



Proponent Testimony – House Bill 103
Mary McCarthy, Owner, Your Management Team
Ohio House Economic and Workforce Development Committee
April 15, 2015

I would like to thank Chair Baker, Vice Chair Romanchuck, Ranking Member Smith and members of the House Economic and Workforce Development Committee for the opportunity to provide testimony in support of House Bill 103 – creating Ohio Women’s Week for Policy and Entrepreneurship.

My name is Mary McCarthy and I am the owner of Your Management Team, an early-stage entrepreneurial consulting firm focused on assisting entrepreneurs develop and grow their business concept, and I am a co-founder of the Women’s Small Business Accelerator which is an incubator program specifically focused on developing and mentoring women business owners. The Women’s Small Business Accelerator is the first of its kind incubator program within Ohio and surrounding states.

I am here today as an entrepreneur, a woman-business owner, and a representative of NAWBO (the National Association of Women Business Owners) Columbus Chapter. I am proud to announce that the Columbus Chapter of NAWBO is the third largest (and very close to second largest) chapter of NAWBO in the United States.

We would like to thank Representative Pelanda and Representative Kunze for introducing House Bill 103 to recognize the second week of March as Ohio Women’s Policy and Entrepreneurship week; to create a women’s policy and entrepreneurship committee; and to plan a two-day forum and competition dedicated to acknowledging women entrepreneurs and our impact on Ohio’s economy. Having a week dedicated to women’s businesses should bring with it an important awareness of the needs of very small and micro-businesses owned by women and a consideration of how “small business” should be defined in Ohio.

Women business owners have come a long way since 1988 when Ronald Reagan signed HB 5050 (also known as the Women’s Business Ownership Act) into law. Before 1988, women still needed a man’s signature to qualify for a business loan, even if the male was not associated with the business.

Currently there are an estimated 9.1 million woman-owned businesses, employing nearly 7.9 million workers, generating over \$1.4 trillion in revenues. Woman-owned businesses account for 30% of all business enterprises. While these statistics are impressive, we still have much to do. In fact, during the past seventeen years we have not increased our economic clout. In 1997, the average woman-owned firm had 11 employees



in addition to the owner and \$151,129 in revenues. Seventeen years later, the average woman-owned firm employees 0.9 employees in addition to the owner and generates \$155,267 in revenues.

Women business owners need mentoring, guidance, and strong female role models. House Bill 103 recognizes the importance of woman-owned businesses to Ohio's economy, but I would like to bring to your attention a couple of additional items that this committee may want to consider as you deliberate on House Bill 103. The bill offers the winner of the competition an appointment as an Entrepreneur in Residence and a seat on the newly created Women's Policy and Entrepreneurship Committee.

1. We applaud the suggestions in HB 103, but recommend that the bill narrow who can apply to the competition by defining the size of the business and the number of years in operation in order to be eligible. The change would recognize some of the challenges that true, small, women-owned entrepreneurs encounter when working to build their business. For example, a woman business owner would be eligible if they have been in business a minimum of three years with at least three employees on payroll (including the owner).
 - Start-up business owners typically are unable to step out of their business to volunteer their time without potentially harming their revenue and growth. Also, business owners who have been in business for at least three years have more knowledge to impart, as well as a greater understanding of what they need in order to gain, as well as provide, the greatest benefit.
 - Also, we would like the Legislature to be mindful that members of the Women's Policy and Entrepreneurship Committee, as created in the bill, who have a job and a steady paycheck are only giving up their time to sit on the committee. On the other hand, a small business owner who assists with the new committee and/or the entrepreneur in residence program may lose money because they do not receive income unless they are working in their business.
2. Since HB103 is designed to help a woman business owner, and women business owners need to grow their businesses, increase revenue, and in doing so, create jobs. We wanted to provide some suggestions for consideration that could help provide meaningful benefits to the contest winner.
 - My company, Your Management Team, could provide a spot for the woman business owner to join ScaleUp America – the new SBA initiative working with a business owner for 1 year in the program (as long as they meet the SBA requirements of \$150-750k in annual revenue and minimum 2 years in business);



- The Women’s Small Business Accelerator could provide a 1-year membership into WSBA for the winner of the contest to receive mentoring and networking;
- NAWBO could provide a 1-year local membership (national dues would still have to be paid); or
- Better yet, the state could award the winner a \$10,000 grant to assist with growth and cover potential reduction in earning potential while attending to committee responsibilities and entrepreneur in residence responsibilities..

Again, we thank Representative Pelanda and Representative Kunze for introducing House Bill 103 and on behalf of myself and the National Association of Women Business Owners – Columbus Chapter, appreciate the opportunity to offer our support of House Bill 103, as well as offer suggestions and explain some of the challenges women business owners face that, working together, we can overcome. Thank you for the opportunity to testify. I am happy to answer any questions you may have.