



WOMEN-OWNED BUSINESSES REPORT

WORKFORCE REPORT

2017



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EXECUTIVE SUMMARY

July 2017

The Sonoma County Economic Development Board (EDB) is pleased to present the first Women-Owned Businesses (WOBs) Report. This report aims to provide insight into the state of the female business owner community in Sonoma County and the North Bay. Furthermore, it is meant to help guide policy discussions around encouraging and fostering female entrepreneurship in the region. The EDB is committed to working with our partners to take the actions necessary to build our strengths and to address our deficiencies in order to improve the economic opportunities for all members of our community.

Between 2007 and 2012, the number of women-owned businesses in Sonoma County grew by more than 20%, while the overall growth of all firms stayed well below 5%. Hence, it is expected that women-owned businesses will continue to increase in economic importance in the region.

HIGHLIGHTS



Women-Owned Businesses generate about 8% of all business revenue and employ 7% of the workforce across all firms and industries.



Women-Owned Businesses make up more than half of all businesses in the “health care and social assistance sector.”



The North Bay received a score of 7.3/10 as a place for women to start a business in our Women-Owned Business Survey.



U.S. CENSUS DATA

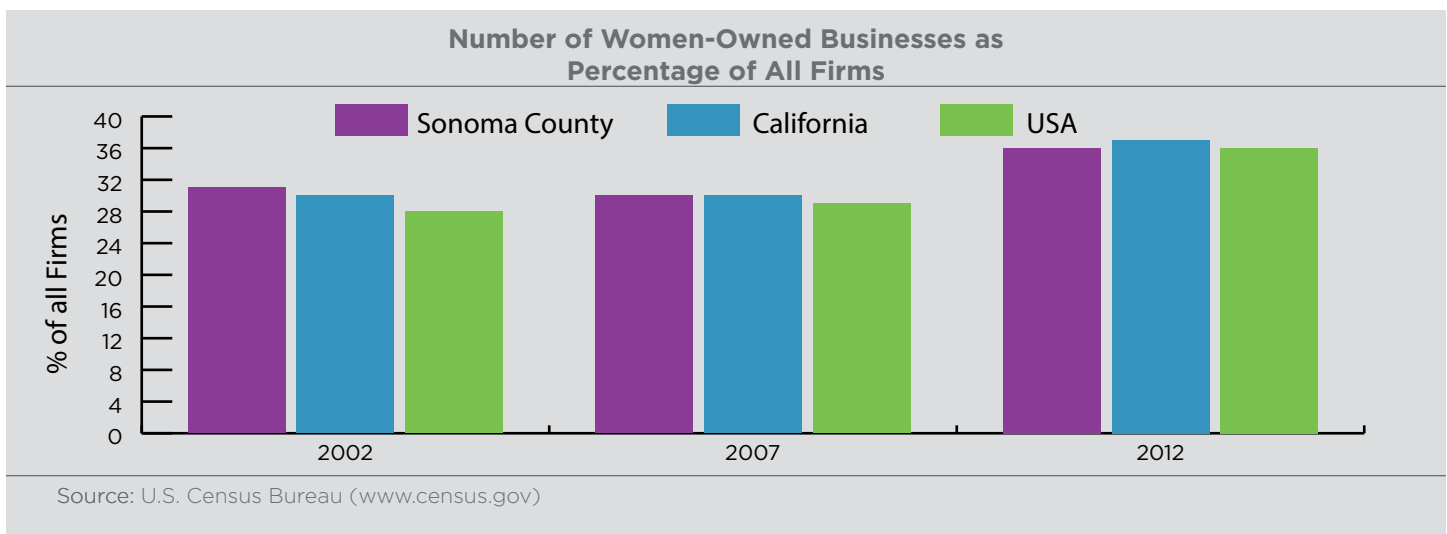
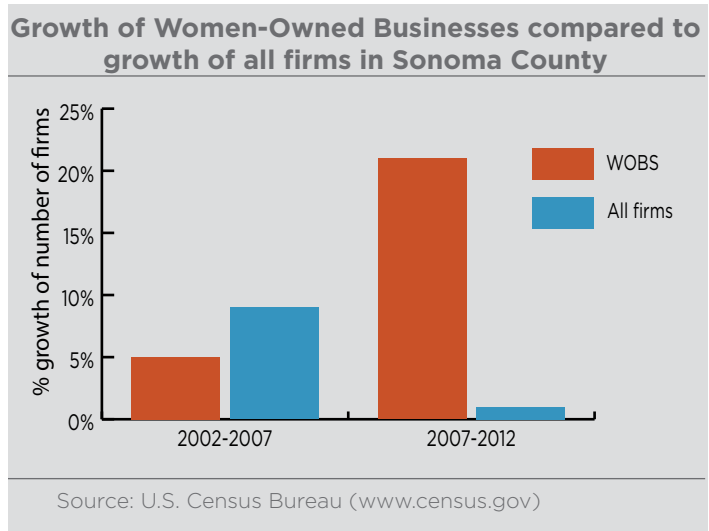
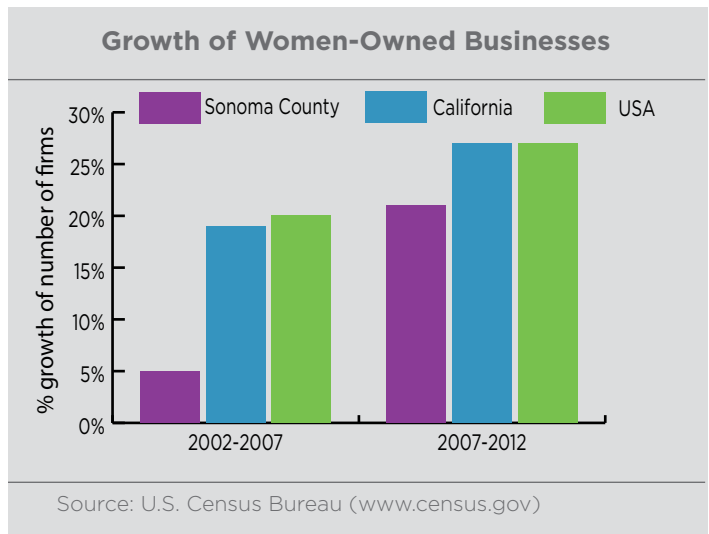
DEVELOPMENT OF FEMALE BUSINESS OWNERSHIP

In 2012, 36% of all businesses in Sonoma County were owned by women. This is 27% more than a decade earlier. In the years since the Great Recession, women business ownership as a percentage of all firms has increased significantly.

This is the result of two conflicting trends. On the one hand, the number of women-owned businesses grew four times as fast during these years compared to the previous five years. On the other hand, overall economic growth slowed down significantly, potentially allowing the share of women-owned businesses to catch up to their male counterparts. The same trend is visible across the state of California as well as the United States.

Between 2002 to 2007, growth in Sonoma County's women-owned businesses was 5%—significantly slower than the rest of the state (19%). However, growth accelerated during the subsequent five-year period, and growth in 2012 was almost on par with state and national growth rates.

This trend is reflected in the fact that in 2015, the greater Santa Rosa-Sonoma County metropolitan region was classified as the fifth-best metropolitan area for a woman to start a business by NerdWallet.



U.S. CENSUS DATA

EMPLOYMENT TRENDS

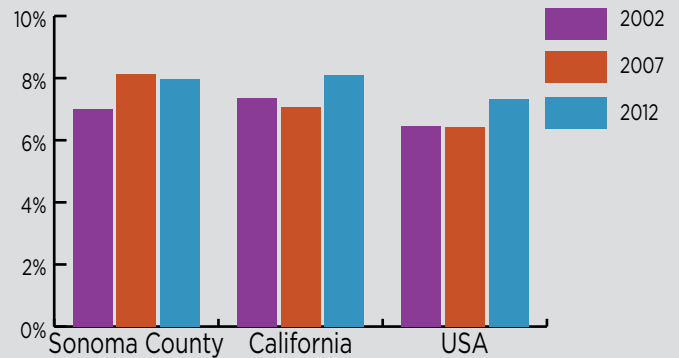
A more in-depth analysis of census data reveals new employment information about women-owned businesses across the county, the state, and the nation. Examining the proportion of workers employed by women-owned businesses as a percentage of those employed by all firms, there is a divergence between hiring trends in each specified geographic area. This trend identifies that women-owned businesses comprise less than 10% of employment across all firms.

According to the Center for Women in Business, there is particular growth in what is coined as a 'new' kind of enterprise in which a firm's proprietor is the sole employee. This kind of enterprise accounts for 90% of all women-owned businesses across the country.

Nonetheless, Sonoma County deviated from state and national trends from 2002 to 2007, increasing employment in women-owned businesses as a percentage of all firms by more than 1%. Yet this trend did not continue throughout the five year period between 2007-2012, with employment in women-owned businesses failing to make a relative percentage increase, otherwise seen in both California and national averages.

On the whole, however, Sonoma County and California remain ahead of the national trend in terms of employment, women-owned businesses remain significantly underrepresented in the proportion of workers employed by all firms.

Employment in Women-Owned Businesses as a Percentage of Employment in all Firms



Source: U.S. Census Bureau (www.census.gov)

U.S. CENSUS DATA

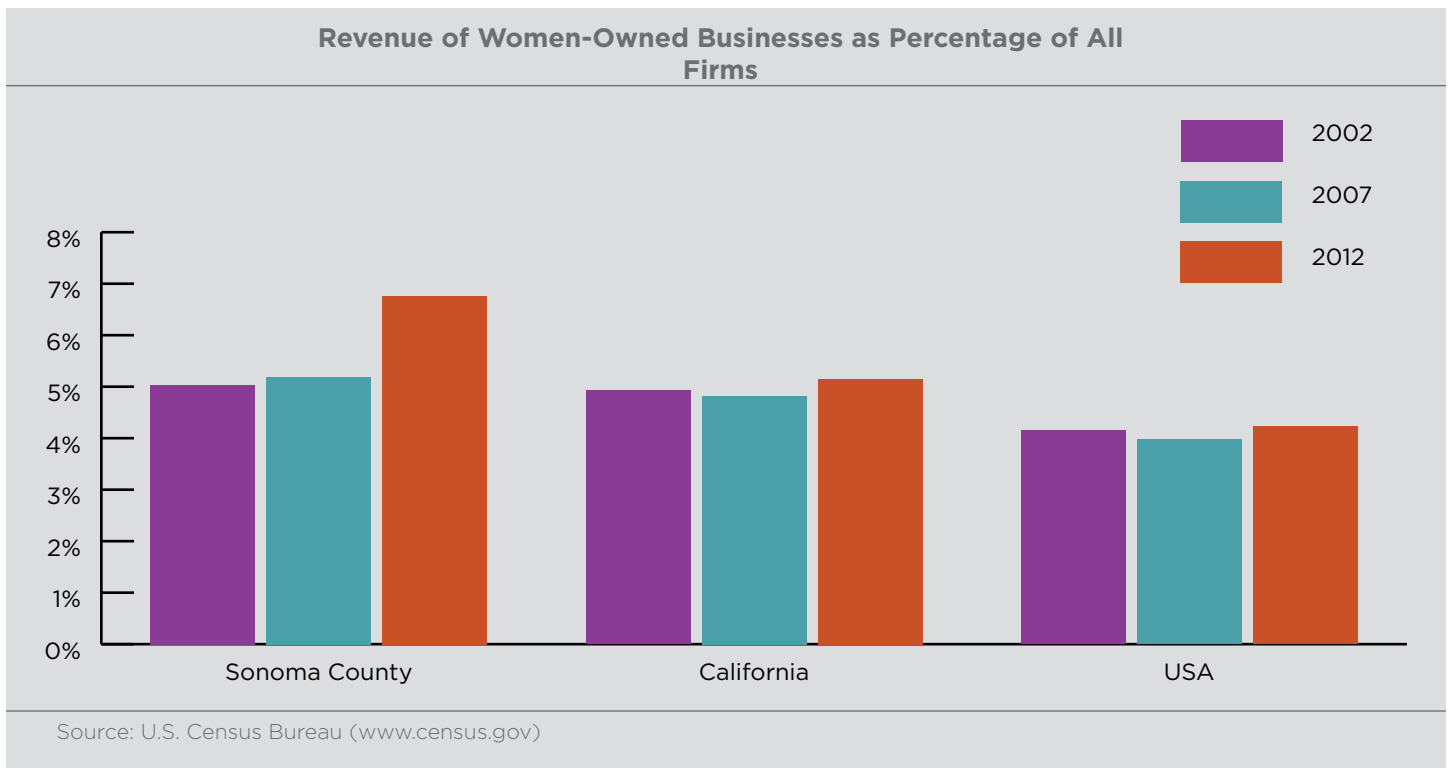
REVENUE TRENDS

The percentage of revenue generated by women-owned businesses as a portion of all businesses remains around 4-5% across Sonoma County, California, and the U.S. over the 2002-2012 period. In 2012, Sonoma County outperformed state and national averages by a large margin, with revenues from women-owned businesses comprising 6.76% of total revenues—1% more than the state and national average.

Sonoma County also diverges from state and national trends through its stable trend of revenue generated by women-owned businesses during the brunt of the recession, while a declining trend is evident for state and national levels between 2002-2007.

Viewing these statistics concurrently with the trends on employment, it is apparent that women-owned businesses tend to employ fewer workers and produce less revenue than their male counterparts. It is therefore evident that although women-owned businesses are gaining ground in terms of the number of firms, women-

owned businesses still tend to lag behind to a greater extent when considering employment and revenue generated at the county, state, and national level.



U.S. CENSUS DATA

INDUSTRY TRENDS

The graph displays the percentage growth of the number of women-owned businesses across selected industries in Sonoma County. These were the only industries of which the U.S. Census provided complete data for both of the shown years.

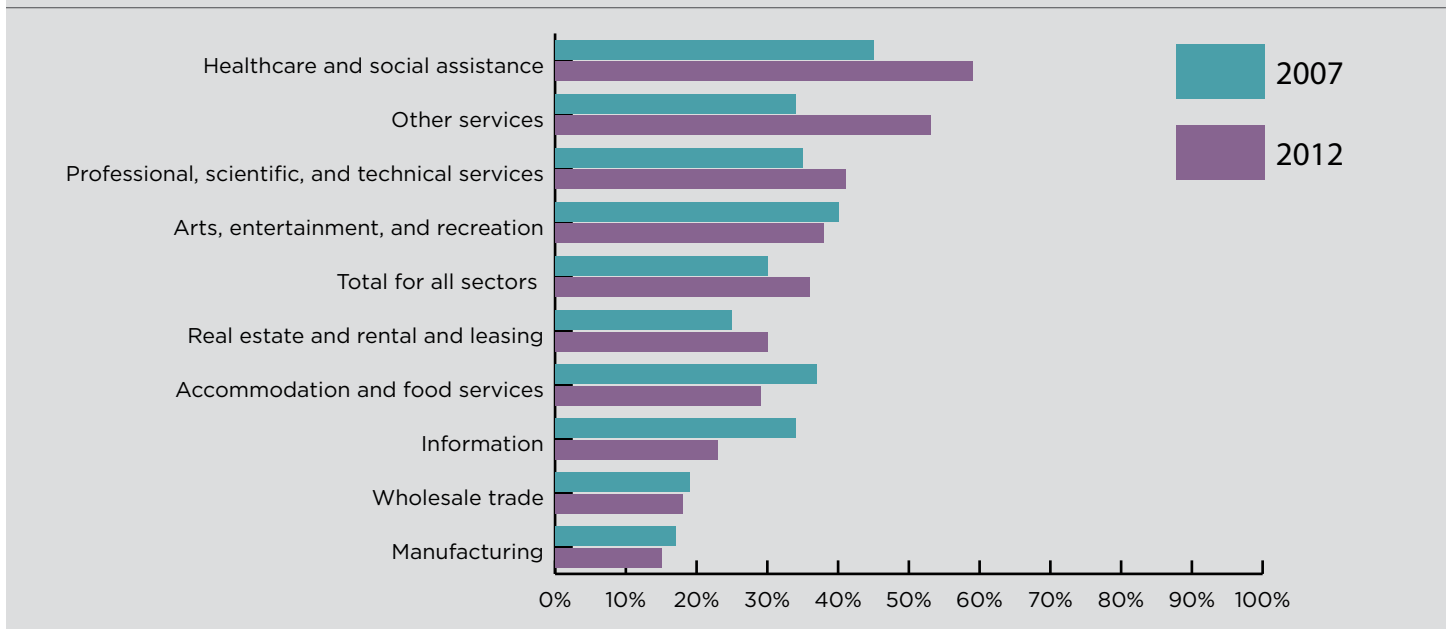
Assessing growth across all industries, the number of women-owned businesses has increased as a percentage of all firms from 2007 to 2012, although this trend has not been replicated across all industries.

This is evident with women-owned businesses operating within the information sector in Sonoma County, where the percentage of women-owned businesses has fallen from 34% to 23%, reflecting a decline from 226 women-owned firms to 155. This is in contrast to firms classified in 'Other services' in which the number of women-owned firms has increased from 2,054 to 3,057 in Sonoma County from 2007-2012, showing progress in terms of growth in the number of women-owned firms.

However, examining the proportion of women-owned firms across all industries shows that the share of women-owned businesses lags behind comparable male-owned businesses, and comprises less than 50% of all firms in the vast majority of industries.

The "Health Care and Social Assistance" and "Other Services" industries are the sole industries in our sample in which women-owned businesses comprise more than half of all firms in 2012, while the share of women-owned businesses in the "Wholesale Trade" and "Manufacturing" industries remains significantly low, below the 20% threshold.

Number of Women-Owned Businesses as a percentage of all firms



Source: U.S. Census Bureau (www.census.gov)

WOMEN-OWNED BUSINESSES SURVEY

The EDB conducted a survey in collaboration with the *North Bay Business Journal* to gain a greater insight into women-owned businesses in the North Bay. The survey collected information on the different characteristics of women-owned businesses in the North Bay as well as demographic information about the female business owners themselves.

AGE OF RESPONDENTS

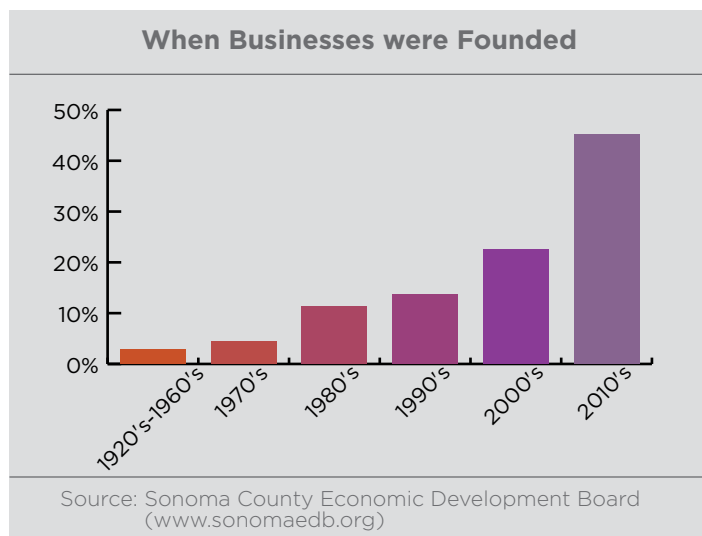
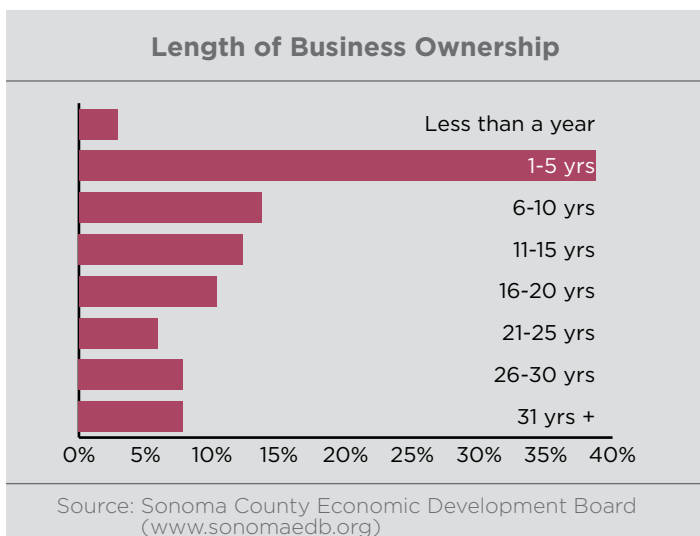
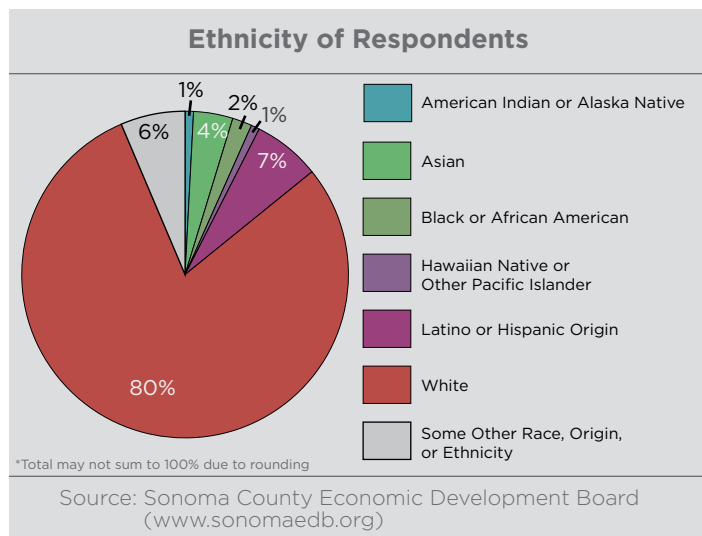
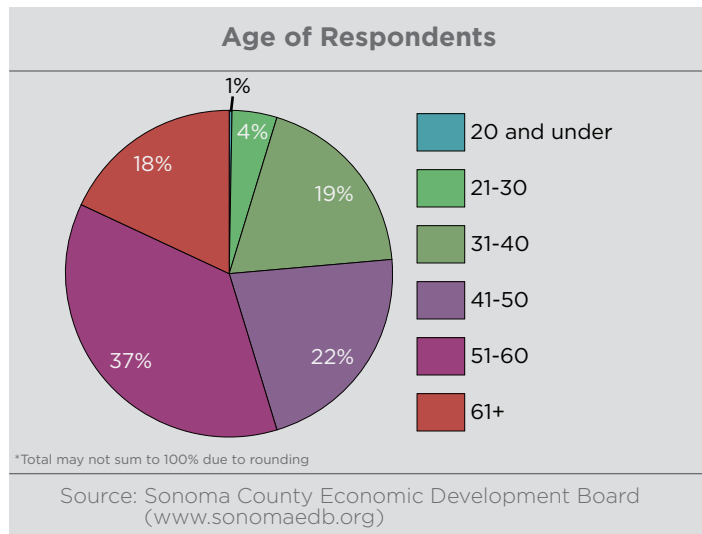
Over a third of women responded as belonging to the 51-60 age category, which was the most populous age category. Following this was the 41-50 category (22%) and the 31-40 category (19%). Those 30 and under made up less than 5% of all respondents, and only one respondent was aged 20 or younger.

ETHNICITY OF RESPONDENTS

The majority of the survey respondents identified themselves as white (80%), which is above the state average, where 62% of female business owners are white.

AGE OF BUSINESSES

The majority of businesses were founded in the current decade, and the largest proportion of women have owned their business for only five years or less.



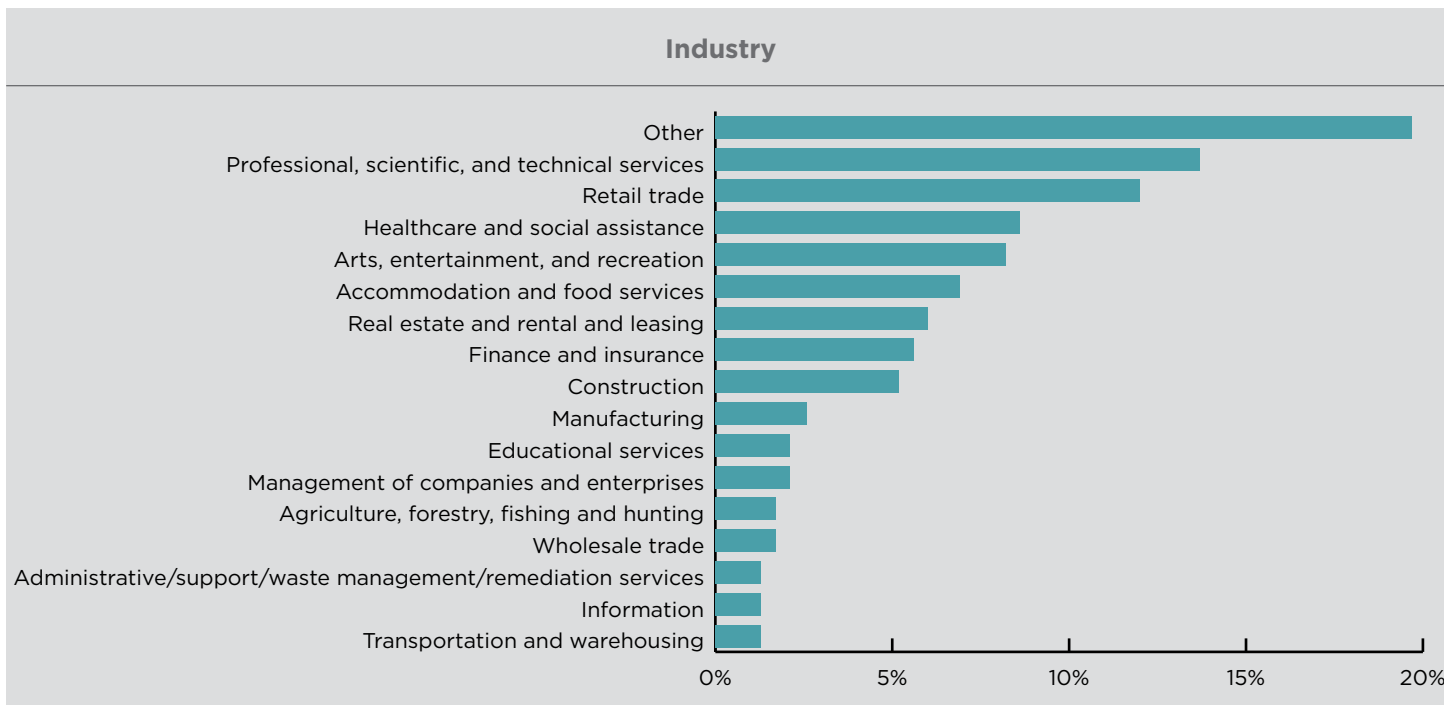
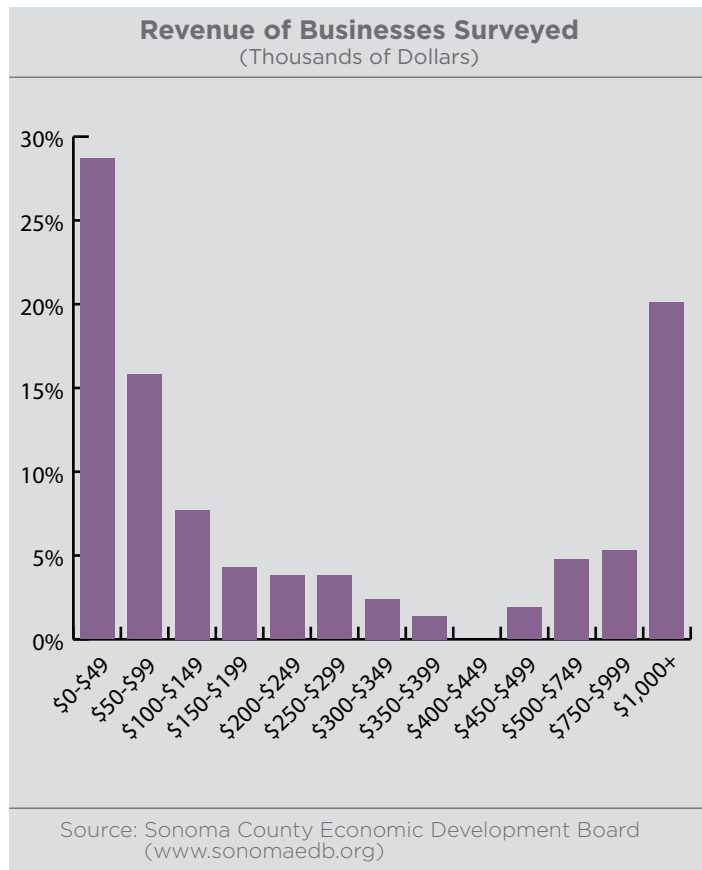
WOMEN-OWNED BUSINESSES SURVEY

REVENUE

The revenues of the women-owned businesses were primarily concentrated on the lowest and highest ends of the scale. Self-employed individuals likely constitute the smaller revenue brackets and larger corporations with more employees fall into the larger revenue brackets. In Sonoma County, the average revenue of a women-owned business is approximately \$118,000 (2012).

INDUSTRY

There was representation from all industries in the survey with the exception of utilities, mining, quarrying, and oil and gas extraction. Industries which were well-represented include healthcare and professional services, which are industries with a higher proportion of women-owned businesses on the national level. The “Other” category contains those women who categorized their business into an industry not listed.



WOMEN-OWNED BUSINESSES SURVEY

NUMBER OF EMPLOYEES

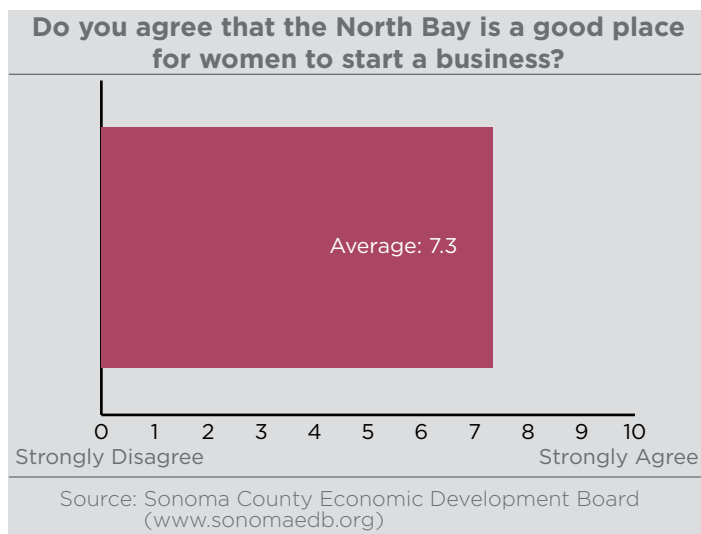
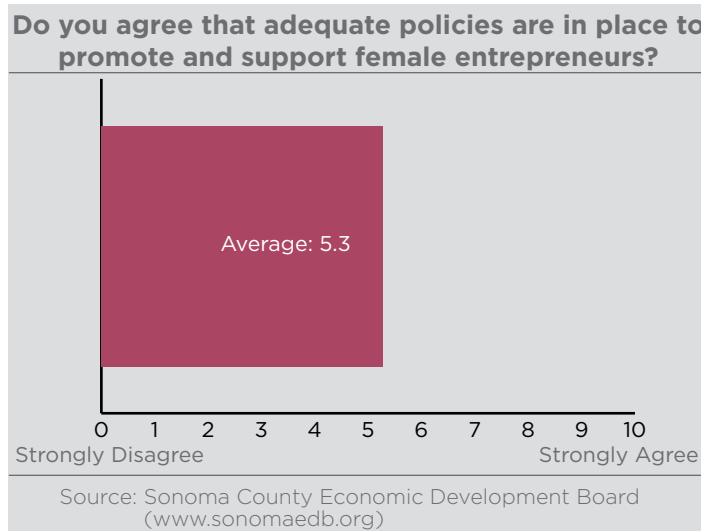
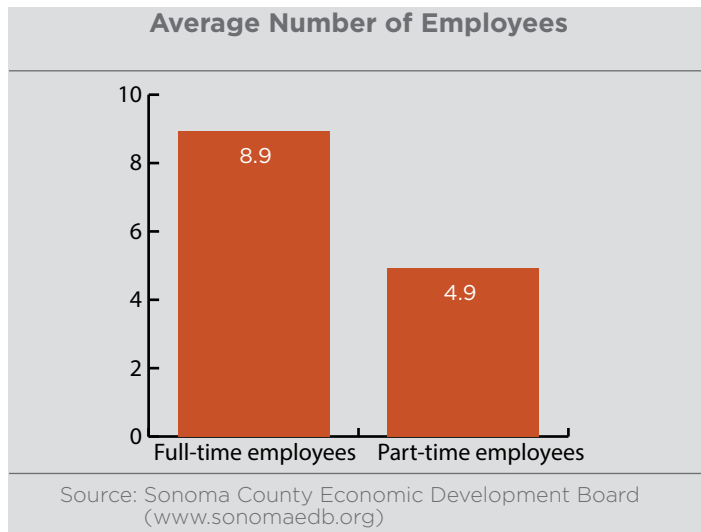
The average number of full-time employees of surveyed businesses was 8.9 and the average number of part-time employees was 4.9. This takes into account the many businesses which do not have any employees except the owner.

POLICIES TO PROMOTE AND SUPPORT FEMALE ENTREPRENEURS

The survey asked female business owners to give their opinion on a scale of 1 to 10 on whether they believed adequate policies are in place to support female entrepreneurs in the North Bay. The average score was 5.3, which suggests that more could be done in terms of policy to help female entrepreneurs in the North Bay, or that more awareness is needed of existing policies.

THE NORTH BAY AS A PLACE TO START A BUSINESS

There was a more positive response to the question of whether the North Bay is a good place for a woman to start a business. The average score given was 7.3, and this was largely attributed to factors such as the North Bay's close proximity to San Francisco, as well as the high degree of support for local businesses in the community.



WOMEN-OWNED BUSINESSES SURVEY

REASONS FOR STARTING BUSINESS

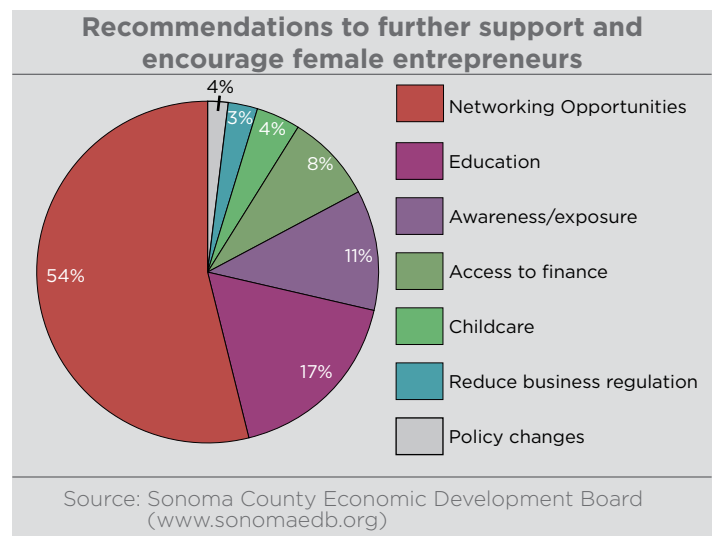
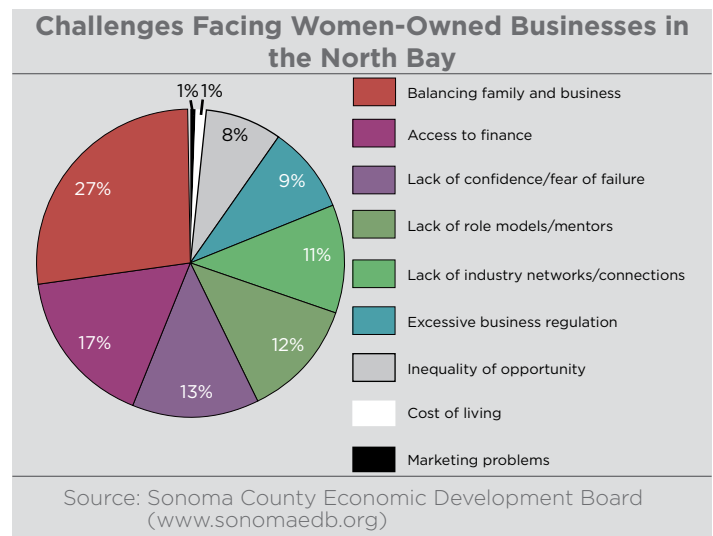
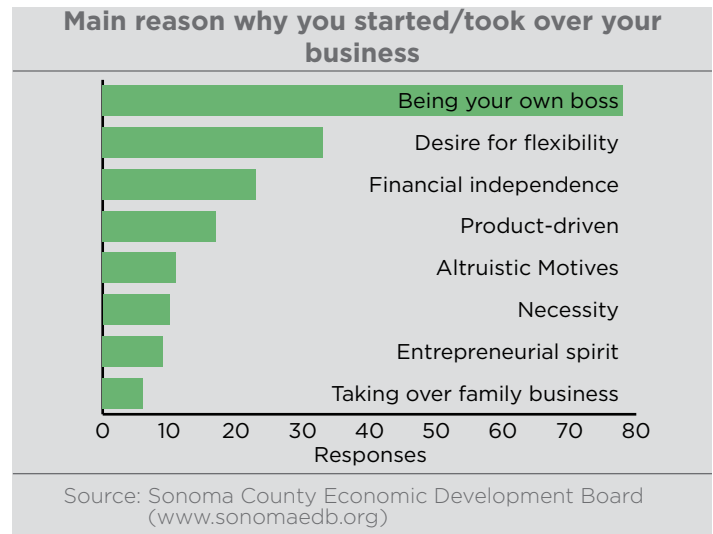
The primary reason female business owners listed for starting or taking over their business was the opportunity to “be their own boss,” with almost 80 women selecting this option. Other popular reasons were the flexibility that owning your business brings, and the desire for financial independence.

CHALLENGES

The female business owners who were surveyed identified a number of challenges which they have faced when operating their business in the North Bay. The most common challenge is balancing family and business, followed by access to finance and a lack of confidence/fear of failure.

RECOMMENDATIONS

Improved and increased networking opportunities was singled out by the majority of survey respondents (54%) as their greatest recommendation to further support and encourage female entrepreneurs in the North Bay. More specifically, many women commented that they would value more networking opportunities with other female entrepreneurs in the area. In addition to this recommendation, the respondents also selected education, awareness/exposure, and access to finance as areas needing improvement.



FEMALE BUSINESS OWNERS

INTERVIEWS WITH FEMALE BUSINESS OWNERS

As part of the EDB's research into women-owned businesses in Sonoma County and the North Bay, individual interviews were conducted with four local female business owners: Melinda Hepp, Nicole Humber, Jodi Shubin, and Mercedes Hernandez. The purpose of these interviews was to gain a more in-depth picture of female business owners who live in the area, and to hear their stories. Through these interviews we heard the inspirational stories of just a few female business owners in the local economy and heard about the ways in which they continue to grow and expand their businesses.

MELINDA HEPP: STUDIO PR

Living by the mantra, "all things are possible," Melinda is realizing this dream as the founder and principal of Studio PR, located in Petaluma.

After pursuing her college degree in rhetoric and media studies and becoming fascinated with the art of persuasion, Melinda began her career in wine industry marketing before spending the last decade developing and managing strategic PR and communications programs, most recently serving as vice president at a San Francisco business-to-business agency. Her clients have included small, midsize, and large companies, nonprofits, and public agencies both locally and nationally.

On January 1, 2017, Melinda launched Studio PR, a boutique public relations and marketing communications firm. Through this, she realized her long-term goals: to work and serve clients locally, to improve her work-life balance and her connections with North Bay companies, and to have complete ownership over her business.

Melinda comments, "I've always had the desire to steer my own path and be my own boss. I saw a need in the North Bay Area where I live for sophisticated and customized communications services, and I wanted to help local companies with effective storytelling through traditional PR, content marketing, and social media. This venture provides a better work-life balance and more quality time with my young kids."



studio PR

FEMALE BUSINESS OWNERS

NICOLE HUMBER: BRAVO RESTORATION AND CONSTRUCTION

Nicole Humber, born in Stockton, CA, grew up in various cities throughout the Central Valley and moved to Sonoma County during her high school years. From an early age, she had the desire to dedicate her life to public service devoted to the dream of becoming a police officer, social worker, or lawyer. Financing her education herself, she started working full-time as a receptionist at a local restoration company. A few weeks into the job, she realized how fulfilling it was to help restore people's homes after incidents such as water and mold damage, which Nicole says can seriously impact the psychological well-being of the affected families.

She left her job after she became pregnant with her first child and accepted a position as an office manager, where she learned invaluable management and accounting skills. It was also during this time that she decided to go back to school to obtain her accounting degree. Soon after, a former co-worker asked her to join him in his new business venture: Bravo Restoration and Construction. She gladly accepted the offer while still staying on in her previous position. This led to Nicole simultaneously working two jobs, going to school full-time, and taking care of her young child. She eventually left the position as an office manager to fully focus on her responsibilities at Bravo Restoration and Construction. She was the driving force in growing the company from 3 to 27 employees and generating over \$1m in revenue.

In January 2016, the owner of Bravo Restoration and Construction offered Nicole the opportunity to buy the company for \$1.5m. Nicole saw this as an excellent prospect not only to follow her passion but also to continue to help people when they are most in need. She remains an advocate for women working in traditionally male-dominated industries and Bravo Restoration and Construction has recently become the first women-owned business to gain a City of Santa Rosa mold certificate, as well as being a WBENC (Women's Business Enterprise National Council) certified business.



FEMALE BUSINESS OWNERS

JODI SHUBIN: JM OFFICE DESIGN

Jodi Shubin moved to Sonoma County in 1990. She had previously started her career at a large furniture dealership in the South Bay. After having her second child, Jodi decided to launch her own business in order to be able to work more flexible schedules and take care of her kids. She grew JM Office Design to a \$ 1.5m company, working out of her home.

In 2012 Jodi took on a position at a local accounting firm, taking the lead in their marketing re-branding effort. Now that her kids have finished their education, in February 2017 she decided to relaunch and possibly merge her company with a \$44 million office furniture company from the South Bay. Negotiations and final details are still in progress.

Jodi says that one of the most important assets for starting a business is the strong relationships in the local community. This is why she has been involved in many local non-profits and networking organizations such as the Santa Rosa Metro Chamber of Commerce, Petaluma Chamber of Commerce, Manna Home (under the Redwood Gospel Mission), Sonoma County Children's Village, Chop's Teen Club, the Sonoma County Professional Women's Group, Leadership Santa Rosa, and Leadership Petaluma to name a few. She uses her ample experience to mentor other women. For her exceptional contributions to the community, Jodi was recognized with a *Spirit of Sonoma Award* in 2014.



SPOTLIGHT ON SUCCESS

MERCEDES HERNANDEZ: BOW N ARROW CLOTHING

Mercedes Hernandez discovered her passion for the fashion industry at age 12, when she started modeling. Growing up, she enjoyed experimenting with her own outfits as well as those of her friends and family.

After graduating High School, she went on to study Business Administration at the local Junior College. With the dream of opening her own clothing store in mind, she soon realized that she wasn't truly passionate about her degree. Following the advice of her student counselor, she enrolled in the Santa Rosa Junior College entrepreneurship program where she learned more about the reality of starting and running a business. During this time, she launched her online clothing store, operating solely out of her home. Additionally, Mercedes started working at a local restaurant in order to save money for taking her business idea further.

At a networking event hosted by the Hispanic Chamber of Commerce of Sonoma County, she met EDB Diversity Officer Marcos Suarez. Marcos connected Mercedes with all the resources necessary to open her first store location, including supporting her through the process of acquiring a micro-loan from Working Solutions based in San Francisco.

On July 15, 2016, Mercedes opened her first clothing store in downtown Cotati, and her business has been rapidly expanding ever since. She now has several employees and is looking to extend the inventory of her online store and eventually open up a second retail location in Sonoma County.



EDB BUSINESS SUPPORT SERVICES

WORKFORCE & TALENT DEVELOPMENT

As a partnership with the Workforce investment Board, the Workforce and Talent Development Program (WTDP) has been instrumental in promoting and connecting businesses to hiring incentives and customized training funds that compensate businesses for employee training costs, creating opportunities for employment and business expansion.

Resources

- Labor Market Analysis
- Employee Training Reimbursement
- One-on-one Business Consultations
- Hiring Assistance

BUSINESS DIVERSITY

The EDB's Business Diversity Program provides business assistance to minority and under-served local businesses and communities. In 2016, the EDB and SBRN hosted several events including the Women Entrepreneurs of the 21st Century Conference, the Sabores de Wine Country Business Showcase, and the Latino Business Summit.

Resources

- Bilingual Workshops and Seminars
- One-on-one Business Consultations
- Business Development Guidance
- Bilingual Business Assistance Hotline

START-UP & ENTREPRENEURIAL SERVICES

The EDB's Start-Up and Entrepreneurial Services Program fosters business growth in Sonoma County by providing direct and timely assistance to aspiring business owners. The program offers entrepreneurs personalized recommendations and resources to start up a new enterprise and thrive.

Resources

- Financing Resources
- Business Development Guidance
- Permit & License Assistance
- Business Plan Development

BUSINESS DEVELOPMENT TOOLS

The EDB's market research can help businesses and entrepreneurs to see the overall picture and focus efforts more effectively on better understanding current trends in industry, finding target markets in Sonoma County, and even creating a list of potential customers. Our staff can work with you one-on-one to discuss your challenges and find the right tools to move your business forward.

Resources

- Industry Trends Research
- Marketing Reports
- Site Selection Information
- Labor Market Analysis

BUSINESS RETENTION & EXPANSION

The Business Retention and Expansion Program (BRE) at the EDB focuses on building relationships with business leaders to identify and solve key issues facing local businesses, and find ways to help them stay and grow in Sonoma County. The information gathered through the program is used to guide public policy aimed at making Sonoma County a more business-friendly community.

Resources

- Licensing & Regulatory Assistance
- Identifying Tax Incentive Opportunities
- One-on-one Business Consultations
- Green & Environmental Business Guidance

METHODOLOGY

The Economic Development Board (EDB) believes all data contained within this report to be accurate and the most current available, but the EDB does not guarantee that this report is accurate or complete.

For the purpose of this report, a ‘Woman-Owned Business’ is defined as a business whereby a woman possesses 51 percent or more of the stock or equity in the business. A Woman-Owned Business includes those firms with and without paid employees, and thus firms without paid employees include sole proprietors (self-employed individuals) and partners of unincorporated businesses that do not have any other employees on the payroll.

The U.S. Census data analyzed in this report was collected from the Survey of Business Owners and Self-Employed Persons (SBO). This survey is carried out every 5 years, with the most recent data available being from 2012. The SBO provides data on selected economic and demographic characteristics of businesses nationwide, including those of women-owned businesses.

The Economic Development Board (EDB) conducted electronic surveys to complete the Women-Owned Businesses Survey and Report. The purpose of this report is to obtain a general overview of the health of women-owned businesses in Sonoma County and the North Bay. Surveys were emailed, in collaboration with the North Bay Business Journal, to North Bay Chambers of Commerce, local professional women’s networks, and various other organizations. If you represent or know of a group that could be included in the survey, please contact the Economic Development Board at edb@sonoma-county.org for further assistance.

Please note that all data collected by the survey is based on information self-reported by survey respondents, which was not factually verified by the Sonoma County Economic Development Board.

SOURCES

U.S. Census Bureau (www.census.gov)

NerdWallet (www.nerdwallet.com)

U.S. Chamber of Commerce Center for Women in Business (www.uschamberfoundation.org)

ACKNOWLEDGMENTS

The Women-Owned Businesses project was carried out by **Dominique Kunz** and **Evie Taylor**, 2016-2017 Project Coordinators.

We would also like to thank the North Bay Business Journal for partnering with us on this research, and all those local organizations and Chambers of Commerce who distributed the survey, and of course all the female business owners who took the time to complete the survey.



SONOMA**EDB**.ORG

707 - 565 - 7170

141 STONY CIRCLE, STE. 110, SANTA ROSA, CA 95401