

# accompanycapital

INVESTING IN NEW YORK IMMIGRANT  
AND REFUGEE ENTREPRENEURS

---

## The Accompany Capital NYC Women Entrepreneurs Survey



---

*"While the growth rate of women entrepreneurs has increased 64% from 2015 to 2020, women still face unique challenges that prevent them from matching the success of their male counterparts, including less access to capital..."*

---

## FOREWORD

When we set out to survey female entrepreneurs in New York, we knew from previous studies that while women have not yet achieved parity there are, and have been, positive signs pointing toward growing opportunity.

The number of women-owned businesses has been increasing steadily over the past few decades, its rate of growth outstripping that of men-owned businesses.

A report published by the U.S. Senate Committee on Small Business & Entrepreneurship — *Tackling the Gender Gap: What Women Entrepreneurs Need to Thrive* — for instance, found that the number of women-owned businesses grew 45% from 2007 to 2016, five-times the growth rate of all U.S. businesses during the same period.

Another paper from 2021 demonstrated that this is a long term trend, showing that, while less than 9% of working women owned businesses compared to over 17% of men in 1982, by 2012 more than 18% of women owned businesses, doubling their rate, while the rate for men increased only slightly.

The U.S. Senate Committee report went on to say, however, that despite these positive trends, female entrepreneurs still face unique challenges that prevent them from matching the success of their male counterparts, a finding borne out by the Accompany Capital survey.

A study in the Journal of Banking & Finance — *Does gender matter in bank-firm relationships? Evidence from small business lending* — documented findings showing that female entrepreneurs face significantly tighter credit availability. Still another study — *Financing of small businesses: Are Mars and Venus more alike than different* — in Venture Capital showed that women-owned businesses were less likely than men to have obtained financing from banks and more likely than men to have obtained financing from relatives.

New York City is unique in many ways, including the growth rate of women entrepreneurs, which has increased 64% from 2015 to 2020. We offer our findings — both the positive and the still challenging — to contribute to conversations about how we can further advance opportunity for women entrepreneurs so that they in turn can contribute in even more significant ways to the economy, and the vibrant culture, of New York City.

Yanki Tshering

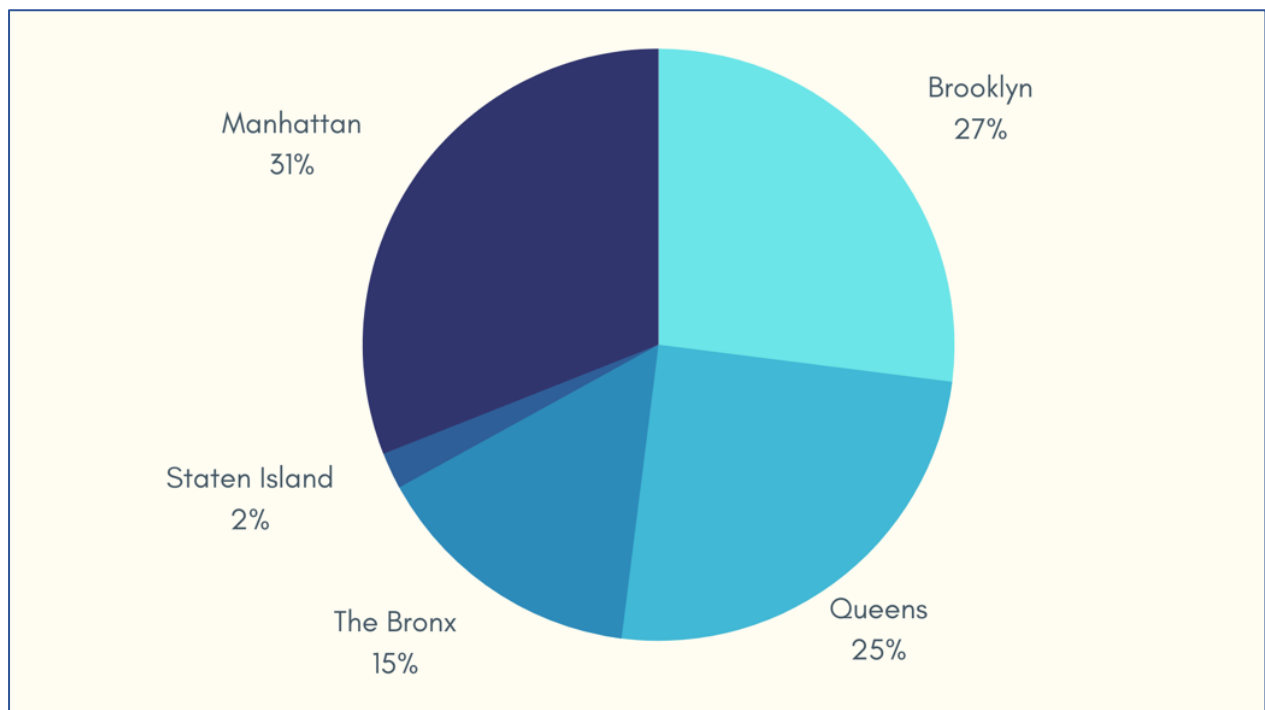
## INTRODUCTION

While the growth rate of women entrepreneurs in New York City is noteworthy — having increased 64% from 2015 to 2020\* — women continue to face challenges when trying to access capital for their businesses.

To better understand these ongoing challenges, Accompany Capital created and administered a survey designed to better understand the needs of women entrepreneurs in New York's five boroughs, in terms of both access to capital and technical assistance needs.

The survey was open to responses from March 16 through April 27, 2022, a period in which business was beginning to rebound after pandemic related slowdowns. We received 326 total responses, of which 265 (81%) were fully completed and distinct to each respondent.

Among those 265 fully completed surveys, 211 (80%) were completed by women entrepreneurs who operate businesses located within NYC's five boroughs: Manhattan (31%), Brooklyn (27%), Queens (25%), Bronx (15%), and Staten Island (2%).



Accompany Capital staff members worked with Mary Tan, Business Consultant and Mentor at SCORE NYC, and Lance Loethen, principal at Tract Advisors, to design the survey, analyze results, and draft the final report.

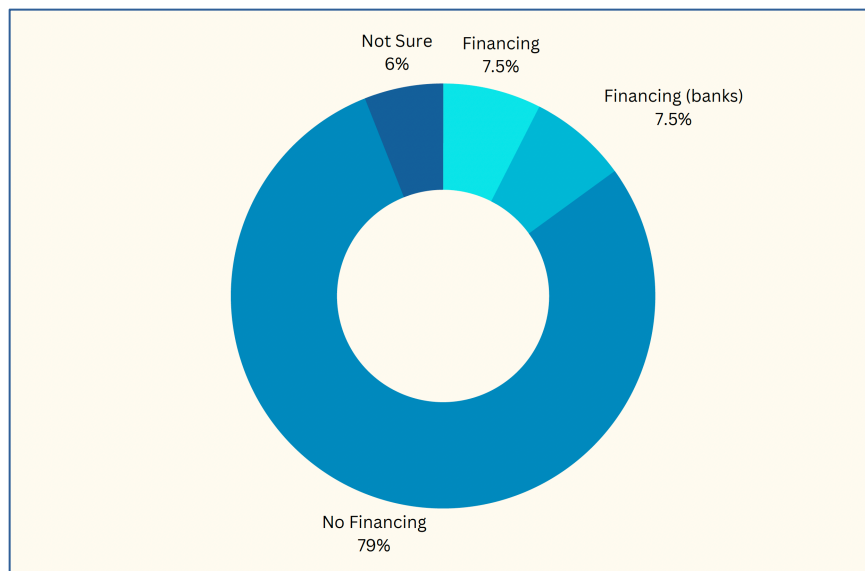
*\*see footnote at end of report*

## KEY FINDINGS AMONG WOMEN ENTREPRENEURS

### CAPITAL ACCESS

▶ Startup capital is scarce, especially for lower income women entrepreneurs:

- Only 15% of the women surveyed received startup capital when launching their businesses, half of whom received bank loans.



- Entrepreneurs with net revenue of \$75,000 or less were only half as likely to receive startup capital, and one-third as likely to receive bank loans when starting, as those with net revenue above \$75,000.

▶ Many women entrepreneurs assumed — incorrectly — that they would not have qualified for funding during the last three years, and therefore need to be better informed about how and where they can access financial resources.

*“We had over 300 applications in the first two weeks for a Startup Accelerator Pitch Competition, showing that women not only want to start their own businesses, but are looking for mentorship & advice to embark on the entrepreneurial journey as well.” - Maria Paulino, Director of Women’s Entrepreneurship Program*

#### **FY 2020 through 2022:**

Loans disbursed:

Women business owners:

- 457 loans
- Totaling \$7,881,365

Men business owners:

- 503 loans
- Totaling \$12,178,188

Workshops offered:

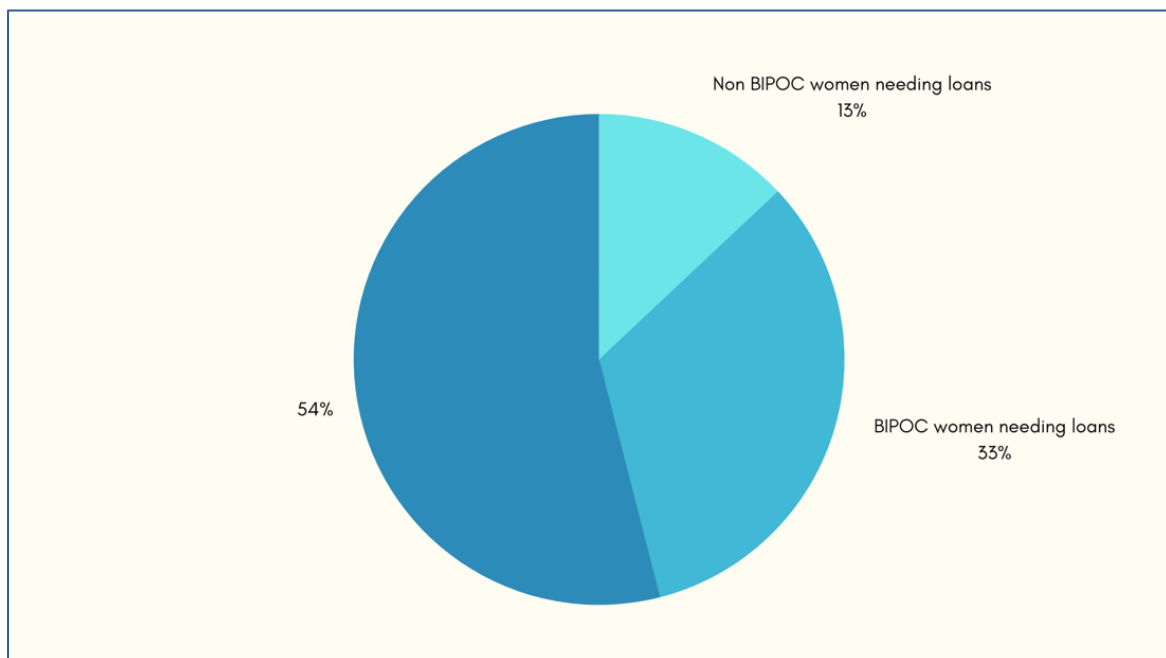
- 105 workshops
- 2394 attendees:
- 1608\* women attendees

*\*358 attended workshops co-sponsored with NYWIB, but women made up over 65% of all workshop attendees*

- Nearly half (47%) of respondents did not apply for funding during the last three years, 54% of whom reported that they had assumed they would not qualify
- Of the 53% respondents who did apply for funding during the last 3 years, however, 90% received some, if not all, of their requested funding.

► Women entrepreneurs need loan capital, especially BIPOC entrepreneurs:

- 46% of respondents said they will need a loan in the next 6 months.
- BIPOC women entrepreneurs were 2.5 times as likely as non-BIPOC women entrepreneurs to need loan capital.



► Women entrepreneurs need more flexible lenders:

The three primary reasons women entrepreneurs believe they would not qualify for funding by alternative lending institutions – including CDFIs – were:

- Insufficient years of operation
- Low credit score
- Lack of collateral

► Financial institutions are perceived as difficult to work with, especially large banks:

- 73% of respondents said large banks are difficult to work with
- 47% said credit unions and CDFIs are difficult to work with

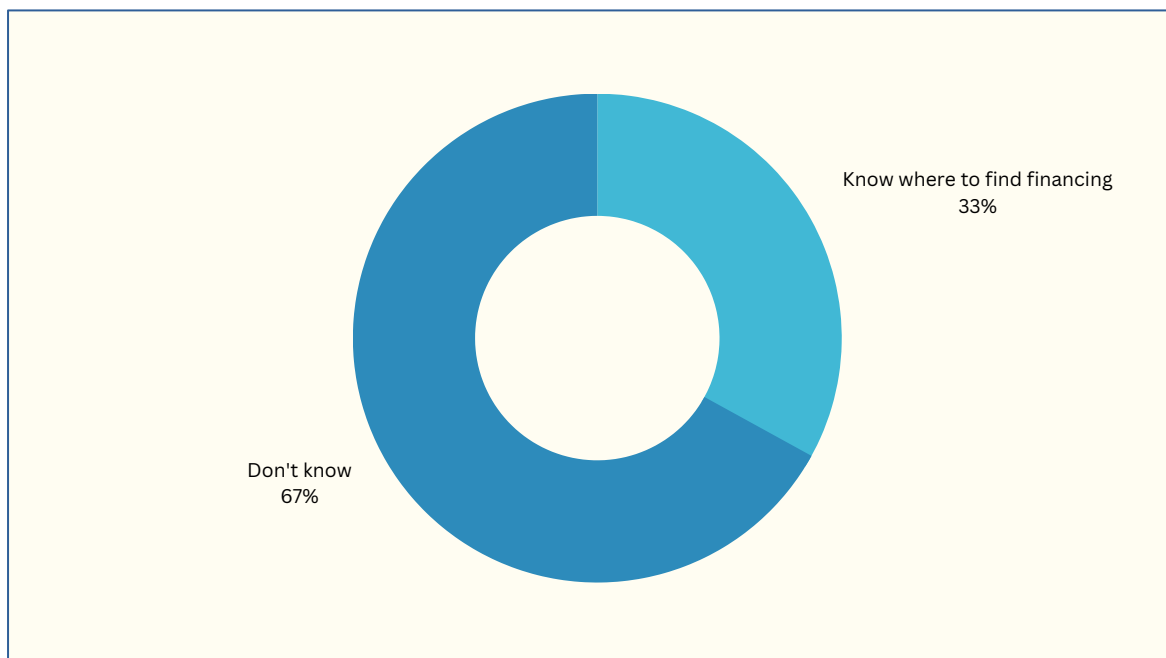
► Discrimination in capital markets is not always evident. Given a general lack of transparency among financial institutions, it is difficult for prospective borrowers to know if they are being discriminated against or not.

- 15% of respondents said they definitely had faced discrimination
- 33% were unsure if they faced discrimination
- 52% said they had not faced discrimination

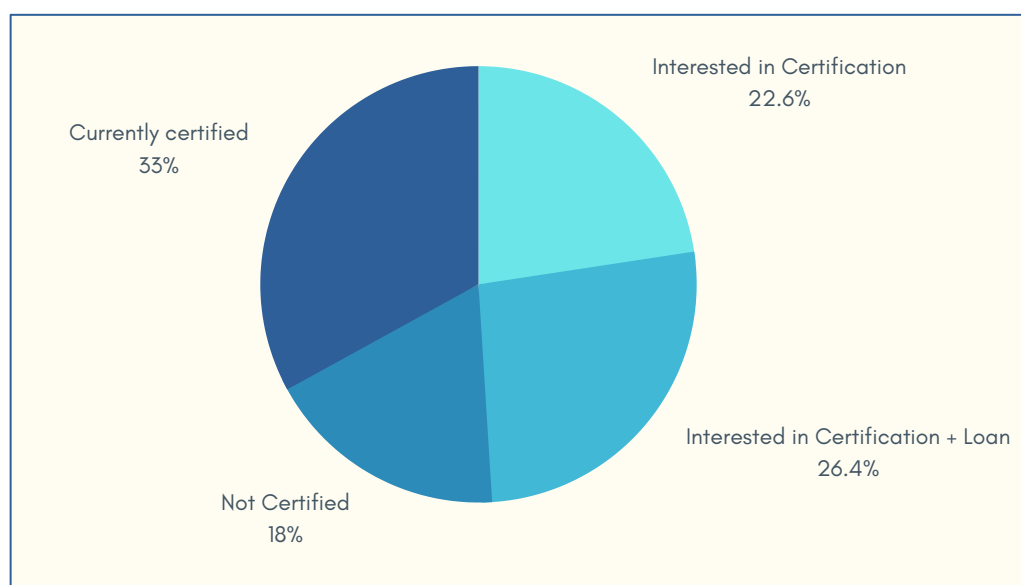
## FINANCIAL RESOURCES, NETWORKS, AND EDUCATION

► Women entrepreneurs need to be better informed about where and how they can access financial resources:

- Only one-third of entrepreneurs said they are aware of how and where they can access financial resources for their business.



- ▶ Women entrepreneurs need more support from networks of small business owners:
  - Entrepreneurs with access to small business owner networks are four times as likely to know where and how they can access financial resources.
  - Black women entrepreneurs were least likely to have access to small business owner networks (28%), while white women entrepreneurs were most likely (52%).
- ▶ There is a strong need for mentoring by business experts:
  - 90% of respondents said a mentoring program with business experts would be somewhat or extremely beneficial.
- ▶ Women entrepreneurs would benefit from more business education and training programs:
  - Over 80% of respondents said programs covering digital marketing, financing, accounting, business management, and legal issues would be somewhat or extremely beneficial.
- ▶ There is a strong demand for Minority/Women-owned Business Enterprises (MWBE) certification training so it should be offered as technical assistance to borrowers:
  - 67% of respondents are not currently MWBE-certified and 73% of those respondents are interested in attending an MWBE certification course.
  - 54% of respondents interested in attending an MWBE certification course are also likely to need a loan in the next six months to build the necessary capacity.



## CONCLUSION

While it is inspiring to witness the dramatic increase in the number of women starting small businesses in New York City, this survey highlights the ongoing challenges faced by female entrepreneurs which prevent them from reaching their full potential.

The female entrepreneurs we surveyed indicated that they continue to need greater access to:

- Affordable credit products that are a good fit for their capital needs
- Mentoring
- Group workshops or webinars
- Opportunities to network
- Access to markets

They need them now and in a timely and efficient manner.

If we want to support women entrepreneurs and help them realize their full potential – and in doing so contribute to their communities' economies and quality of life while supporting themselves and their families - we need to respond with both private and public sector partnerships that provide effective solutions to their challenges.

\*\*\*\*\*

If you would like to learn more about Accompany Capital's services for women entrepreneurs, please visit [www.accompanycapital.org](http://www.accompanycapital.org) or contact Maria Paulino, Director of Women's Entrepreneurship Program at [mpaulino@accompanycapital.org](mailto:mpaulino@accompanycapital.org).



## ACKNOWLEDGEMENTS

Thank you to Accompany Capital staff members Maria Paulino, Director of the Women's Entrepreneurship Program, and Tshering Gurung, Senior Manager of Business Development, who worked with Lance Loethen, Principal at Tract Advisors, and Mary Tan, Business Consultant and Mentor at SCORE NYC, to design the survey.

Thanks also to Jessica Martin, Director of Portfolio Management and Compliance, and Tsetan Deklyi, Coordinator of Operations for the Accompany Capital Queens office, for assisting in implementing the survey and collecting the data.

This report was funded in part by a grant from Empire State Development Corporation.

### \*FOOTNOTE

*A 2015 report from Women Entrepreneurs New York City (WE NYC), an initiative of the New York City Department of Small Business Services, found that the number of female entrepreneurs in NYC increased 43% from 251,000 in 2002 to 359,000 in 2015 vs. 25% for male entrepreneurs. WE NYC's 2022 impact report cited a total of 587,000 female entrepreneurs in 2020 and additional growth of 64% from 2015 to 2020.*

*WE NYC's 2015 report, which surveyed more than 1,500 women business owners, found the most frequently cited challenge they faced was obtaining capital: 69-70% of respondents said obtaining capital was a major challenge when launching or growing a business, results supported by the findings of this 2022 Accompany Capital survey.*