

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
Aminata Soko, Director, ECDI's Women's Business Center
May 4, 2021 (or May 5, 2021)

Chairman Shaffer, Vice-Chairman Wilson, Ranking Member Craig and members of the Senate General Government Budget Committee

My name is Aminata Soko, and I am the Director of the Women's Business Center (WBC) a program of the Economic and Community Development Institute (ECDI). As the third largest microlender in the country, ECDI has worked diligently over the last 16 years to provide small businesses in Ohio with not only the capital they need to thrive but also the technical assistance that leads to growth and stability. The WBC was formed in 2012 to specifically address the needs of women business owners and currently has location in Cleveland, Columbus, Cincinnati and soon in Portsmouth to service those in the Appalachian region.

I appreciate the opportunity to testify in support of the women-owned business loan fund as contained in House Bill 110, which would provide \$10 million over the biennium for small loans to women-owned businesses in Ohio.

Here are some statistics from a recent study conducted by NAWO. Prior to the coronavirus pandemic (COVID-19), there were more than 306,000 women-owned businesses generating approximately \$29 billion in revenues and contributing \$9.5 billion in payroll annually and creating 330,000 jobs in Ohio.

As a result of stay-at-home orders in March 2020, 26% of WBOs laid off or furloughed staff. Of those who laid off or furloughed staff, 10% of WBOs laid off more than 20 employees. Within the past two months, WBOs have experienced significant financial loss. Two out of three WBOs reported experiencing decreased revenue, with one in three WBOs not sure if their revenue will come back once the stay-at-home order is lifted. Revenue losses ranged from 10% to 100% of revenue, with an average reported loss of 47% of revenue compared to projections for this period. The majority of WBOs reported having contracts delayed, and one in three reported having contracts canceled. Only 13% of WBOs canceled vendor contracts.

The Women's Business Center provided \$3,355,241 in capital to help WBO's in 2020 and provided technical assistance 3,746 of hours of training women as they pivoted or started new businesses to improve their economic position. The ability to lend capital to women owned businesses is essential for business growth and stability especially during difficult times as faced during 2020

Previous state budgets have not invested in women on the front end as is proposed. We thank Governor DeWine and Director Mihalik for recognizing the need to provide support to women owned businesses.

Thank you for the opportunity to provide testimony in support of this important program. I urge your support and favorable vote for the full \$10 million women-owned business loan fund as proposed in the executive budget.

Sincerely,

Aminata Soko
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