct support they need to better navigate resources, programs, and regulations. CalOSBA serves as the voice of small businesses, representing their views and interests across the state and advocating for equitable access to capital, markets, and networks so that all California small businesses successfully start, manage, grow, and become more resilient.

**Tara Lynn Gray**  
 Director  
 calosba.ca.gov



California's Women's Business Centers (WBCs) work to secure economic justice and entrepreneurial opportunities for women by supporting and sustaining a statewide network of WBCs. These centers help women succeed in business by providing training, mentoring, business development, and financing opportunities to thousands of women entrepreneurs each year.

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**KIM CENTER**  
 FOR SOCIAL BALANCE

The Kim Center is transforming San Diego into a trailblazing model of economic and social leadership that can be replicated in other regions throughout the nation. Collaborative local action informed by local data is essential to cultural transformation, so we unite key stakeholders around our LEAPS Assessment, Playbook, and national Accreditation.

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The California Small Business Development Center (SBDC) is five regional networks with over 45 small business service centers leading the charge in providing tools and guidance needed to help entrepreneurs realize their potential. California's SBDC network is devoted to helping all industries and all levels of businesses with accessing capital, human resources, marketing efforts, e-commerce, financial management, pivoting strategies, or any other business need.

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Researchers: UC San Diego Center for Research + Evaluation, Kim Center for Social Balance

**OUR METHOD**

- Online survey sent by email and social media**
- 60 questions, including 1 open-ended question**
- Participants recruited from members/followers of partner organizations**
- Analyses compare responses of all women to all men, and women of color to white women to all men**

