



**Testimony in Support of the
Ohio Women-Owned Business Loan Fund
as contained in Substitute House Bill 110
Before the Ohio Senate General Government Budget Committee
Chairman Tim Schaffer**

**Rachel Winder, Executive Director, Ohio Women's Coalition
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Chairman Schaffer, Vice-Chairman Wilson, Ranking Member Craig and members of the Senate General Government Budget Committee,

Thank you for the opportunity to testify today. My name is Rachel Winder with Benesch Law and I serve as the Executive Director of a new organization called the Ohio Women's Coalition (OWC). The OWC is a statewide coalition of women's organizations and women-owned businesses that came together during the pandemic to advocate for women's economic growth in the state.

Our members include the Women's Fund of Central Ohio; the National Association of Women Business Owners – Cleveland Chapter; SCORE; THRIVE; The Women's Business Center; the Central Ohio African American Chamber of

Commerce, the Finance Fund and many more organizations and amazing women business owners that have come together to amplify our voice.

I am testifying today on behalf of the OWC specifically in support of a line-item in Development Services Agency's budget which will provide \$10 million over the biennium for a women-owned business loan fund (195632).

We celebrated Women's History Month recently and it's important to note that it wasn't very long ago in our history that women who wanted a business loan were required to provide a signature from a male relative. President Ronald Reagan signed the Women's Business Ownership Act as recently as 1988.

Women business owners have made a lot of progress, but one of the largest difficulties reported by women-owned businesses is a continued and lingering lack of access to capital. According to the Small Business Administration, just 25 percent of women business owners seek business financing and when they do, they typically secure \$33,000 less in traditional funding than their male counterparts. And, of those who seek funding, only 31 percent are successful.

Women's Access to Capital is Important for Ohio's Economy

Entrepreneurship is responsible for job creation, economic vitality, and new products and services. High-growth entrepreneurs drive productivity and living

standards. Women contribute substantially to entrepreneurship in Ohio. There are more than 306,000 women-owned businesses in Ohio that annually generate more than \$29 billion in revenues, creating 330,000 jobs and contributing \$9.5 billion in payroll.

Women's Access to Capital is Important for Social Welfare

Two years ago, I searched the budget bill to see what kind of support was available to women and women business owners in Ohio. I found that women were mentioned a number of times for extremely important programs. Those programs included Rape Crisis Centers, and Infant Mortality, and Domestic Violence, Homelessness, Human Trafficking and other similar programs, but I didn't find any other mention of women in the budget.

Entrepreneurship plays a vital role in creating opportunity. In the U.S. economy where women are more likely to have lower earnings than men, business ownership can serve as an alternative or supplement to lower wage employment income. In addition, business ownership that allows for flexibility is also potentially more compatible with family responsibilities especially for women who disproportionately take on the child-care responsibilities and head single-parent families. Business ownership flexibility improves childcare and

eldercare, so the social benefits expand beyond the individual and extend to those for whom they are caring. This pandemic has highlighted how women have had to exit the workforce or give up their businesses in greater numbers as family responsibilities became overwhelming.

Minority Micro-Enterprise Loan Program

I would also like to take this opportunity to highlight an additional line item that creates a Minority Micro-Enterprise Loan program and offer support from the OWC (line item 195694). It doesn't take a lot to make a huge difference for a small business, including businesses owned by women of color, who will benefit greatly from this investment from the state which in turn is an investment in Ohio's economy. Banks tend to shy away from smaller loans because it takes the same amount of administrative work for a small loan as it does for a large one that might bring more benefit to the bank.

Conclusion

In conclusion, I want to thank Governor DeWine and his staff and DSA Director Mihalik and her staff who met with the Ohio Women's Coalition multiple times last year. It was the work and support from their offices that provided the opportunity for these historic programs to be included in Ohio's budget. I'd also

like to thank the Ohio House of Representatives who supported these programs in full.

Thank you again to the committee for the opportunity for the Ohio Women's Coalition to provide testimony in support of the Ohio Women-Owned Business loan fund and the Minority Micro-Enterprise Business Loan program. I urge your support and favorable vote to fully fund these programs as proposed in the executive and House budgets. Support women-owned businesses for yourselves and your wives and your daughters and your sisters and your neighbors and your mom.

I am happy to try and answer any questions you may have.