## Testimony before the Senate Finance Committee

## HB 166

## In support of Women Business Development Amendment

## Christy Farnbauch, NAWBO Columbus

## June 13, 2019

Chairman Dolan, Vice-Chairman Burke, Ranking Member Sykes and members of Ohio Senate Finance Committee:

My name is Christy Farnbauch and I am the Executive Director of the National Association of Women Business Owners (NAWBO) – Columbus Chapter. NAWBO is a national organization with local chapters throughout the country. Columbus is the largest chapter in the United States.

It is our understanding that Senators Gavarone, Kunze and Fedor submitted an amendment that would provide some modest support to help women business development in Ohio. Thank you for the opportunity to testify in support of this important amendment and share some information about why it is needed in Ohio.

I’ve included in my testimony some eye-opening statistics about how women businesses are a significant contributor to Ohio’s economy to the tune of more than $29 billion in revenue; creating 330,000 jobs and contributing $9.5 million in payroll; yet women businesses generate 78% less revenue than their male counterparts.

Why? We do not know exactly, but if Ohio would invest in initiatives designed to identify and remove barriers that women-owned businesses face to close this wealth gap, it would equate to $104 billion annually in revenue and create more than 1.4 million jobs.

We are celebrating the passage of the Women-Owned Business Enterprise Certification program in Ohio that Secretary of State Frank LaRose championed for women businesses at the end of last year. Thank you for your support of that important program.

DAS is working on rules, but there are not any programs or initiatives surrounding the new program because not a single dollar is contained in the Ohio budget for women businesses. Women are mentioned three times in the budget related to human trafficking, domestic violence, and infant mortality. There is a critical need for support of these programs, but we do not want to be just be victims.

The Senate has an opportunity to help empower women and their families by making this small investment in women businesses.

Thank you for allowing me to testify on this important issue. I am happy to answer any questions at this time.

## Women-Owned Businesses Are a Significant Contributor to Ohio’s Economy

Ohio’s more than 306,000 women-owned businesses annually generate more than $29 billion in revenues, creating 330,000 jobs and contributing $9.5 million in payroll.

## Despite this Success, a Substantial Wealth Gaps Exists for Women-Owned Businesses

Ohio’s women-owned businesses generate 78% less revenue than men-owned businesses and contribute 85% less in payroll. Only 2% of women-owned businesses have annual revenue over $1 million compared to 7% of men-owned businesses.

## NAWBO Columbus Desires to Deliver Significant Value to Ohio by Developing a More Inclusive Economy

By investing in initiatives designed to identify and remove barriers that women-owned businesses face to close the wealth gaps, **Ohio women-owned businesses would generate more than $104 billion annually in revenues and create more than 1.4 million jobs.**

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| Ohio Business Facts by Gender[[1]](#footnote-2) |
|  | Women | Men | % Difference |
| Number of Ohio Businesses |  306,824  |  510,078  | 40% |
| Estimated Total Revenues\* |  $ 29,432,030,444  |  $ 133,921,600,557  | 78% |
| Estimated Average Annual Revenues\* | $95,924 | $262,551 | 63% |
| % of Businesses with Over $1,000,00 in Annual Revenues\* | 2% | 7% | 72% |
| % with Employees | 10% | 22% | 55% |
| Number of Businesses with Employees |  29,855  |  110,966  | 73% |
| Number of Employees |  330,463  |  1,705,590  | 81% |
| Average Number of Employees (for firms with employees) | 11.07 | 15.37 | 28% |
| Annual Payroll | $9,669,327,000 | $65,613,643,000 | 85% |
| Average Employee Annual Wage | $29,259.94 | $38,469.76 | 24% |
| Source: U.S. Census Bureau, 2016 Annual Survey of Entrepreneurs, \*2012 Annual Survey of Entrepreneurs |

1. Data prepared and analyzed by Measurement Resources Company, LLC, an Ohio Women-Owned Business [↑](#footnote-ref-2)