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May 4, 2023

TO: Senator Bobby Joe Champion, Chair, Jobs & Economic Development  
Senator Jen McEwen, Chair, Labor & Industry  
Senator Zaynab Mohamed  
Senator Grant Hauschild  
Senator Heather Gustafson

Representative Hodan Hassan, Chair, Economic Development  
Representative Jay Xiong, Chair, Workforce Development Finance & Policy  
Representative Mike Nelson, Chair, Labor & Industry  
Representative Liz Olson, Chair, Ways & Means  
Representative Kaela Berg

Subject: WomenVenture Small Business Development Appropriations

Members of the Omnibus Jobs and Labor Conference Committee:

Thank you for including WomenVenture in the Omnibus Jobs, Economic Development, Labor and Industry Appropriations bills. We ask you to support WomenVenture's requests for **\$3 million for women food entrepreneurs in SF3035, and \$1 million to support family child care businesses in HF3028.**

For the past 45 years, WomenVenture's mission has been to empower women to achieve their economic goals by building profitable and sustainable businesses that transform communities. Our role is to level the playing field for women entrepreneurs who face unique obstacles in business, especially for those who are economically and socially disadvantaged.

In FY2022, WomenVenture served **over 2,500 entrepreneurs and provided over \$10 million** in relief funding and small business loans. Of these 2,500 entrepreneurs:

- Over 90% were women
- 45% were from low-income households
- 42% represented BIPOC communities

In response to client and community needs, WomenVenture has long focused a portion of our work on increasing child care supply. In recent years, we have also seen increased demand for food business development support. In response, WomenVenture works to prioritize investment in female entrepreneurs throughout Minnesota's food supply chain through financing, grants, technical assistance, education and training, mentoring, and networking opportunities.

## **Women Food Entrepreneurs**

**WomenVenture supports the Senate position of \$3 million to support women food entrepreneurs.** With this appropriation, WomenVenture can assist emerging female entrepreneurs overcome barriers accessing the capital and financing needed to enter and equitably compete in the marketplace through education, training, access to affordable capital, and technical assistance. **WomenVenture encourages the House to support this position as well.**

Women and BIPOC entrepreneurs are launching microbusinesses, sole proprietorships, creative businesses and home-based businesses at historic rates. **Since 2019, WomenVenture has seen over 100% increases in entrepreneurs served, loan volume, and total funds distributed.**

Strategic and long-term investment in women small business owners' participation in the food and agricultural marketing chains and related entrepreneur activities increases food security statewide.

## **Child Care Business Development**

**WomenVenture supports the House position of \$1 million to expand our shared services offerings that provide support for family child care businesses utilizing a mix of business support including financial management software, consulting services, and training.**

More than 70 family child care providers across the state have left the profession January 2023. The child care crisis will not be solved with short-term support and funding. Minnesota is in a position of childcare and equity debt as it continues to leave women disadvantaged in the workforce. **WomenVenture respectfully requests the House and the Senate consider WomenVenture's original request for \$2.0 million to support this initiative.**

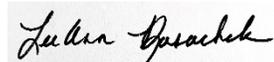
Women are an essential part of the workforce and economy, especially during the toughest hiring market in decades. If women with young children could participate in the workforce at the same rate as women with school-age children, **approximately one million more workers would be in the labor force today.**

According to a 2022 report from Wells Fargo, "Labor force participation among women with children younger than 6 years old is **a stunning 28 percentage points lower than men with young children**, and 10 points lower than women with school-age children."

The child care industry is one that is both **powered by women** - roughly 96% of providers are women - and **impacts working women the most.** The impact of rising child care costs and the decreasing supply in the child care profession has an outsized impact on women as the primary providers and beneficiaries of daycare services.

To address this crisis, WomenVenture works to **create sustainable child care businesses** and generate new supply to ensure every child has access to early education. Our shared services offerings provide support for family child care businesses utilizing a mix of **business technical assistance including financial management software, business consulting services, extensive training and education, grants and loans.**

Thank you for your consideration and support.



LeeAnn Rasachak  
Chief Executive Officer  
WomenVenture

WomenVenture is a U.S. Small Business Administration (SBA) designated Women's Business Center, one of three in the state of Minnesota. We are also a Community Development Financial Institution. WomenVenture's services are business training, access to affordable capital through loans and grants, technical assistance, and business consulting. In our fiscal year 2022, WomenVenture deployed nearly \$2M in loan funds and \$250,000 in grants, and 10,000 hours of training and consulting, serving more than 2500 small business owners and entrepreneurs. During the pandemic, we deployed more than \$10 million in COVID relief funding in partnership with Minnesota DEED and Hennepin County in addition to thousands of hours in training and consulting that stretched across the state of Minnesota and neighboring counties in Wisconsin.