



# 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)

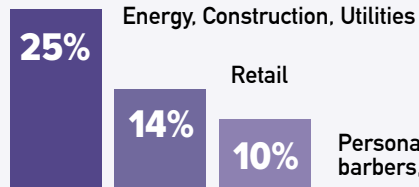


**47%**

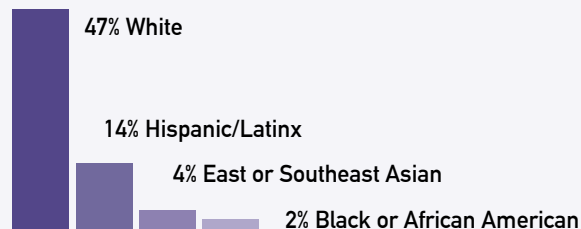
Cis male (male  
at birth)

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

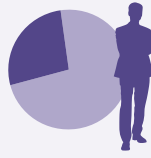
## DISTRIBUTION OF RELIEF FUNDS



**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%**

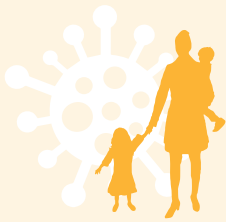
LATINX

**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

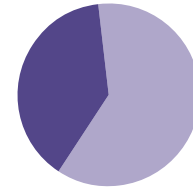
**30%**

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)

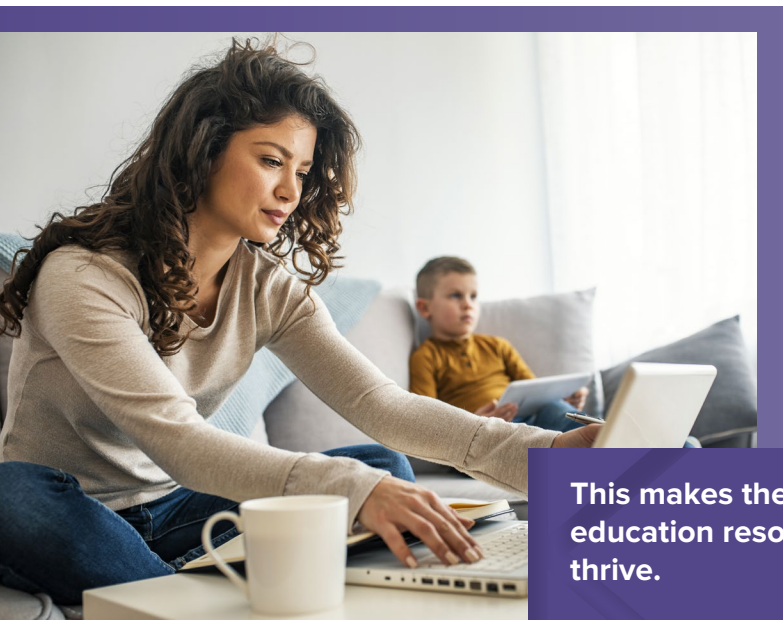
## BENEFITS TO THE BUSINESS ECOSYSTEM

- 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](mailto:heiock@kimcenter.org) to help change the course of history!

## STAKEHOLDER GROUPS INCLUDE:



## GOALS INCLUDE:



## 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**

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<https://kimcenter.org>

## Our Partners



**Researchers:**

**Tina Ngo Bartel and Dr. Alan Gin**

Special thanks to the Kim Center's Research Advisory Committee, Ben Kaatz, and Michael Ellis