



2021 COVID IMPACT ON WOMEN-OWNED BUSINESSES



San Diego Regional Report

THE ISSUE

Women's participation in the workplace is critical to economic success, but **systemic inequity** prevents women entrepreneurs from fully contributing. Crisis exacerbates the consequences of inequity but we lack locally specific data to inform targeted solutions.

Female founders already do more with less

They receive **less than 1%** of all venture capital funding

but deliver **2X** more revenue per dollar invested than men



San Diego is under-utilizing female enterprise

39% of all businesses are women-owned

Only 10% of annual revenue and hiring capacity comes from women-owned businesses



“We cannot allow this pandemic to set back a generation of entrepreneurial women.”

- Suzanne Clark
President, U.S. Chamber of Commerce

Barriers:

Limited access to resources



Limited access to originating capital



Consequences:

Women are one of the most vulnerable populations during crisis

COVID permanently shut down 26% of women-owned businesses nationally

San Diego industries that were hardest hit and have the slowest recovery also have a high proportion of women-owned businesses.

THE PROJECT

We surveyed San Diego business owners to identify how COVID exposed and exacerbated barriers to equitable success.

THE SAMPLE

490 PARTICIPANTS

Owners and executives



Gender identity:

49%
Cis female
(female at birth)

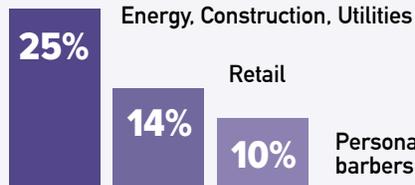


47%

Cis male (male
at birth)

No participants identified as
non-binary or transgender

Most common industries:



Most common races/ethnicities:



The sample closely represents the universe of San Diego firms



THE METHODS

- **Telephone and online surveys**
- Participants included project partner members, Kim Center partners, contacts from online sources
- Languages: English, Spanish, Korean
- May 20, 2021 through June 30, 2021
- Oversight from Kim Center's Research Advisory Committee



THE PARTNERSHIP



OUR FINDINGS

DISTRIBUTION OF RELIEF FUNDS



46%
of women

VS.

27%
of men needed
COVID relief
programs



25%
of women didn't apply
because they didn't know
if they qualified

Nationally, the initial round of the Paycheck Protection Program (PPP) discriminated against vulnerable business owners:



Only 5%
of businesses that
received financial
assistance were
women-owned

Large bank loan approvals by race/ethnicity:



WHITE

60%

LATINX

50%

AFRICAN
AMERICAN

29%

IMPACT ON CAREGIVERS



Parents/caregivers depended on COVID relief programs more than non-parents/caregivers



More parents/caregivers transitioned to remote than nonparent/caregivers



50%
of parents/caregivers spend 3-5+ hours during a typical workday caring for children or other dependents



Result: business owners with dependents were stretched thin during the pandemic

OUR FINDINGS

MEN-OWNED BUSINESSES HAVE BETTER ACCESS TO TOOLS AND RESOURCES FOR RESILIENCE

REVENUE LOSS & INDUSTRY SEGREGATION



The Energy, Construction, and Utilities sector saw the most increase in demand, and have the least number of women-owned businesses



9% of women's enterprises reported revenue increases

VS.

26% of men's enterprises



10% of women needed to cancel or postpone a planned capital expenditure

VS.

0% of men



RETURN TO NORMAL OPERATIONS



Only 34% of women-owned businesses have returned to pre-pandemic levels

VS.

49% of men-owned businesses



13% of women vs 6% of men believe they will not return to pre-COVID levels

ABILITY TO EMPLOY / HIRE

Only 19% of female employers

VS.

33% of men-owned businesses have more employees now than before the pandemic



RESOURCES



More than half of men had access to resources for providing necessary safety to their customers and employees vs just over a third of women

PERSEVERANCE IN ADVERSITY

Women found ways to weather the crisis:



42% shifted to a web-based model

WOMEN

16%

MEN

6%

More women transitioned 76-100% operations to remote than men

BUSINESS OWNERS FROM COMMUNITIES OF COLOR



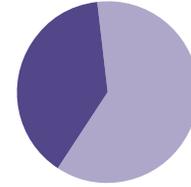
21% saw an increased demand for their products or services vs 11% white-owned businesses

30% reported increased revenues vs 13% of white business owners



CONCLUSIONS

Crises like COVID particularly exacerbate systemic inequities that hamstring women entrepreneurs from fully innovating and growing. San Diego has a pivotal opportunity to electrify its business ecosystem and social prosperity by maximizing this valuable resource, establishing the region as an economic powerhouse on the national scale.



Women are **39%** of all businesses in the County

BENEFITS TO SAN DIEGO'S ECONOMY

- Women-owned firms are on the rise in San Diego, growing 83% between 2012-2019 vs 28% for all firms
- Gender equity could boost San Diego's GDP by at least 9% (McKinsey 2016)

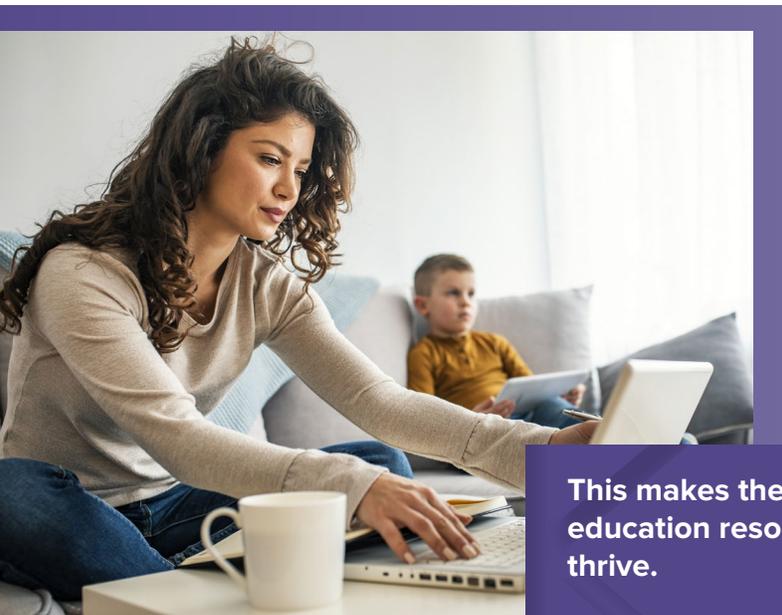
BENEFITS TO THE BUSINESS ECOSYSTEM

- Small businesses enrich and invigorate market competitiveness with niche products, services and new methods of research and development.
- Investors reap new investment returns and opportunities for product/service innovations stagnating from dependence on homogenous networks of men-owned enterprises



BENEFITS TO SOCIAL PROSPERITY

We can finally break the cycle of inequity that reinforces discriminatory race- and gender-based gaps in wealth and upward social mobility, propelling San Diego to the national forefront of social prosperity.



OUR STUDY SHOWED

32% of women derive 76-100% of household income from their businesses vs 28% of men



This makes their families more vulnerable to losing health and education resources when crisis impacts their businesses' ability to thrive.

CALLS TO ACTION: JOIN THE LEAPS COALITION

The Kim Center and its partners are calling on key stakeholder groups to collaborate on LEAPS, a groundbreaking action plan to elevate the status and success of women in the workplace, using strategies for BOTH immediate and systemic change. Contact **Dr. Hei-ock Kim** at heiock@kimcenter.org to help change the course of history!

STAKEHOLDER GROUPS INCLUDE:

GOVERNMENT 	INVESTORS 	LENDING INSTITUTIONS 	FOUNDATIONS 	ASSOCIATIONS 
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GOALS INCLUDE:

Make sure women get fair consideration and approval for business loans 	Elevate the status and value of women's enterprise with investors 	Strengthen and diversify the industries women work in 
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About The Kim Center



The Kim Center is transforming San Diego into a trailblazing model of economic and social leadership that can be replicated in other regions throughout the nation. Collaborative local action informed by local data is essential to cultural transformation, so the Kim Center unites key stakeholders around its LEAPS initiative. LEAPS *accelerates* change through an academically rigorous Assessment, custom Playbook, and national Accreditation.

Dr. Hei-ock Kim, Executive Director

heiock@kimcenter.org

<https://kimcenter.org>

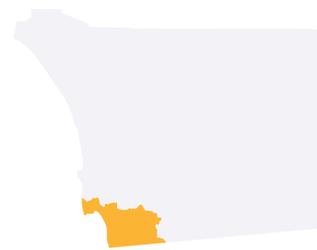
Our Partners



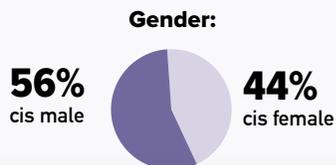
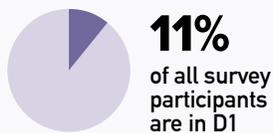
Researchers:
Tina Ngo Bartel and Dr. Alan Gin

Special thanks to the Kim Center's Research Advisory Committee

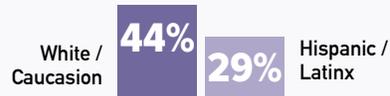
COUNTY DISTRICT 1 HIGHLIGHTS



Participant Information



Most common races/ethnicities:



22%
derive 3/4 or more of their household income from their business

Dominant Company Features



25%
of owners were unclear about their eligibility for COVID relief programs or what programs were available



27%
are in Energy, construction, and utilities sector



47%
have 1-4 employees

45%
women-owned business

31%
LGBTQIA+ owned

16%
owned by veterans



Impact on Women-Owned Businesses

Hiring and Revenue



29%
hired new staff during COVID



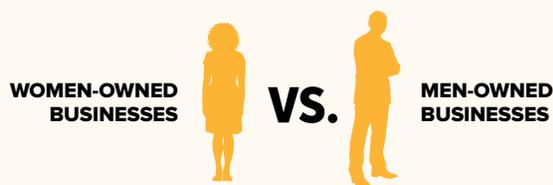
35%
hired new staff during COVID

8%
increased their revenue during COVID



29%
increased their revenue during COVID

Recovery & Need for Assistance



33%
were able to provide better safety for customers and employees



55%
were able to provide better safety for customers and employees

33%
are back to pre-pandemic operating levels



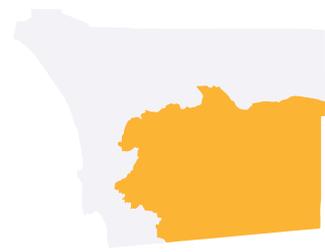
45%
are back to pre-pandemic operating levels

42%
applied for government assistance

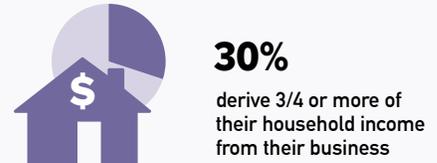
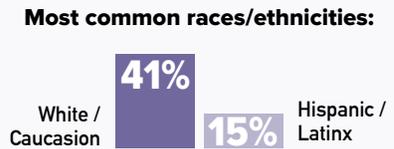
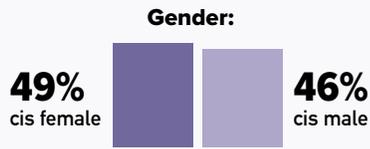
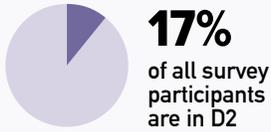


23%
applied for government assistance

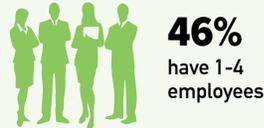
COUNTY DISTRICT 2 HIGHLIGHTS



Participant Information



Dominant Company Features

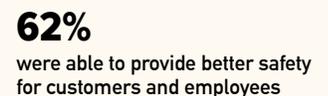
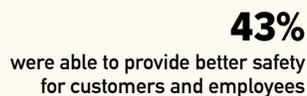
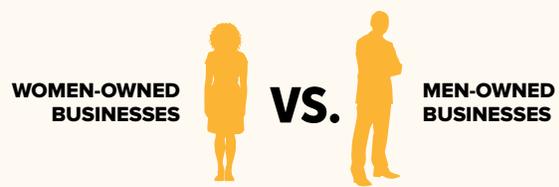


Impact on Women-Owned Businesses

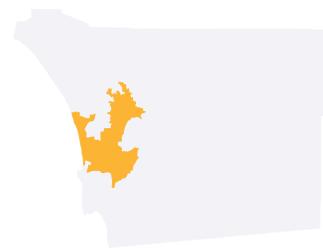
Hiring and Revenue



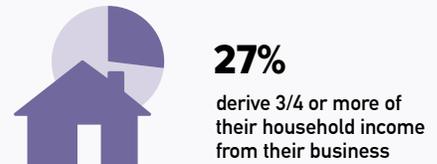
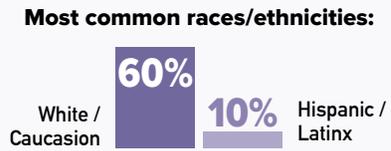
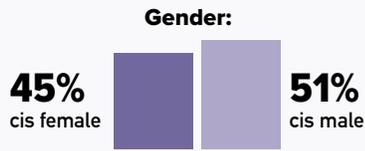
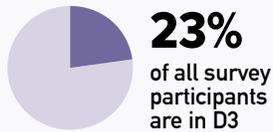
Recovery & Need for Assistance



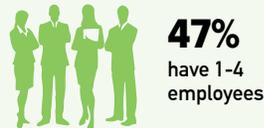
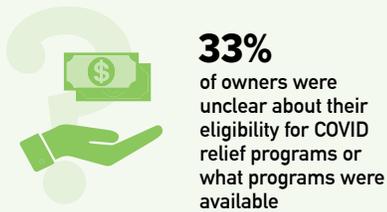
COUNTY DISTRICT 3 HIGHLIGHTS



Participant Information

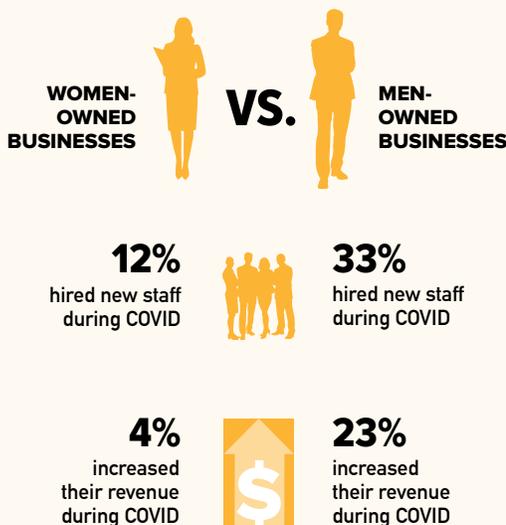


Dominant Company Features

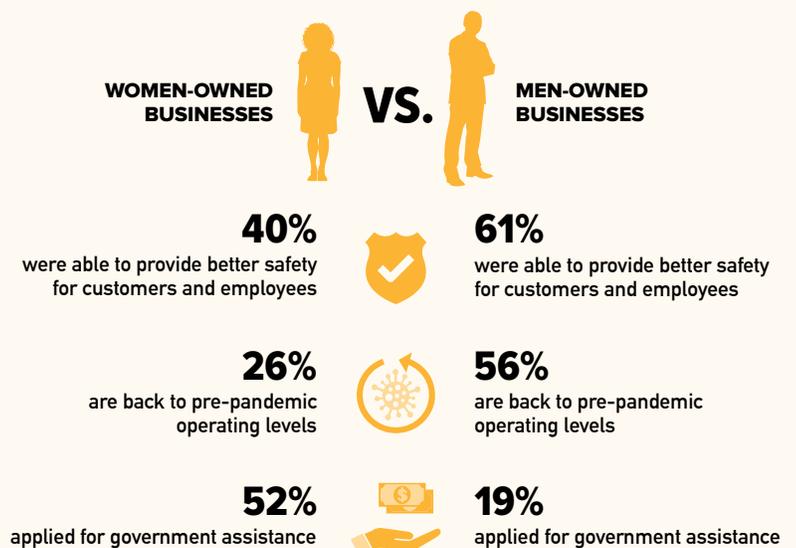


Impact on Women-Owned Businesses

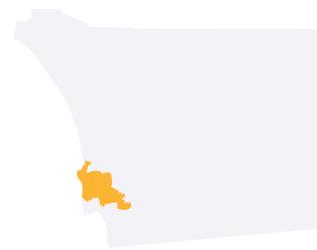
Hiring and Revenue



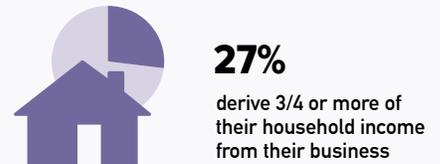
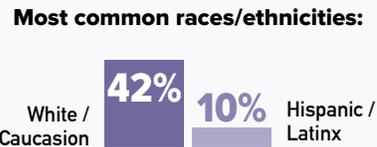
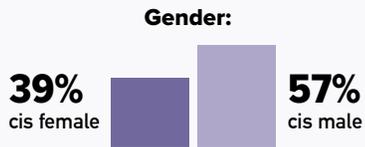
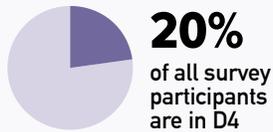
Recovery & Need for Assistance



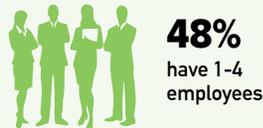
COUNTY DISTRICT 4 HIGHLIGHTS



Participant Information



Dominant Company Features



Impact on Women-Owned Businesses

Hiring and Revenue



11%
hired new staff during COVID



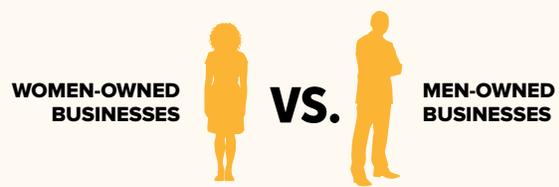
36%
hired new staff during COVID

11%
increased their revenue during COVID



29%
increased their revenue during COVID

Recovery & Need for Assistance



30%
were able to provide better safety for customers and employees



65%
were able to provide better safety for customers and employees

24%
are back to pre-pandemic operating levels



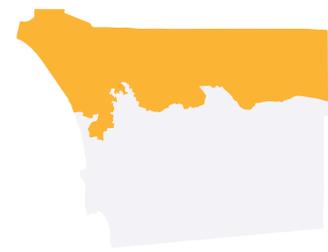
36%
are back to pre-pandemic operating levels

27%
applied for government assistance

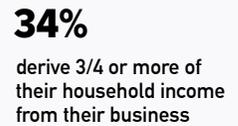
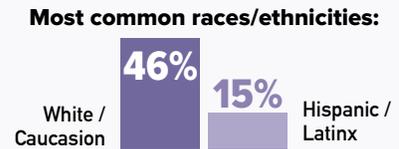
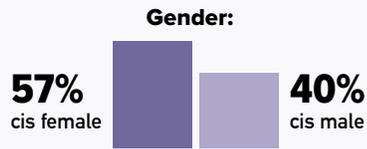
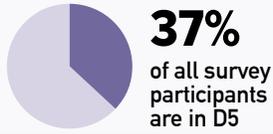


24%
applied for government assistance

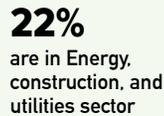
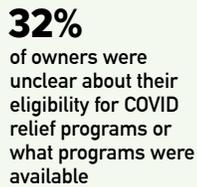
COUNTY DISTRICT 5 HIGHLIGHTS



Participant Information



Dominant Company Features



Impact on Women-Owned Businesses

Hiring and Revenue



Recovery & Need for Assistance

