



**Building
Inclusive
Ecosystems
with
Intentionality**

A STRATEGY TO ENHANCE SUPPORT FOR D.C.'S WOMEN FOUNDERS

DELORIS WILSON
PREPARED FOR BEACON: THE D.C. WOMEN FOUNDERS INITIATIVE



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Deloris Wilson

Deloris Wilson (J.D., M.P.A.) is the Inclusive Innovation Fellow at Georgetown's Institute for Technology Law & Policy. As an activator, entrepreneur and social impact strategist, she has served as a business development consultant for a variety of start-up ventures, including co-founding the Islands Innovation Institute in Sint Maarten, founding AXL: a social impact strategy firm that catalyzes ecosystems towards equity, as well as training minority entrepreneurs through a nationwide outreach program in partnership with the Minority Business Development Agency. Her interests in journalism and technology lead to her strategic content-based leadership of PushBlack, the nation's first text-based civic engagement platform for African Americans, as well as her previous tenure as Editor-in-Chief of the *Harvard Journal of African American Public Policy*. She has written, spoken, researched and advocated on a variety of social justice issues, as well as the nexus between community development, technological advancement and diversity and inclusion. Deloris holds a J.D. from Georgetown Law, an M.P.A. from Harvard Kennedy School of Government, and a B.A. from Spelman College.





BEACON: The D.C. Women Founders Initiative is a community-led campaign to make Washington, D.C. the most influential and supportive city for women entrepreneurs in the United States. As a collaborative effort led by local entrepreneurs, service providers, policy experts and community leaders, BEACON aims to recognize and address gaps in services to better support women entrepreneurs. Its mission is to identify needs and act on them, demonstrating how businesses, service providers and government can work together to ensure that women entrepreneurs have an equal opportunity to succeed.

BEACON is led by a Board of 10 women leaders from D.C.'s entrepreneurship and policy ecosystem and receives strategic and operational support from the Institute for Technology Law & Policy at Georgetown Law and Google. This research was conducted by Deloris Wilson, J.D., M.P.A., the Institute's Inclusive Innovation / BEACON Fellow, and supported by Alexandra Givens, J.D., the Institute's Executive Director and a founding Board Member of BEACON.

BEACON's work focuses in four core pillars:

- i. Expanding women entrepreneurs' access to capital;
- ii. Providing resources and support for women entrepreneurs;
- iii. Creating new business opportunities for women entrepreneurs; and
- iv. Inspiring the next generation of women entrepreneurs.

Learn more about BEACON's activities at www.thebeacondc.com.

The Institute for Technology Law & Policy at Georgetown Law is dedicated to training the next generation of lawyers and policymakers with deep, practical expertise in technology law and policy, and providing a forum to address pressing problems and opportunities involving technology and the law.

Among its initiatives, the Institute is committed to advancing meaningful thought leadership on inclusive innovation—in particular, ensuring that the economic drivers of the future benefit all members of society. The Institute dedicates a full-time fellow and additional staff time to providing research and strategic direction for BEACON.

Executive Summary

This report examines opportunities to further enhance inclusion and support of current and future women founders in Washington, D.C.'s entrepreneurial ecosystem. Its analysis provides an overview of women-owned businesses both nationally and in Washington, D.C., makes four top-level recommendations with pragmatic strategies for implementation, and highlights existing approaches to inclusive development.

Despite national trends in declining rates of entrepreneurship, the number of women-owned businesses in Washington, D.C. is on the rise. This is particularly true among minority founders. The D.C.-metro region (including Washington, D.C., Virginia, Maryland, and West Virginia) has the eighth highest number of women-owned firms out of the top 50 metropolitan areas in the U.S. The District,



specifically, has been deemed a “hotspot” for women entrepreneurs by various publications. Despite these accolades, however, D.C. scores less favorably than Maryland and Virginia in terms of the number of women-owned businesses, their revenues, job creation and overall economic clout. Though D.C. exhibits activity across all seven ecosystem domains: market access, capital, community building, policy, resources, human capital and innovation, its full potential is impeded by the degree of (1) siloed operations, (2) a lack of coordination among resource providers, and (3) racial and ethnic disparities that exacerbate obstacles to resources and opportunities.

The following report surveys elements of Washington, D.C.’s entrepreneurial ecosystem and offers recommendations to increase access and opportunities for women founders, small

business owners and aspiring entrepreneurs. It also posits opportunities for strategic partnerships to enhance resource-based support, as well as policy changes that should catalyze an increase in the number of sustainable and scalable women-owned businesses headquartered in Washington, D.C.

While grounded in an entrepreneurial ecosystem analysis that includes an overview of women-owned businesses in D.C. and mechanisms of support across seven domains (market access, capital, community building, policy, resources, human capital, and innovation), this report is intended to stimulate ideas and highlight approaches that could be deployed in other cities to support both new business creation and sustained business growth for underrepresented founders.



Expanding Access to Capital

Key Challenge

Women founders are underfunded and not appropriately empowered or connected to various funding opportunities.

- Women and minority founders lack the necessary social capital to raise friend and family rounds.
- Local funders do not reflect the demographics of underserved groups.
- Information asymmetry skews perceptions towards certain funding streams and away from other opportunities.

Key Opportunity

Increase access to capital by acting with intention when targeting, engaging with and funding women and minority-owned companies.

Key Ecosystem Actors

Angel Investors, Angel Groups, Venture Capitalists, Banks, Community Development Financial Institutions, High Risk Investment Sources, and Alternative Sources of Capital.

Recommended Strategies

- Improve and increase diversity and inclusion strategies of D.C.-based capital providers through a review of internal policies, incorporation of measurable goals into daily operations, external outreach strategies, and “Invest Local” campaigns.
- Establish minimum fund amounts or earmark investment in women- and minority-owned companies, ideally in partnership with the public and private sector.
- Create “on-ramps” to expand and energize the social networks of women and minority founders.
- Enhance accessibility of applications, particularly for persons with disabilities and language barriers.
- Refine curricula of resource support groups to address information asymmetry pertaining to the local fundraising landscape, in addition to designing program(s) to best fit unique business needs.

Providing Resources and Support

Key Challenge

Washington, D.C. has abundant resources for entrepreneurs, yet founders still feel unconnected and underserved.

- Gaps in information and organization stall the growth of a fully functioning ecosystem.
- A “one-size-fits-all” approach to programming exacerbates existing inequities.
- Women and minority founders are underrepresented in incubators and accelerators.
- Resources are concentrated in particular wards, and providers lack the capacity for one-on-one support.
- Ecosystem norms, even if unintentional, dissuade participation by certain industries, groups and institutions.

Key Opportunity

Improve the organization and quality of resource delivery within D.C.’s entrepreneurial ecosystem.

Key Ecosystem Actors

Incubators/Accelerators, Professional Services, Local Government, Non-Profit Organizations, Local Chambers, Industry Associations, Universities, Community Colleges, Community-Led Initiatives, Peer Networks, Media, and Advocacy Groups.

Recommended Strategies

- Map the D.C. women’s entrepreneurial ecosystem by linking service providers, with specific reference to industry focus, needs served, and cost of attendance or use.
- Apply continuous monitoring of entrepreneurs’ needs to ensure the content, quality, and delivery of resources are responsive to changing needs.
- Enhance accessibility and recruitment strategies to increase the number of women and minorities in local incubators and accelerators.
- Connect pre-seed and seed stage companies to all opportunities for affordable and lower-cost technical assistance and operational support.
- Improve and/or establish effective marketing and recruitment measures to reach diverse founders.

Creating New Business Opportunities

Key Challenge

Women and minority-owned businesses need more opportunities to showcase their products/services and engage with potential customers.

- The cost of doing business in D.C. may dissuade new business creation.
- Women business owners are not fully aware of the benefits of certification programs that could help to secure larger customers.
- Women entrepreneurs need more opportunities to showcase their businesses, particularly for non-retail and service-based industries.

Key Opportunity

Create new business opportunities by alleviating administrative burdens, promoting creative consumer-centric models, and mobilizing community partners for both marketing and contracting opportunities.

Key Ecosystem Actors

Accelerators/Incubators, Local Government, Large Companies, Local Chambers, Industry Associations, Media, and Advocacy Groups.

Recommended Strategies

- Encourage regulation reform and streamline administrative procedures burdensome to new business creation and development.
- Launch new business development strategies that identify and help secure initial major customers and connect to ongoing “buy local” campaigns.
- Develop affordable commercial lease options for women and minority-owned businesses.
- Enhance curriculum offerings to focus on customer development strategies.
- Seek new and improve existing strategies to identify and promote women-owned businesses.

Inspiring the Next Generation

Key Challenge

There are limited on-ramps for teenagers and young adults to learn the skills needed to become successful entrepreneurs.

- Entrepreneurship curriculum is limited in existing Career and Technical Education Programs (D.C. Public High Schools).
- Youth need employment/internship opportunities in local businesses and startups.
- Youth are underutilized in local advocacy efforts.

Key Opportunity

Inspire the next generation of entrepreneurs by integrating youth outreach into existing initiatives and expanding curriculum offerings within school-based programs.

Key Ecosystem Actors

Universities, Community Colleges, Local High Schools, Local Government, Accelerators/Incubators, Local Chambers, Corporations, Small Businesses, Support Organizations, Peer Networks, Media, and Advocacy Groups.

Recommended Strategies

- Increase visibility and engagement of women founders in youth outreach initiatives.
- Expand availability of entrepreneurial curriculum offerings in the D.C. Public Schools Career and Technical Education Program to encourage development of student owned businesses, particularly in areas underrepresented by women founders of color.
- Align existing youth training programs with opportunities in local startups, small businesses, and corporations for both training and mentorship—particularly in industries underrepresented by women founders of color.
- Establish youth components within organizational structures of existing entrepreneurial networks.
- Engage youth in advocacy efforts pertaining to small business development.

Introduction

A. Overview

Women entrepreneurs are the cornerstone of the U.S. economy, yet data show they do not receive the attention, investment or support they deserve. As of January 2017, there are an estimated 11.6 million women-owned businesses in the United States, employing almost 9 million people and generating over \$1.7 trillion in revenues.¹ Despite their vast economic power and presence within every major industry, women founders – particularly those from underrepresented and marginalized groups – are historically underfunded, earn but a share of revenues as compared to male-owned firms, and face barriers throughout the business development lifecycle. Aspiring women founders who are members of underrepresented groups face even greater challenges that both discourage business development and marginalize growth and opportunity. These compounding issues result in a skewed perception of just who a successful entrepreneur can be – a perception that is antiquated, misinformed and misaligned with an increasingly diverse population.

“Changes in the composition of America’s population are not yet fully reflected in the composition of [the] nation’s entrepreneurial population...the portrait of U.S. entrepreneurs – 80.2% White and 64.5% male – looks a lot different than that of the overall U.S. population.”

– State of Entrepreneurship 2017,
The Kauffman Foundation

Scholars have championed “**inclusive entrepreneurship**” as an approach to addressing societal and systemic inequities that prevent certain groups from starting and scaling a business. The Case Foundation defines “inclusive entrepreneurship” as “leveling the playing field for all entrepreneurs – particularly women and people of color – in all places in order to create stronger communities, close the opportunity gap and scale creative solutions to persistent problems.”² This means, for example, coupling access to financial capital with true elevation in social capital, harnessing the opportunities of big business with on-boarding of small businesses,

and addressing the structural and systemic barriers preventing women founders from accessing their true entrepreneurial potential. Doing so is not only good for business, it is also crucial for the economy. While some deem inclusivity as the “next era of entrepreneurship,” this report posits it as the present era: inclusive entrepreneurship is required *now* in order for local and international economies to remain competitive and respond to the realities of changing demographics.³

With insights gleaned from entrepreneurs, resource providers, and other stakeholders in D.C.’s entrepreneurial ecosystem, this report highlights intersecting challenges to access and opportunity while providing recommendations for strengthening the ecosystem for D.C.’s diverse women founders. It begins with an overview of women-owned businesses both nationally and within Washington, D.C., then examines challenges experienced by D.C.’s women founders, and closes with a series of “opportunities,” or recommendations, designed to promote inclusive onramps and address weaknesses in existing resources and stakeholder coordination. Further, select ecosystem actors are highlighted throughout the report as examples of how coordinated, innovative and inclusive efforts have already enhanced the support of women founders.

As an initial assessment, it is the hope of the commissioning organization, BEACON: The D.C. Women Founders Initiative, that the following recommendations will be adapted and adopted by local stakeholders in an ongoing effort to improve resources and support for D.C.’s women founders. In addition, it will serve as the first of a series of analyses that provide further insights into the operations and development of D.C.’s entrepreneurial ecosystem.

Entrepreneurship is a fundamental human right for everyone... you shouldn't need a formal degree, it shouldn't matter your race, your age, your gender, or where you live. You should be able to start a business quickly, inexpensively, without confusion and without barriers.

State of Entrepreneurship 2017
The Kauffman Foundation



B. BEACON: The D.C. Women Founders Initiative

BEACON: The D.C. Women Founders' Initiative is a community-led campaign to make Washington, D.C. the most influential and supportive city for women entrepreneurs in the United States. As a collaborative effort led by a board of 11 volunteer leaders from D.C.'s entrepreneurship and policy ecosystems, BEACON receives strategic and operational support from the Institute for Technology Law & Policy at Georgetown Law, grant support from the D.C. Mayor's Office, and works in partnership with Google to address challenges experienced by D.C.'s women founders. This research was conducted by Deloris Wilson, J.D., M.P.A., the Inclusive Innovation / BEACON Fellow at Georgetown Law's Tech Institute, and supported by Alexandra Givens, J.D., the Institute's Executive Director and a founding Board Member of BEACON.

BEACON's primary objective is to strengthen the ecosystem for diverse women entrepreneurs by recognizing and addressing gaps in services and coordinating improved forms of support in response. Its mission is to identify needs and act on them, demonstrating how businesses, service providers and government can work together to ensure that women entrepreneurs have an equal opportunity to succeed.

It hopes to share its lessons in D.C. and beyond to help spur inclusive ecosystems nationwide. BEACON runs an annual grant program

that funds innovative projects to support D.C.'s women entrepreneurs. It also operates the District's largest directory of women-owned businesses and resources for women founders. BEACON hosts or co-hosts regular programming, leads campaigns to address issues affecting women entrepreneurs, identifies speaking and vending opportunities for women business owners, and produces a biweekly newsletter showcasing resources and opportunities that reaches over 2,000 subscribers. It shares ongoing insights with national organizations including the National Women's Business Council and the Senate Committee on Small Business and Entrepreneurship. You can read more about BEACON's activities at www.thebeacondc.com.

BEACON's work to amplify and support women-owned businesses is framed around four operating pillars. The recommendations set forth in this report are also framed in terms of these four pillars to help facilitate future activations:

1. Expanding Access to Capital
2. Providing Resources and Support
3. Creating New Business Opportunities, and
4. Inspiring the Next Generation of Women Founders.

It is the hope and desire of BEACON that the following survey and analysis will provide a basis for renewed attention and investment in building a prosperous ecosystem for all women-owned business.

Methodology

This report is a collection of facts and issues gleaned from focus groups, interviews, statistical research, and analysis of the status and vitality of women-owned businesses in Washington, D.C. While existing ecosystem models and connectivity analyses inform the basis of findings and recommendations, the report is primarily informed by the local founder community and its stakeholders. The findings do not present a comprehensive assessment of the needs of every woman-owned business, entrepreneur or resource support organization in Washington D.C., nor do the conclusions necessarily represent the views of our partners, funders or board members of BEACON.



A. Structure of Focus Groups and Interviews

BEACON hosted two rounds of focus groups: one at the organization's inception (December 2016/January 2017) and another after a year of operations (January/February 2018). Interviews were conducted throughout 2017 and early 2018.

The first series of focus groups were designed to inform BEACON's work as a community-led initiative. Four roundtables were organized by topic area: "Innovation Leaders," "Access to Capital," "Increasing Resources and Support," and "Creating New Business Opportunities." Roundtables convened local stakeholders who identified challenges and brainstormed solutions. The series began with a kick-off event featuring remarks from Brian Kenner, D.C.'s Deputy Mayor for Planning and Economic Development, and Ana Harvey, then Director of D.C.'s Department of Small and Local Business Development, to promote engagement and bring greater visibility.⁴

METHODOLOGY

STRUCTURE OF FOCUS GROUPS AND INTERVIEWS

The second series centered on the use of local resources, on-ramps to social and financial capital, as well as opportunities to connect with mentors, resource providers and other entrepreneurs. Using the National Women's Business Council's ecosystem model and the Kauffman Foundation's connectivity analysis as a guide, women founders identified gaps in service delivery based on their own experiences in navigating this space.

During this second series, the author convened eight focus groups that were strategically situated and scheduled within five of D.C.'s eight wards. The focus groups took place in venues already populated by entrepreneurs: WeWork (a co-working space located in various neighborhoods across D.C.), Hera Hub (a women-only co-working space located in Northwest D.C.), the Inclusive Innovation Incubator (a diversity-focused co-working space affiliated with Howard University), and The Hive 2.0 (a co-working space focused on community revitalization located in Anacostia). While each of these organizations are membership-based, focus groups were widely publicized and open to the public, as well as scheduled at different times of day to accommodate various lifestyle needs. Participants represented concept and early-stage companies from a variety of industries, and were racially, ethnically and generationally diverse. The majority of participants founded their businesses in D.C., while a few transferred operations from elsewhere.

In addition to focus groups in Wards 1, 2, 3, 6, and 8, in-depth interviews were conducted with resource providers across all eight wards. Interviews aligned with each of the seven domains of the entrepreneurial ecosystem. These key players provided insights and feedback based on their roles in policy, capital/finance, market access, innovation, human capital, and resources.

There is one entrepreneur on the stage but there is also a cast of characters, orchestra pit, and the audience. Without those ecosystem stakeholders, change will not be successful.

***Daniel Isenberg,
Founding Executive Director
Babson Entrepreneurship
Ecosystem Project at Babson
College***



B. Approach to Analyzing Entrepreneurial Ecosystems

The entrepreneurial ecosystem framework is an approach to understanding community support for any segment of entrepreneurs. It takes a wide-lens view of a regional operating environment, identifies stakeholders within each domain, and provides a frame for analyzing the landscape for future activation. According to Daniel Isenberg, a leading scholar on entrepreneurial ecosystem development, “there is one entrepreneur on the stage but there is also a cast of characters, orchestra pit, and the audience. Without those ecosystem stakeholders, change will not be successful.”⁵

By describing various stakeholders and their overlapping connections, entrepreneurial ecosystem analyses help users visualize and coordinate engagement, investment and support—in this case, for women entrepreneurs. This survey of ecosystem connectivity is informed by the visual mapping of entrepreneurial ecosystems created by the National Women’s Business Council (NWBC). NWBC’s visual representation demonstrates the overall environment in which an entrepreneur grows her business, highlighting the importance of seven domains (or “inputs”) and the connections therein: Resources, Policy, Community Building, Capital, Market Access, and Innovation. At their intersection lies the best support for inclusion and success.⁶ The “outputs,” or an ecosystem’s impact, is quantified through the levels of entrepreneurship and number of women-owned businesses, among other variables explained

below in “Table 2. Methods for Evaluating the Strength of an Entrepreneurial Ecosystem.”

In assessing how well a particular ecosystem supports women business owners, the NWBC poses the following four questions:

1. How are locally-headquartered corporations working with regional business clusters and entrepreneurial support organizations to engage women-owned businesses in their supply chains?
2. Do incubators and accelerators successfully recruit and graduate women business owners and provide them with meaningful opportunities to access capital?
3. What role do colleges and universities play in connecting women business owners to capital, networks and commercialization support?
4. Do your local government, chamber of commerce, or other resource groups collaborate with one another other than to maintain a calendar or directory for local entrepreneurial support organizations?

As applied here, NWBC’s seven ecosystem domains and four assessment questions set the foundation for identifying interviewees, informed interview and focus group structure, and served as a guide in aligning recommendations with BEACON’s four operating pillars (expanding access to capital, providing resources and support, creating new business opportunities, and inspiring the next generation of women entrepreneurs). Additionally, the domains form the basis of a “ecosystem map” currently under development by BEACON.

Figure 1: Entrepreneurial Ecosystem Model (National Women’s Business Council).



The National Women’s Business Council’s (NWBC) ecosystem model visualizes the environment in which an entrepreneur grows her business, highlighting the importance of seven domains (or “inputs”) and the connections therein: Resources, Policy, Community Building, Capital, Market Access, and Innovation. At their intersection lies the best support for inclusion and success.

Rather than focus on a traditional policy assessment, the NWBC ecosystem analysis looks towards networks, relational forms of support, and inducement of innovation through connecting domains. For example, while a traditional approach may propose tax incentives or subsidies as an incentive to invest in women-owned businesses, an ecosystem-based approach would examine the social capital needed for a woman-owned businesses to receive investment, the resources available that prepare a founder for

investor engagement, and the various funding streams available as related to business industry and stage of development.

This report is the first in a series of ongoing research that brings much needed attention to a segment of underserved and well-deserving founders. Further study will delve more deeply into industry-specific nuances as well as demographic differences, as identified and explained in “Part V: Conclusion and Next Steps.”

Table 1. Comparison of Frameworks for Evaluating Entrepreneurship Landscapes: Traditional v. Ecosystem-Based Approach (National Women’s Business Council).

POLICY CHARACTERISTIC	TRADITIONAL	ECOSYSTEM-BASED
Target	Main focus is on specific actors, such as individuals, entrepreneurs, geographic clusters of firms.	Main focus is on specific types of entrepreneurs, <i>networks</i> of entrepreneurs or “temporary” <i>clusters</i> .
Systemic approach	Policy actors are targeted by specific focused interventions aimed at parts of entrepreneurial systems (i.e. non-systemic).	Policy is targeted at <i>connecting components</i> within ecosystems to enable the system to better function (i.e. systemic).
Type of relationships	Main forms of assistance are “transactional” forms of support such as grants, tax incentives, subsidies, etc.	Main forms of assistance are “ <i>relational</i> ” forms of support such as network building, developing connections between entrepreneurial actors, institutional alignment of priorities, fostering peer-based interactions.
Financing	Main push by policy makers is to generate and promote entrepreneurial sources of finance aimed at startups, particularly in the form of venture capital and business angel funding.	Recognition that different businesses have <i>different funding requirements</i> such as debt finance, peer to peer, crowdfunding, etc. As businesses grow, different firms require access to escalating funding needs and different funding sources.
Innovation	Generation of new firm-based intellectual property and innovation is seen as vitally important. The focus is very much on R&D and the protection of intellectual property rights. Strong encouragement of technology and innovation within high tech sectors.	Focus on developing <i>innovation systems</i> and <i>fostering connections</i> with customers, end users, suppliers, universities, etc. Increasing recognition of unprotected and “open” sources of innovation. Innovation crosses over many sectors and industries – both new and traditional.

Table 2. Metrics for Evaluating Strength of an Entrepreneurial Ecosystem (National Women's Business Council).

METRIC	DOMAIN	DATA SOURCE	NOTES
Inputs	 Resources	Local survey	Identify incubators, accelerators, co-working spaces, professional services, and events
	 Government	Local survey	Identify policies and small business assistance programs at Federal, State, and local levels
	 Community Building	Local survey	Identify professional networks, advocacy groups, and business media
	 Capital	Crunchbase	Investments by city, sector, and investor
		StatsAmerica Innovation 2.0	Venture capital by dollar and deal count, foreign direct investment, availability of capital
		Local survey	Identify sources of financing
	 Market Access	StatsAmerica Innovation 2.0	Cluster diversity, strength, and growth
		Local survey	Identify local chambers of commerce, industry association, and business cluster initiatives
	 Innovation	StatsAmerica Innovation 2.0	Knowledge creation, STEM education and occupations, patent diversity and rate
		Association of University Technology Managers' Licensing Activity Survey	Patent licensing, startup activity by universities
		U.S. Small Business Administration (SBA) Clusters Initiative	Regional innovation cluster
		U.S. Economic Development Administration (EDA) Regional Innovation Strategies	Regional innovation strategy
		Local survey	Identify university tech transfer and entrepreneurship programs
	 Human Capital	StatsAmerica Innovation 2.0	Educational attainment, employment, and productivity
		U.S. Census Bureau, American Community Survey	Educational attainment by gender
		Local survey	Identify colleges, universities, and workforce development initiatives
Outputs	Entrepreneurship	Kauffman Index of Startup Activity, Index of Main Street Entrepreneurship, Index of Growth Entrepreneurship	Rankings of new entrepreneurs, opportunity entrepreneurship, startup density, rate of startup growth, share of scale-ups, and high growth company density
	Women-owned businesses	U.S. Census Bureau, Survey of Business Owners and Self-Employed Persons, Annual Survey of Entrepreneurs	Number, revenue, employer firm status, and payroll of businesses by gender of ownership

Understanding Women-Owned Businesses: A National and Local Approach

A. Women-Owned Businesses: Nationally

1. OVERVIEW

According to the Small Business Administration, women make up more than 50% of the U.S. population, have surpassed men in educational attainment, and are now the primary breadwinners in over 40% of households.⁷

Despite a long-term decline in entrepreneurship across the U.S. economy, women continue to create new businesses at surprising rates.⁸ But new business creation does not necessarily amount to sustained business growth – as male business owners continue to lead in terms of the overall number of businesses, as well as their sales, employment and payroll (see Table 3).

There are over 11 million women-owned businesses in the U.S., employing nearly 9 million people and generating over \$1.7 trillion in revenues.⁹ While the general rate of new business creation hovered at 9% between

2007 and 2016, the number of women-owned businesses increased at five times that rate, by 45%.¹⁰ In the last 20 years, the number of women-owned businesses has grown at a rate roughly 2.5 times the national average (114% versus 44%, respectively).¹¹ Women are now the majority owners of 39% of all U.S. firms, and when combined with businesses equally owned by women and men, account for 47% of all businesses.¹²

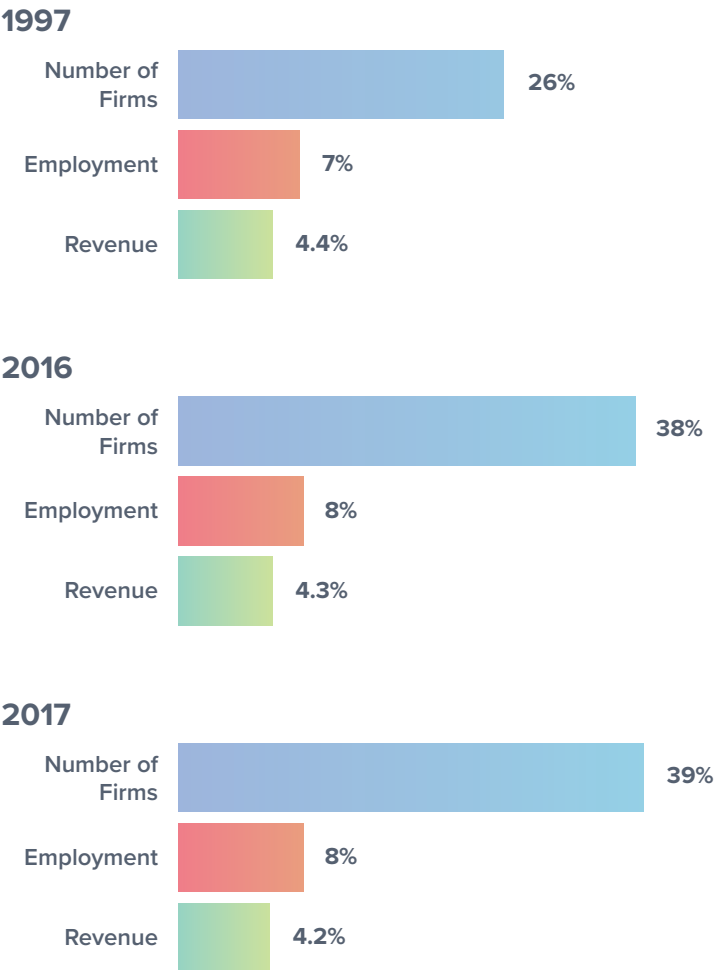
While the share of new business creation continues to rise, this rate of growth is not reflected in employment and revenues. According to American Express' most recent analysis, though "the share of the number of firms from 1997 to 2017 grew from 26% to 39%, the share of employment only grew from 7% to 8% and declined for revenues, from 4.4% to 4.2%." As annual growth rates signal a slow-down (a 3.9% growth rate from 1997 to 2017, and 2.7% rate between 2016 and 2017), the rate of growth in women-owned businesses is still higher than all businesses.

While the share of the number of firms from 1997 to 2017 grew from 26% to 39%, the share of employment only grew from 7% to 8% and declined for revenues, from 4.4% to 4.2%.

The State of Women-Owned Businesses 2017, American Express



Figure 2. Women-Owned Businesses: Share of All Firms by Firms, Employment and Revenues (The State of Women-Owned Businesses 2017, American Express).



2. WOMEN-OWNED BUSINESSES: TRENDS IN EMPLOYMENT AND SALES

According to the 2012 Survey of Business Owners, nearly all women-owned businesses are small businesses (99.9%) and a vast majority have no paid employees (90%).¹³ Regardless of race, women are half as likely as men to own a business with at least one employee other than the owner (an “employer businesses”) – an outcome of a persistent gender gap that costs the United States an additional 1.7 million businesses overall.¹⁴ However, over the last 20 years, the employment growth rate has been stronger for women-owned businesses than for all business (27% vs. 13%, respectively).¹⁵

Even when women-owned businesses are “employer businesses,” they tend to be concentrated in low-sales industries and generate lower receipts as compared to male business owners across the majority of industries.¹⁶ In aggregate, as of 2012, women were majority owners of 36% of all U.S. businesses (9.9 million in total) and 20% of employer businesses, yet accounted for only 12% of sales and 15% of employment. Contrarily, men owned 55% of all businesses (14.8 million in total) yet earned 79% of sales and accounted for 73% of employment. In industries where women have higher shares of ownership – such as the personal care services industry – businesses owned by men still tend to earn higher receipts.¹⁷

Tables 3 and 4 display these discrepancies in more detail.

Regardless of race, women are half as likely as men to own employer businesses. Though not a new trend, the persistent gender gap costs the United States 1.7 million additional businesses.

State of Entrepreneurship 2018, The Kauffman Foundation



UNDERSTANDING WOMEN-OWNED BUSINESSES: A NATIONAL AND LOCAL APPROACH

WOMEN-OWNED BUSINESSES: NATIONALLY

Table 3. U.S. Businesses, Sales, Employment, and Payroll by Gender (U.S. Small Business Administration).

OWNERSHIP	NUMBER OF BUSINESSES	SALES (\$ BILLION)	EMPLOYMENT	PAYROLL (\$ BILLION)
Male-owned	14,845,000	\$9,466	41,132,000	\$1,644
Women-owned	9,878,000	\$1,420	8,432,000	\$264
Equally-owned	2,456,000	\$1,078	6,495,000	\$189
All Firms*	27,179,000	\$11,964	56,059,000	\$2,096

* Excludes public companies and other non-classifiable businesses.

Table 4. Percent of Total Ownership, Sales, and Employment by Gender (U.S. Small Business Administration).

OWNERSHIP	PERCENT OF ALL BUSINESSES	PERCENT OF ALL SALES	PERCENT OF EMPLOYMENT
Women-owned	36	12	15
Male-owned	55	79	73
Equally-owned	9	9	12

Though trends overtime show an increase in the rate of new business creation, employment and sales (see Table 5), gaps persist between women and men – signaling a need for more deliberate forms of support.

The disparities between women- and male-owned businesses can be attributed to various factors, including industry distribution, business characteristics and business owners' goals. For example, younger firms typically make lower

revenues and the majority of women-owned firms are younger than male-owned firms.¹⁸ Additionally, employer businesses earn far more revenue than non-employer businesses, and nearly all women-owned businesses have no employee other than the owner. But relative youth and industry allocation are compounded by issues of gender and race-based discrimination that can impact various facets of the business development lifecycle and may not be as easily quantified as other measures.

Table 5. Share of Firms, Employment and Sales by Gender (BEACON, with data retrieved from the 2012 Annual Survey of Business Owners, U.S. Census Bureau and the 2017 State of Women-Owned Businesses, American Express).

YEAR	OWNERSHIP	NUMBER OF FIRMS	EMPLOYMENT	SALES (\$000)
2002	Women-owned	6,489,482	7,146,229	\$940,774,986
	Male-owned	13,184,033	42,428,508	\$7,061,026,736
2007	Women-owned	7,793,139	7,579,876	\$1,202,115,758
	Male-owned	13,906,658	41,701,315	\$8,574,060,362
2012	Women-owned	9,878,397	8,431,614	\$1,419,834,295
	Male-owned	14,844,597	41,132,111	\$9,466,039,188
2016 (Estimated)	Women-owned	11,313,900	8,976,100	\$1,622,763,800
	Male-owned	15,548,800	40,583,000	\$10,484,802,500

3. WOMEN-OWNED BUSINESSES: NEW FIRM CREATION AND REVENUE

Overall, the number of net new women-owned businesses has steadily increased, averaging 849 per day from 1997-2016 and decreasing slightly to 827 from 2016-2017. As of 2012, women entrepreneurs over 65 saw the highest growth of the number of firms in any age group for men or women – up 42%.¹⁹

Minority women lead new business creation, generating new firms at a rate four times as high as non-minority women; and this assists in

their accounting for 46% of all women-owned businesses. But the rate of new business creation does not correlate to higher revenue generation – as minority women continue to earn lower revenues than their white counterparts.²⁰

Between 1997 and 2017, an estimated 849 net new women-owned businesses were added to the U.S. economy per day.²¹ Of these, 609 were minority-owned and 240 were non-minority owned. African American women led this charge by creating 259 net new businesses per day, followed by Latinas at 227 and Asian American women at 104.²² These high rates of creation among minority women can, in part,

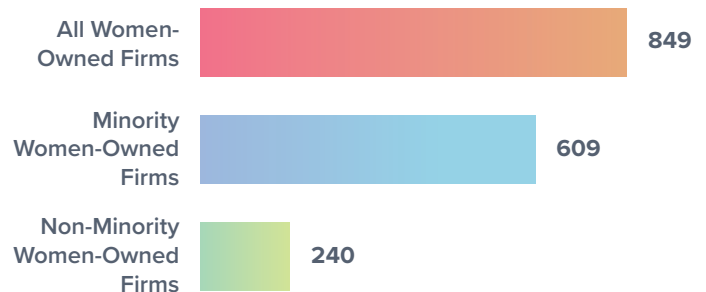
be attributed to necessity as these groups also face higher unemployment rates, long-term unemployment and larger pay gaps that may influence business creation out of “a need to survive rather than a desire to seize a market opportunity.”²³ According to the National Women’s Business Council, other influencing factors may include restrictive, absent or unaccommodating workplace policies, or a lack of employment options for a woman’s desired career.²⁴

Despite starting new businesses at higher rates, businesses owned by minority women generate less revenue than those owned by non-minority (White) women. African American women, in particular, face the widest discrepancy: though they start the most businesses per day and hold the largest share of minority, women-owned businesses (about 20%), they earn the lowest amount of revenue across all groups.

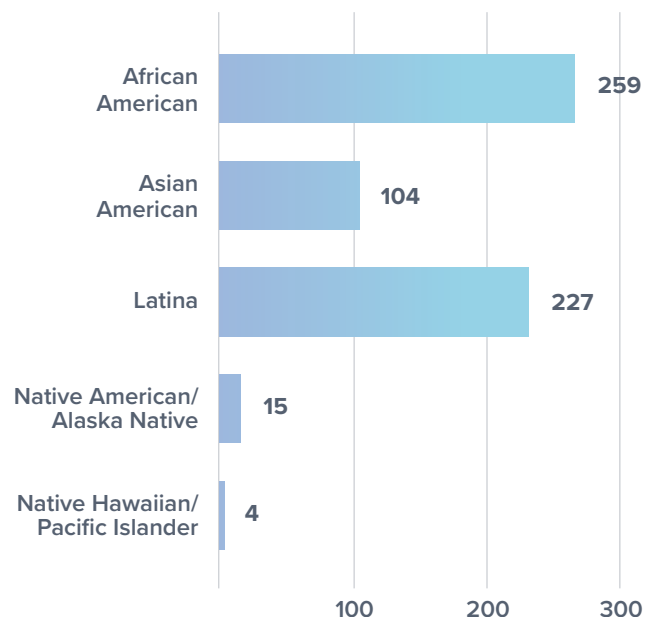
Specifically, as of 2016, African American women-owned businesses earned an average revenue of \$26,550, as compared to \$52,087 for Latina-owned businesses, \$68,141 for Native American/Alaska Native women-owned businesses, \$75,170 for Native Hawaiian/Pacific Islander women-owned businesses, and \$184,669 for Asian American women-owned businesses.²⁵ Non-minority, women-owned businesses, contrarily, earned \$201,948 on average. According to the 2017 State of Women-Owned Businesses report published by American Express, “if revenues generated by minority women-owned firms matched those currently generated by other women-owned businesses, they would add \$1.1 trillion in revenues and 3.8 million new jobs to the U.S. economy.”

Figure 3. Net New Women-Owned Businesses Per Day by Race/Ethnicity, 1997-2017 (The 2017 State of Women-Owned Businesses, American Express).

FIRMS CREATED BY DAY



BREAKDOWN OF MINORITY WOMEN-OWNED FIRMS BY RACE/ETHNICITY



Note: “net new” accounts for the number of firm births minus firm deaths or changes in ownership resulting in the loss of women-owned status.

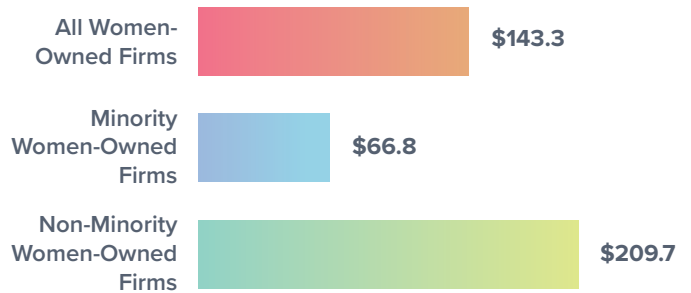
If revenues generated by minority women-owned firms matched those currently generated by other women-owned businesses, they would add \$1.1 trillion in revenues and 3.8 million new jobs to the U.S. economy.”

The State of Women-Owned Businesses 2017, American Express



Figure 4. Average Revenues of Women-Owned Firms (The 2017 State of Women-Owned Businesses, American Express).

AVERAGE REVENUE (\$000)



BREAKDOWN OF AVERAGE REVENUE BY RACE/ETHNICITY

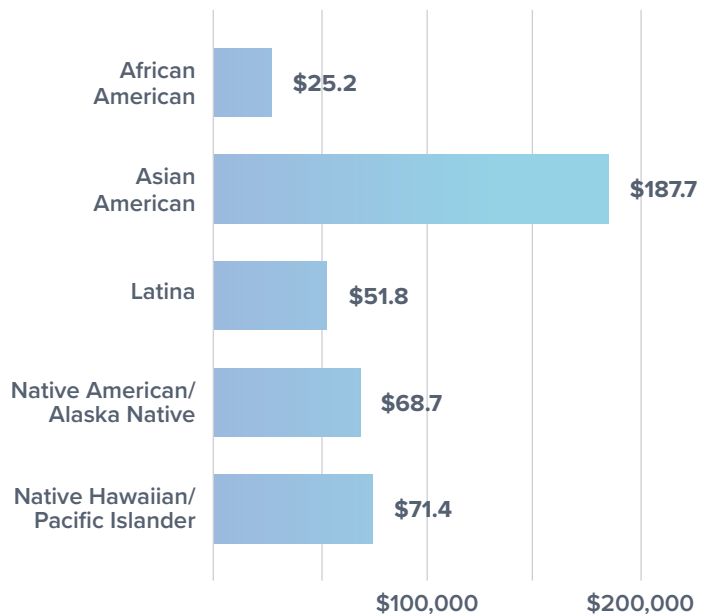


Table 6. Women-Owned Firms by Race/Ethnicity (The 2017 State of Women-Owned Businesses, American Express).

RACE/ETHNICITY	NUMBER OF FIRMS (2017)	SHARE OF ALL WOMEN-OWNED BUSINESSES	2017 REVENUE	AVERAGE REVENUE PER FIRM (\$000)
All women-owned firms	11,615,629	100%	\$1,663,991,671	\$143.3
All minority-owned	5,400,147	46.5%	\$360,711,804	\$66.8
African American	2,205,299	19.0%	\$55,650,238	\$25.2
Asian American	1,002,704	8.6%	\$188,174,708	\$187.7
Latina	1,996,455	17.2%	\$103,361,917	\$51.8
Native American/ Alaska Native	161,480	1.4%	\$11,090,945	\$68.7
Native Hawaiian/ Pacific Islander	34,209	0.3%	\$2,443,996	\$71.4
Non-minority	6,215,482	53.5%	\$1,303,279,866	\$209.7

4. RACIAL/ETHNIC DISPARITIES AMONG WOMEN-OWNED BUSINESSES

Industry allocation is one of many factors impacting revenue generation, as “the industries that average the highest revenue per firm attract fewer numbers of women entrepreneurs.”²⁶ These firms include management consulting, wholesale trade, mining, and manufacturing. The top four industries for women entrepreneurs, rather, are: (1) other services (e.g. hair salons, nail salons and pet care); (2) health care and social

assistance (e.g. child day care and home health care services); (3) professional/scientific/technical services (e.g. lawyers, accountants, architects, public relations firms, and management consultants); and (4) administrative, support and waste management services (e.g. janitorial and landscaping services, office administrative support, and travel agencies). The growth rate in the number of women-owned businesses increased the most for three industries from 2016–2017: construction (15%), arts, entertainment and recreation (12%), and other services (12%), followed by accommodation and food services (11%) and utilities (10%).²⁷

The ability to scale may be particularly skewed for women and minority founders as certain industry-allocations (such as retail and service) increase a businesses' propensity to fail.²⁸ Further, minority women entrepreneurs, specifically, are more likely to work in lower revenue-generating industries. The following section highlights a few of these trends for specific groups of minority founders as compared to all women entrepreneurs:

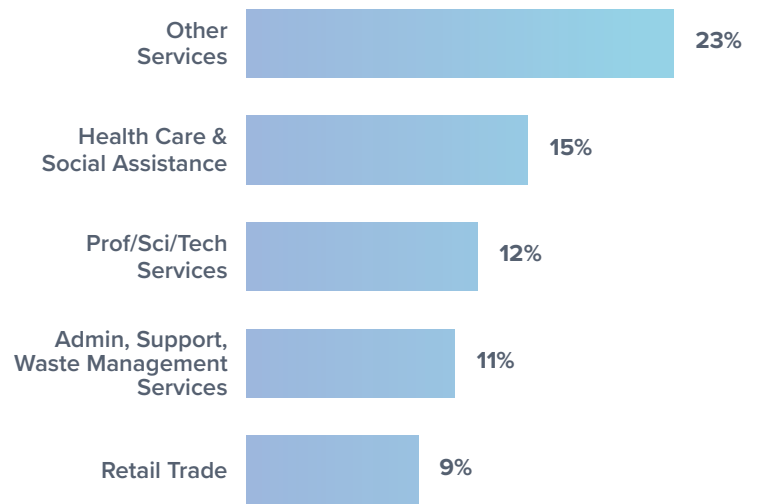
African American women are:

- More likely to position their businesses in the “other services” sector, with a large share in personal care services such as hair and nail salons;
- More likely to position their businesses in the “health care and social assistance” sector, with a large share in child care services and home health (Native Hawaiian/Pacific Islander women are second in being more likely to own firms in healthcare and social assistance sectors); and
- Least likely to be in the higher-revenue industry of professional, scientific and technical services sector.²⁹

Contrarily, Asian American women are more likely to own a business within the accommodation or food sector; Latina-owned firms are more likely to be in the administrative, support or waste management services sector and less likely to be in the professional, scientific and technical services sector; and Native American/ Alaska Native women are more likely to own construction firms.

The discrepancies evident not only between women and male-owned businesses, but also among segments of women-owned businesses, should signal the impact of larger social and economic challenges that a coordinated entrepreneurial ecosystem is suited to address.

Figure 5. Women-Owned Businesses by Top Industries (The 2017 State of Women-Owned Businesses, American Express).



**With 11,000 firms,
White women-owned
businesses earn
nearly \$3 billion in
receipts, while 12,000
Black women-owned
businesses earn \$600
million in receipts.**

***D.C. Fact Sheet, National
Women's Business Council***

B. Women-Owned Businesses: Washington, D.C.

With an estimated population of 700,000, Washington, D.C. is home of the federal government, boasts many of the nation's top universities and research institutions, and benefits from the ease with which residents travel between adjacent communities in Maryland and Virginia.³⁰ With a majority population of female residents (52.5%) and residents between the ages of 18 and 65, D.C. is also a relatively diverse city with a demographic profile that is 44% White, 47% Black, 10% Latino, and 4% Asian. An estimated 14% of the population is foreign-born.³¹

1. DEMOGRAPHICS OF WASHINGTON, D.C.'S WOMEN FOUNDERS

D.C., (or, "the District") is one of the ten fastest-growing states for women-owned businesses in the U.S. From 2007 to 2016, women-owned businesses in D.C. experienced an overall growth rate of 51%.³² According to the 2012 Survey of Business Owners (the most recent and applicable Census survey to date), there are more than 27,000 women-owned businesses in D.C. and the vast majority operate as non-employer businesses (90.2%, compared to 99.9% nationally).³³



Unlike other cities in the DMV region, African American women in D.C. have the highest number of women-owned businesses (12,434) and have experienced the highest percentage growth in that number as compared to their White, Asian American and Hispanic counterparts.³⁴ Despite a high rate of new firm creation among Black, Hispanic and Asian-American women, there is a drastic discrepancy in the number of businesses founded by Native American and Pacific Islander women. This could be attributed to their relatively small population size within the District (0.7%) but could also signal a need for more direct engagement with these groups.³⁵

Though Black and White women in D.C. have comparable numbers of businesses, the differences in total receipts is alarming: with

about 11,000 firms, White-women-owned businesses earn nearly \$3 billion in receipts, while the approximately 12,000 Black-women-owned businesses earn \$600 million in receipts. This gap only widens when factoring in other minority groups.³⁶

In D.C., the highest number of women-owned firms fall within the following five industries: (1) professional/scientific/technical services; (2) other services; (3) health care and social assistance; (4) administrative, support, waste management and remediation services; and (5) arts, entertainment and recreation. D.C. differs from national trends in the prevalence of businesses in the “professional/scientific/technical services” over both “other services” and “health care/social assistance.”

Table 7. Share of Firms, Employment and Sales by Gender (BEACON, with data retrieved from the 2012 Annual Survey of Business Owners, U.S. Census Bureau).

RACE/ETHNICITY	TOTAL RECEIPTS	NUMBER OF WOMEN-OWNED FIRMS	PERCENTAGE GROWTH IN THE NUMBER OF WOMEN-OWNED BUSINESSES (2007-2012)	NUMBER OF PAID EMPLOYEES
White	\$2,992,425,000	11,130	12.2%	15,710
Black/ African American	\$682,143,000	12,434	79.1%	5,751
Hispanic	\$287,929,000	2,098	44.4%	2,035
Asian American	\$398,682,000	1,615	55%	3,011
Native Hawaiian and Pacific Islander	\$373,000	30	N/A	N/A

The “professional/scientific/and technical services” sector earns the highest receipts and has the largest number of employees. However, other industries may scale more favorably, despite having a fewer number of firms. For example, women-owned firms in the “accommodation/food services” and “retail trade” industries have fewer firms but a higher proportion of firms with paid employees (see Table 8).³⁷

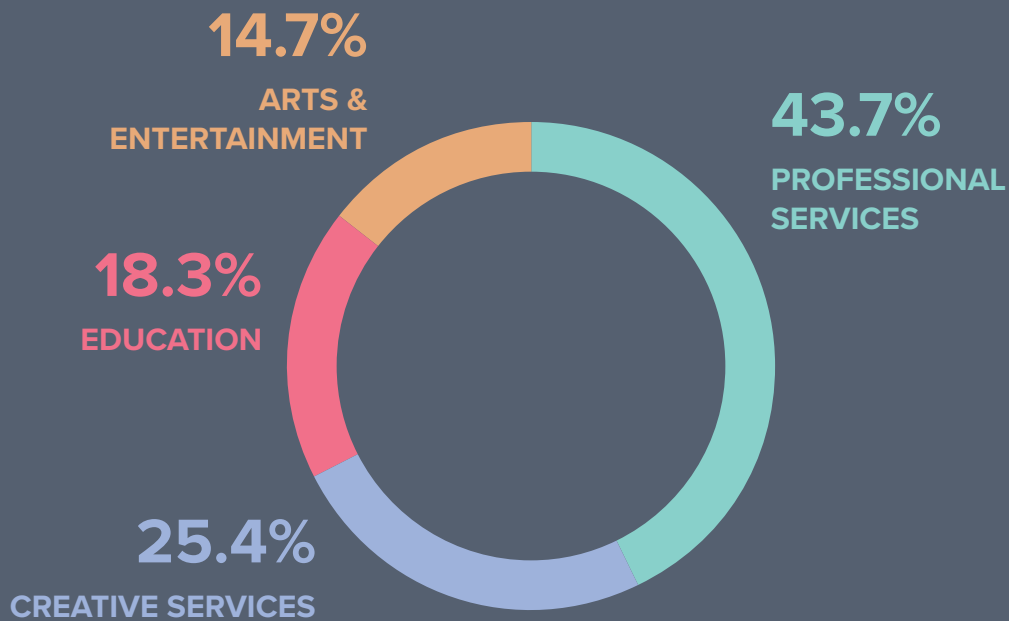
A look into the 30 largest women-owned businesses in the Greater Washington area (including Maryland and Virginia) found 26% with headquarters in Washington, D.C.—most of which were founded before 2000 and vary in industry allocation, including global communications and public relations, staffing and payroll management, federal government management consulting, and hardware.³⁸

Table 8. Women-Owned Businesses and Industry Allocation (D.C. Fact Sheet, National Women’s Business Council).

INDUSTRY	NUMBER OF FIRMS	NUMBER OF FIRMS WITH PAID EMPLOYEES	TOTAL RECEIPTS
Professional, Scientific, and Technical Services	6,874	772	\$496,258,000
Other Services	4,767	168	\$165,899,000
Health Care and Social Assistance	3,976	365	\$389,520,000
Administrative, Support, Waste Management and Remediation Services	2,255	161	\$393,586,000
Arts, Entertainment and Recreation	1,956	31	\$48,677,000
Accommodation and Food Services	876	374	\$286,660,000
Retail Trade	1,403	337	\$278,535,000

Findings from the 2012 Survey of Business Owners are also reflected in the BEACON Directory, a free, opt-in listing of women-owned businesses in Washington, D.C. Of BEACON's approximately 300 registrants, most women founders are within the professional services industry, with a large number of businesses in the arts, entertainment and creative spheres.

Figure 6. Women-Owned Businesses in the BEACON Directory, Top Industries (BEACON: The D.C. Women Founders Initiative).



2. REGIONAL AND NATIONAL COMPARISON

Based on the most recent findings derived from the U.S. Census Bureau’s Survey of Business Owners (2012) and Gross Domestic Product estimates (as of January 2016), among the top 50 metropolitan areas in the U.S., Washington, D.C. ranks as follows with respect to women-owned businesses:

Table 9. Women-Owned Businesses and Industry Allocation (D.C. Fact Sheet, National Women’s Business Council).

CATEGORY	WASHINGTON, D.C. RANKING	D.C., MARYLAND AND VIRGINIA (DMV) RANKING
Number of Firms	#8	#34
Revenue	#32	#21
Employment	#43	#16
Combined Economic Clout	#29	#21

When analyzing the DMV region as a whole (including Washington, D.C., Maryland and Virginia), the DMV fares slightly better than D.C. in most categories (specifically, revenue, employment and economic clout – a combined metric of employment, revenues and growth in the number of businesses). D.C.’s relatively low economic clout ranking is likely driven by low levels of employment in women-owned businesses. Despite this, however, D.C. has seen an upward trend in the number, employment and sales of women-owned firms since 2002, in alignment with trends observed nationally.³⁹

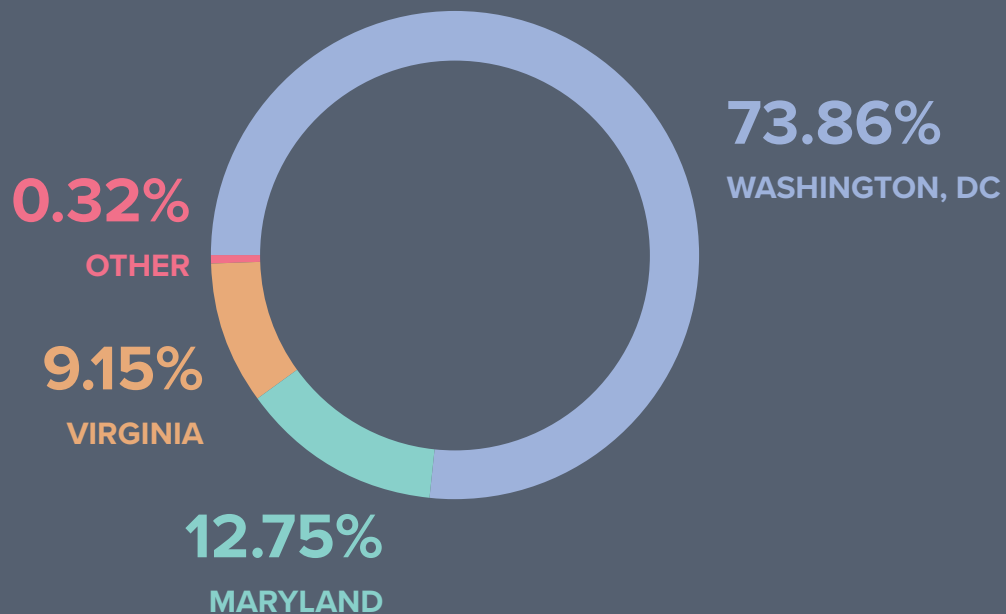
The DMV region, and at times D.C. in particular, is also consistently ranked as a top destination for women entrepreneurs. However, as explained in the following section, challenges to data collection impede a more robust and in-depth analysis.

- The DMV region (of which this ranking included D.C., Maryland, Virginia and West Virginia) was ranked ninth out of 50 for the highest number of women-owned businesses in 2016.⁴⁰
- The Washington, D.C. metro area (including Arlington, Falls Church, Alexandria, Silver Spring, Bethesda and College Park) secured the #1 spot for Talent and placed seventh out of 50 on Dell’s Women Entrepreneur Cities Index.⁴¹
- D.C. was voted Best American City for women entrepreneurs by Inc. Magazine in 2014, reporting that 74 out of 692 women-led companies in the Inc. 5000 are located in the D.C. metro area. In 2017, Inc. Magazine deemed it as a “hot spot” for women entrepreneurs.⁴²

Table 10. Share of Firms, Employment and Sales by Gender - D.C. (BEACON, with data retrieved from the 2012 Annual Survey of Business Owners, U.S. Census Bureau).

YEAR	OWNERSHIP	NUMBER OF FIRMS	EMPLOYMENT	SALES (\$000)
2002	Women-owned	15,675	21,649	\$2,403,019
	Male-owned	6,489,482	7,146,229	\$940,774,986
2007	Women-owned	19,286	25,977	\$3,805,691
	Male-owned	7,793,139	7,579,876	\$1,202,115,758
2012	Women-owned	27,064	26,619	\$4,397,772
	Male-owned	9,878,397	8,431,614	\$1,419,834,295
2016 (Estimated)	Women-owned	29,100	27,500	\$4,760,800
	Male-owned	11,313,900	8,976,100	1,622,763,800
% Change 2007-2016	Women-owned	50.90%	5.90%	25.10%
	Male-owned	45%	18.40%	34%

Figure 7. Women-Owned Businesses in the BEACON Directory, DMV Distribution (BEACON: The D.C. Women Founders Initiative).



C. Challenges to Data Collection

While the data above builds a profile of D.C.'s women business owners, a more complete picture that includes the nuances of diverse experiences and up-to-date, localized findings is needed to fully capture contemporary trends. Such details are critical in order to best tailor services and support for underrepresented groups.

Most of the studies cited in this report draw on the most recent Survey of Business Owners (2012) conducted by the U.S. Census Bureau. However, some analyses, such as "The State of Women-Owned Businesses, 2016 and 2017" published by American Express, adjust these numbers by the most recent, annual gross domestic product estimates at the national, state, and metropolitan levels, as well as by industry.

The timeliness of these studies pose challenges to contemporary profiles as the U.S. Census Bureau's Survey of Business Owners is only conducted every five years (and the 2017 analysis was not available at the time of publication). While the 2015 Annual Survey of Entrepreneurs was available, it is not directly comparable to the Survey of Business Owners due to significant changes in methodologies and still does not account for many of the issues described below.

Unfortunately, even private databases fail to capture founder characteristics relevant to inclusivity. For example, Pitchbook, the "most comprehensive M&A, private equity and venture capital database," does not track the racial background, gender, sexual identity or orientation of company founders or the executive team.

The common grouping of Washington, D.C. within the DMV (DC/Maryland/Virginia) and the Greater Washington D.C. Region poses a second challenge to data collection. Though interconnected, the region's respective entrepreneurial ecosystems serve different communities and are led by different actors. A more nuanced assessment of the District's needs would focus only on D.C.-based businesses, or would frame research publications in a way that allows for data to be disaggregated. The Fosterly Startup Census, for example, though providing good insights on startup activity across the region, not only extends beyond the borders of D.C. but also uses a sample size consisting of only 29% women.⁴³ Such designs impede women-focused initiatives from drawing succinct conclusions from their analysis alone.

At present, neither local government agencies nor D.C.'s support organizations formally track statistics concerning the industry representation, revenues, operations of or investments into women-owned businesses across D.C. To the extent such information is tracked by resource-providers, findings are limited to the women founders within a programmatic or operational domain and do not provide summary accounts across the ecosystem. Even identifying and quantifying the number of women-owned businesses in the District is a challenge, as the Department of Consumer and Regulatory Affairs – the agency that incorporates and licenses new business in D.C. – does not maintain records on the gender of business owners.

Other public support organizations, such as local Business Improvement Districts and the Main Streets Program (which supports traditional business districts in D.C. as an initiative of

the Department of Small and Local Business Development) currently do not have a systematic method across programs for capturing and tracking information about women-owned businesses. However, some employees have relied on personal knowledge to contribute to BEACON's ongoing data gathering efforts.⁴⁴ In a positive step, both the Washington, D.C. Economic Partnership and the Great Streets Program (a multi-agency commercial revitalization initiative) are beginning plans to compile findings following research requests in connection with this report.

In order to fully understand the needs of D.C.'s women founders and both measure and track the city's progress towards inclusive innovation, a greater effort must be undertaken to gather a clear account of the target group(s). Identifying women-owned businesses is just the first step – but how many are family-owned? Which businesses are run by women with disabilities, or founded by a member of the LGBTQ community? What are the unique experiences of necessity entrepreneurs or “side hustlers?” How do the experiences of minority, differently-abled, or immigrant women impact program admission rates, capital acquisition and media coverage as compared to their non-minority counterparts? What factors contribute to informal business operations? Do women-owned businesses earn less in profits than their male counterparts? How do various business goals (i.e. workplace flexibility, independence, etc.) factor into these data sets? Only a specific and hyper-local assessment can gauge our progress to make D.C. the “Capital of Inclusive Innovation.”⁴⁵

Even identifying and quantifying the number of women-owned businesses in the District is a challenge, as the Department of Consumer and Regulatory Affairs – the agency that incorporates and licenses new business in D.C. – does not maintain records on the gender of business owners.



Challenges and Opportunities in D.C.'s Entrepreneurial Ecosystem

Washington, D.C. boasts activity, investment and community support across each of the seven domains of the National Women's Business Council's Entrepreneurial Ecosystem Model: market access, capital, community building, policy, resources, human capital, and innovation. However, similar to trends observed nationwide, D.C. continues to experience on-boarding and scaling challenges for particular groups of women founders which can contribute to discrepancies in employment, revenues and scale outlined in previous sections. While local stakeholders characterize the D.C. ecosystem as "community driven" and "publicly supported," persistent challenges to access, inclusion, amplification and support remain.⁴⁶

The following sections examine these challenges and propose opportunities for stakeholder action in consideration of the seven ecosystem domains.

This analysis is formatted around BEACON's four operating pillars to help organize and mobilize responsive efforts:

- A. Expanding Access to Capital,
- B. Providing Resources and Support,
- C. Creating New Business Opportunities, and
- D. Inspiring the Next Generation of Women Entrepreneurs.

Each section begins with a snapshot of key challenges, key opportunities and key ecosystem actors. It then follows with an overview of the current landscape and detailed analysis of identified challenges and proposed recommendations.

A. Expanding Access to Capital

Key Challenge

Women founders are underfunded and not appropriately empowered or connected to various funding opportunities.

- Women and minority founders lack the necessary social capital to raise friend and family rounds.
- Local funders do not reflect the demographics of underserved groups.
- Information asymmetry skews perceptions towards certain funding streams and away from other opportunities.

Key Opportunity

Increase access to capital by acting with intention when targeting, engaging with and funding women and minority-owned companies.

Key Ecosystem Actors

Angel Investors, Angel Groups, Venture Capitalists, Banks, Community Development Financial Institutions, High Risk Investment Sources, and Alternative Sources of Capital.

Recommended Strategies

- Improve and increase diversity and inclusion strategies of D.C.-based capital providers through a review of internal policies, incorporation of measurable goals into daily operations, external outreach strategies, and “Invest Local” campaigns.
- Establish minimum fund amounts or earmark investment in women- and minority-owned companies, ideally in partnership with the public and private sector.
- Create “on-ramps” to expand and energize the social networks of women and minority founders.
- Enhance accessibility of applications, particularly for persons with disabilities and language barriers.
- Refine curricula of resource support groups to address information asymmetry pertaining to the local fundraising landscape, in addition to designing program(s) to best fit unique business needs.

1. ACCESS TO CAPITAL: OVERVIEW OF LANDSCAPE

Given the high percentage of African Americans, women and other minority groups in the District of Columbia, one may assume that the nation's capital would exceed both participation of and investment in underrepresented founders as compared to elsewhere in the nation. However, according to findings made public by the Office of the Deputy Mayor for Planning and Economic Development, "nationally, only 1% of funded startup founders are African American and only 8% of funded founders are women. Proprietary data reveal that trends in D.C. are only marginally better, and this is corroborated by feedback received through entrepreneur focus groups and regular stakeholder engagement."⁴⁷

Particularly for underrepresented entrepreneurs – including African Americans and other people of color, women and the LGBTQ community – raising initial seed capital required to transform a business from concept to a minimally viable product, or securing enough investment early-on to build a team, can be particularly challenging. Across various fundraising strategies, underserved communities face the impact of discriminatory histories and inequitable access that requires intentional measures to address.

The Washington D.C. Pathways to Inclusion Report, released by the Office of the Deputy Mayor for Planning and Economic Development, revealed that "access to capital was the most frequently cited barrier to inclusiveness for minority entrepreneurs, followed by implicit bias, access to networks, and access to talent enabling programs."⁴⁸ As the capital requirements for a company grow, so does the funding gap—with businesses facing a funding need that is "too large for friends, family or an individual angel investor, but not large enough for venture capital."⁴⁹ If venture capital is an appropriate option, firm managers and partners rarely reflect the demographics of women or minority-led companies, despite a generally-observed trend that diverse capital providers are more likely to fund diverse candidates.

There are a variety of ways to secure start-up or scale-up capital, ranging from venture capital and angel investment, to crowdfunding, grants, loans, friends and family, and personal credit card debt. According to the Small Business Administration, in addition to being more likely to fund a new business venture with their personal assets, women and people of color are also less likely to apply for business loans because of fear of denial.⁵⁰ This fear is understandable as these groups are not only more likely to be denied a loan but also receive higher interest rates as compared to their counterparts.⁵¹



We're just not seeing
[as many] women come
through our doors.

*A representative of the Latino
Economic Development Center*



A representative of the Latino Economic Development Center (LEDC), a Community Development Financial Institution in Washington, D.C., shared that women entrepreneurs sometimes face challenges procuring the collateral needed to secure debt-based loans simply due to industry allocation: for example, a construction business may have more equipment to certify as collateral as compared to a daycare company, the latter being one of the top industries for women entrepreneurs.⁵²

LEDC, which works primarily with minority entrepreneurs, invested \$1.3 million into 107 small businesses in 2015 alone, yet those investments were underrepresented by women founders.⁵³ “We’re just not seeing [as many] women come through our doors,” explained a representative of LEDC. To amend this, LEDC forged new partnerships and merged with a technical-assistance organization that works directly with immigrant and minority women. By nesting Empowered Women International and LEDC under one roof, LEDC now has more direct contact with women who face economic and social challenges, particularly immigrants, refugees and low-income entrepreneurs.

The following section expounds upon challenges to securing capital in D.C.’s entrepreneurial ecosystem.

2. ACCESS TO CAPITAL: CHALLENGES

CHALLENGE ONE: WOMEN AND MINORITY FOUNDERS LACK THE NECESSARY SOCIAL CAPITAL TO RAISE FRIENDS AND FAMILY ROUNDS, AND LOCAL FUNDERS DO NOT REFLECT THE DEMOGRAPHICS OF UNDERSERVED GROUPS.

As previously explained, there is no shortage of women founders starting businesses, yet disparities persist in growing and scaling those firms. Intersectional identities further complicate access to social and financial capital—as being Black and woman, LGBTQ and woman, or female-identifying can further distance reputable entrepreneurs from sources of capital and valuable networks.

Focus groups often described D.C. as a welcoming community, with many individuals offering to make introductions and pass along information to the extent possible. But these one-off engagements vary based on an entrepreneur's ability to access certain networking events as well as a facilitator's capacity (and desire to) field multiple requests. One participant observed “a lack of female investors and mentors [for us to connect to],”⁵⁴ while another, the leader of a non-profit supporting underserved entrepreneurs, noted her biggest barrier as actually facilitating connections for members of her cohort.⁵⁵

Formal processes aside, funding decisions often rely on informal networks and outside social validation. The CEO and founding partner of New York-based Human Ventures insists that “diverse investors are going to look to support people like them or with their type of background.”⁵⁶ Yet, in present times, access to social capital is precluded by inequitable socioeconomic conditions – so, diverse founders may not reflect the background of the predominately white and male investment landscape that dominates the ecosystem.

D.C. has work to do if it seeks to increase diversity within its investment community. Of the seven most active venture capital firms in the District, only four have at least one woman in an executive or partner role.⁵⁷ A separate analysis of the 25 most recent deals with D.C.-headquartered companies revealed that only 20% of funded companies had at least one female co-founder and/or a woman in an executive-level position.⁵⁸ But even when women are leading the charge as investors, such as through the cohort-based model employed by Pipeline Angels, the majority of portfolio companies were based outside of the District: with only one out of 52 companies headquartered in D.C. and the majority housed in New York City and the San Francisco Bay Area.⁵⁹ As a NYC-headquartered fund, Pipeline Angels' more recent expansion to other cities may impact portfolio selection, however, this discrepancy should also energize higher rates of investment within the locality of D.C.

**CHALLENGE TWO: INFORMATION
ASYMMETRY SKEWS PERCEPTIONS
TOWARDS CERTAIN FUNDING
STREAMS AND AWAY FROM OTHER
OPPORTUNITIES.**

D.C.'s women founders frequently cited a need to better understand the fundraising landscape: specifically, what funding options are appropriate for a particular stage of development and which align with a founder's business goals. Particularly for first-time entrepreneurs from underrepresented backgrounds, identifying funders, preparing documents, and knowing who to approach—and when—is a process clouded in confusion.

Relatedly, founders often conflated the fundraising strategies for startups as similarly suited for small businesses. Perhaps due to frequent press coverage of “startups” and venture capital investment, some founders reflexively overlooked traditional forms of finance such as business loans (or even new forms of finance such as crowdfunding) that may better suit their business type. A local small business advocacy organization explained that “people don’t seem to know that economies of scale are different for startups and small businesses. Their fundraising strategies should be different as a result, and the pool should be diversified.”⁶⁰



3. ACCESS TO CAPITAL: OPPORTUNITIES FOR FUNDERS

EXPAND DIVERSITY AND INCLUSION STRATEGIES TO INCORPORATE MEASUREABLE GOALS INTO DAILY OPERATIONS.

To diversify the venture capital community, some investment entities have set a minimum threshold, or quota, for investment in women- and minority-owned companies. Alternatively, others have dedicated their entire portfolio to funding underrepresented founders. While each approach has its strengths and weaknesses, there are low-cost and rapidly adoptable strategies for investors geared to increase interaction with and investment in women and minority-owned companies:

- **Adopt a “Rooney Rule” to commit at least 20 hours per month as faculty for educational programs targeting women entrepreneurs.**⁶¹
- **Actively mentor diverse companies outside of existing investment portfolios.**
- **Forge pipelines with affiliate groups, professional organizations and diversity-focused accelerators/incubators to expand deal flow.**
- **Adopt Human Resources policies that build inclusive cultures within organizations, address issues of sexual harassment, and help attract and retain diverse talent.**⁶²
- **Diversify boards of portfolio companies to create new leadership opportunities for minority entrepreneurs.**
- **Require portfolio companies to have a positive social impact through their own hiring practices, community involvement or other means within a particular ecosystem.**

REDUCE BARRIERS TO HELP WOMEN AND MINORITY-OWNED COMPANIES SUCCEED.

Creating on-ramps to capital means responding to the intersectional needs of diverse founders and rethinking approaches to support and investment. Building diverse leadership boards, maximizing the application process, and actively recruiting a diverse portfolio are just a few ways to strategically engage underserved founders. The following strategies outline creative responses to capital as requested by D.C.'s women founders:

- **Recognize and Respond to the Intersectional Experiences of Underrepresented Founders.**

Fund structures should recognize the compounding effects of intersectional experiences of women and minority founders. Ranging from smaller proof-of-concept grants to substantial investments that support new team hires or real business growth can help narrow the “scale-up” gap previously described. In addition, by securing fund managers that identify with the lived experiences of diverse founders, investment initiatives can support ventures that may be unique to a particular group. For example, Bonnti's mobile app that makes finding a hairstylist easy for women of color, or Femly's subscription-based service supporting women through natural feminine care products.

- **Enhance Value in the Application Process.**

Undue burdens in the application process—such as lengthy requests, variances in question framing, or language/accessibility barriers can discourage diverse founders from applying – if an open application process is even permitted and publicized. Rather, flexible deadline structures, standardized and simplified applications, and the removal of application fees can be more favorable for diverse groups. For example, Backstage Capital (a fund based outside of D.C.), invests exclusively in underrepresented founders, continually accepts applications, and publicizes both when the review period begins and the estimate number of investments likely to be made during that period. Doing so helps increase the diversity of their incoming deal flow by increasing the transparency of their processes. Funds can also support diverse applicants by opening channels between entrepreneurs and investors before applications are reviewed, such as through virtual or in-person information or mentorship sessions; doing so can help increase visibility and connectivity among previously disconnected groups.

SPOTLIGHT

VINETTA PROJECT

The Vinetta Project, a chapter-based capital platform and deal flow pipeline that supports high growth female founders, enhanced inclusion efforts by giving all venture challenge applicants access to their network and programming for a year. Even if not admitted to the seasonal pitch competition, applicants can leverage Vinetta programming and networking opportunities for continued growth.

WE CAPITAL

WE Capital, a D.C.-based consortium of businesswomen committed to deploying capital to the next generation of female entrepreneurs, is powered by Rethink Impact, the largest U.S.-based impact venture capital firm with a gender lens totaling \$112M. Rethink Impact not only situates their office in a women-focused co-working space, but also hosts open office hours for companies outside of their investment portfolio.

THE MENTORSHIP ROADSHOW

Inspired and supported by a BEACON Grant, The Mentorship Roadshow was a collaborative effort between Hera Hub DC, InnovatorsBox, and 12PointFive that connected women entrepreneurs to women mentors for 20-30 minute sessions. In doing so, participants benefited from high-quality, efficient and customized support, and were introduced to peers outside of their existing networks.



- **Work with ecosystem partners to enhance educational programs and provide short-term mentorship opportunities.**

Entrepreneurial education is the precursor to a sustained pipeline of viable, diverse portfolio companies. Funders have an important vantage point in identifying and relaying weaknesses of fund applicants, and could provide strategic guidance to community partners on how the field of applicants could be strengthened and improved.

Anecdotal evidence identifies a lack of formalized coordination among technical service providers, local incubators/accelerators and support organizations. Fund managers could play a valuable role in providing feedback to help address this issue. Specifically, managers could identify common issue areas among fund applicants and share this information with support organizations. Alternatively, they could directly refer entrepreneurs to appropriate support groups or technical service providers based on their unique needs. This work need not be overly-burdensome for funders: simply maintaining a list of resources and interspersing a “no” with suggested areas of improvement would be a start. Funders could also provide feedback in a more generalized way, by making themselves occasionally available to support organizations or government entities to provide macro-level feedback on observed trends.

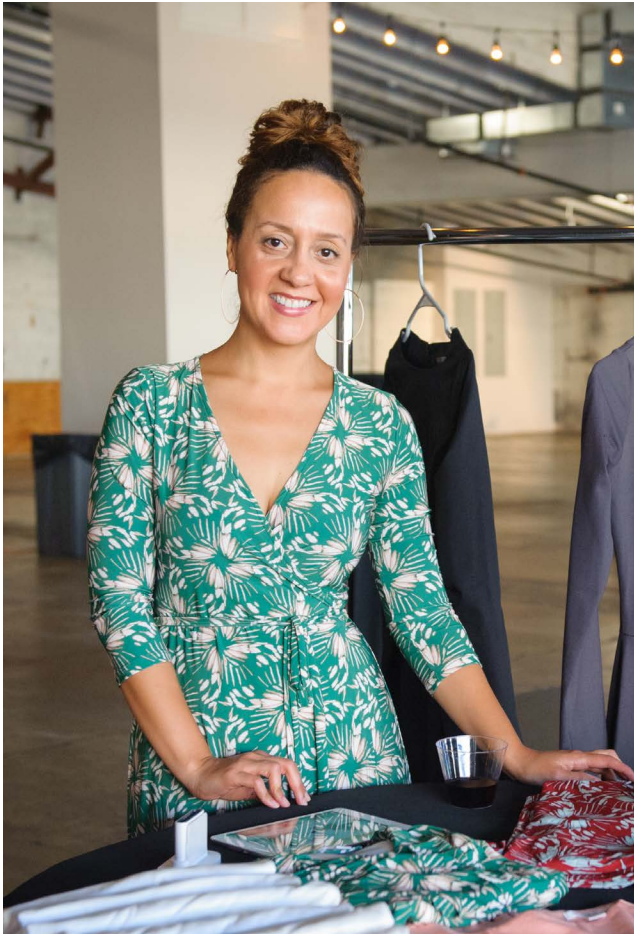
Mentorship is critical but sometimes they don't take us seriously until we have a prototype or MVP. Without the capital to build this, I found myself in a catch-22.

*Entrepreneur,
BEACON Focus Group*

- **Encourage Portfolio Companies to Support Diversity within Their Own Operations.**

Fund managers have a unique and influential role in advising portfolio companies. This influence could be used to enhance diversity beyond their own practices and into the operations of their investment portfolio. Given Washington, D.C.'s nascent stage as a developing entrepreneurial ecosystem, an inclusive fund should require portfolio companies to re-invest directly into the ecosystem – either through in-kind support or financial capital. Some examples of in-kind support could include mentorship between funded companies and fund applicants, a feedback mechanism encouraging portfolio companies to relay recommendations that improve fund operations, or, particularly for publicly-managed funds, a requirement for funded companies to employ D.C. residents (as least for a defined period of time) and/or hire diverse team members.





4. ACCESS TO CAPITAL: OPPORTUNITIES FOR POLICYMAKERS

CREATE AND PROMOTE “INVEST LOCAL” CAMPAIGNS TO TARGET D.C.-BASED ANGEL INVESTORS, VENTURE CAPITALISTS, AND OTHER CAPITAL PROVIDERS.

Washington, D.C. has broad-reaching campaigns and government-backed initiatives that encourage residents to “buy local.” In fact, local accelerators tout the city’s diverse customer base and local momentum as a key factor in testing a company’s ability to scale.⁶³ But where is the momentum to not only buy but also invest local?

The majority of venture capital investment is concentrated within only three states (California, New York and Massachusetts), with 3.78% invested in the DMV region.⁶⁴ Thus, D.C. is poised to encourage local investors to support ventures in their own backyards.

Whether through a targeted fund, an earmarked segment of an existing fund, or other community investment scheme, major corporations that seek to benefit from D.C.’s entrepreneurial culture and top-rated talent should also invest in the communities they serve. An organized campaign to promote “invest local” strategies could help highlight this issue. Further, an effort to highlight D.C.’s existing diverse investors could also promote a broader culture of inclusivity in this realm.



SERVE AS A MODEL EXAMPLE FOR HOW FUNDERS CAN SUPPORT DIVERSE FOUNDERS.

Local governments are uniquely positioned to incentivize and promote investment in women-owned businesses. By providing initial capital and coordinating stakeholders across ecosystem domains, policy makers not only set the tone for inclusion but also catalyze its initiation and continued expansion. By working with private investors, governments can secure added capital and expertise while expanding a firm's reach in identifying diverse fund candidates, offering incentives to support the fund's growth, and confirming public buy-in for outreach efforts. Government-backed investment vehicles can serve as an excellent entry point to pilot these strategies where private-sector funds may be slower to act.

Washington D.C.'s Deputy Mayor for Planning and Economic Development (DMPED) recently

issued a Request for Information for a proposed Inclusive Innovation Fund. If created, the fund would provide early and seed-stage investments of \$50,000-\$250,000 to companies with at least 51% "underrepresented leadership."⁶⁵ This announcement is a great step as local government is an ideal place to model such behavior. However, as explained in detail above, there are several considerations that similarly structured funds should take into account:

- Recognize and respond to the intersectional experiences of underrepresented founders.
- Reduce barriers to and enhance value in the application processes.
- Work with ecosystem partners to add educational and short-term mentorship components to diversity outreach strategies.
- Require portfolio companies to hire local and diverse team members in their own business operations.



BLACK GIRL VENTURES

Black Girl Ventures is a crowdfunded pitch competition that seeks to address access to social and financial capital for women of color entrepreneurs. By collecting community donations for the “vision fund,” women of color sign up to pitch their ideas, the community votes, and one woman receives seed funding for her business—in addition to accounting and legal consultation, a marketing package, a meeting with an investor, and more.



5. ACCESS TO CAPITAL: OPPORTUNITIES FOR SUPPORT ORGANIZATIONS

WORK ACROSS ECOSYSTEM DOMAINS TO DEVELOP “ON-RAMPS” TO ENHANCE SOCIAL CAPITAL.

Organizations that seek to support women entrepreneurs should consider connecting them both to technical assistance providers, as well as directly to investors. The “Virginia is for Entrepreneurs” (V4E) Investor-Matching program, for example, measures a company’s progress through a standardized online survey and uses this information to pair accepted firms with more than 50 partnering investment firms and potential funders. Though investments are not guaranteed, companies are matched with experts to provide advice on how to secure funding, as well as possible funding sources. Through partnerships with local universities and accelerator programs, this pipeline maximizes and helps diversify a venture’s fundraising strategy.

A similar approach in D.C. could standardize the ad hoc method already in place, while opening up channels for more entrepreneurs.

EDUCATE WOMEN ENTREPRENEURS ON THE VARIETY OF FUNDRAISING OPPORTUNITIES AVAILABLE.

The National Minority Supplier Diversity Council’s survey of minority business enterprises and the National Venture Capital Association agree that “improving access to capital begins with education.”⁶⁶

Venture capital financing is not an appropriate, or even likely, investment strategy for all venture types. Further, newer models, such as crowdfunding, have generated opportunities for women founders within an inequitable landscape. Though conclusive research is still under development, a 2016 study showed that women-led crowdfunding campaigns were more likely to meet their target, possibly due to the higher proportion of women investors active on crowdfunding platforms.⁶⁷ Support organizations should help entrepreneurs navigate these varied and evolving sources of capital, particularly as related to venture types and business goals.

Understanding the differences in economies of scale between startups and small businesses can also help direct entrepreneurs to appropriate resources. With a growing number of businesses seeking a double-bottom line (profit and impact), enhanced technical assistance on fiscal sponsorships, proof of concept grants, and other financing sources could also help support their development.⁶⁸

The D.C.-Maryland-Virginia (DMV) Viral Heatmap, created by Village Capital, provides a good example of democratizing information by reframing the alignment of company stage with potential funding sources.⁶⁹ Specifically, the map defines company development on a nine-tier spectrum and breaks away from traditional language of “seed” and “series A.” Rather, it uses language that is more aligned with nascent founders and explains what funders look for at each stage. Then, it identifies various fundraising options and in-kind support applicable to those stages of development.

Despite the innovative design of this tool, it is not yet widely circulated within D.C.'s entrepreneurial community. This presents a prime opportunity to coordinate support, share curricula, and empower entrepreneurs with the knowledge needed to scale.



B. Providing Resources and Support

Key Challenge

Washington, D.C. has abundant resources for entrepreneurs, yet founders still feel unconnected and underserved.

- Gaps in information and organization stall the growth of a fully functioning ecosystem.
- A “one-size-fits-all” approach to programming exacerbates existing inequities.
- Women and minority founders are underrepresented in incubators and accelerators.
- Resources are concentrated in particular wards, and providers lack the capacity for one-on-one support.
- Ecosystem norms, even if unintentional, dissuade participation by certain industries, groups and institutions.

Key Opportunity

Improve the organization and quality of resource delivery within D.C.’s entrepreneurial ecosystem.

Key Ecosystem Actors

Incubators/Accelerators, Professional Services, Local Government, Non-Profit Organizations, Local Chambers, Industry Associations, Universities, Community Colleges, Community-Led Initiatives, Peer Networks, Media, and Advocacy Groups.

Recommended Strategies

- Map the D.C. women’s entrepreneurial ecosystem by linking service providers, with specific reference to industry focus, needs served, and cost of attendance or use.
- Apply continuous monitoring of entrepreneurs’ needs to ensure the content, quality, and delivery of resources are responsive to changing needs.
- Enhance accessibility and recruitment strategies to increase the number of women and minorities in local incubators and accelerators.
- Connect pre-seed and seed stage companies to all opportunities for affordable and lower-cost technical assistance and operational support.
- Improve and/or establish effective marketing and recruitment measures to reach diverse founders.

1. RESOURCES AND SUPPORT: OVERVIEW OF LANDSCAPE

MAPPING THE D.C. ECOSYSTEM

Washington, D.C. has no shortage of support groups and technical service providers. However, navigating a saturated ecosystem has proven difficult for founders. Mismatched resources and communication gaps can disempower entrepreneurs and undermine the value of existing services.

BEACON has identified over 80 support organizations—including those affiliated with colleges and universities, technical assistance providers, and accelerators/incubators—that specifically support D.C.'s startup and small business community. Further, local government agencies and programs, including the Department of Small and Local Business Development (DSLBD) and D.C. Small Business Resource Center offer counseling sessions, workshops and resources to support local businesses. With independent agendas and objectives, these efforts may not be maximized without intentional coordination.

While DLSBD has initiated recurrent stakeholder meetings to convene ecosystem leaders, their ongoing sustainability depends on the leadership and coordination of independent actors. Despite these efforts, BEACON focus groups frequently cited challenges in finding, accessing, affording and aligning these various resources to their unique business needs.

PROGRAM DESIGN

Programs targeting entrepreneurs vary in their structure and approach, with a combination of ad-hoc events, sustained cohort-based programming, and everything in between. With no shortage of providers, entrepreneurs (with more information) could make strategic decisions as to the program design, function and content most applicable to their needs. Co-location of resources, collaboration among service providers, entrepreneur-led trainings, peer-based learning, and cohort-driven models have been identified as key features of supportive program design.⁷⁰

The following section expounds upon challenges to accessing resources and support in D.C.'s entrepreneurial ecosystem.



2. RESOURCES AND SUPPORT: CHALLENGES

CHALLENGE ONE: GAPS IN INFORMATION AND ORGANIZATION STALL THE GROWTH OF A FULLY-FUNCTIONING ECOSYSTEM.

D.C.'s burgeoning ecosystem boasts multiple events for entrepreneurs on any given night, as well as a constant cycle of program deadlines and opportunities of which to apply. There are several ongoing efforts to compile and organize this information, but these efforts could be better coordinated and unified for improved outcomes.

Examples of existing efforts to collate information include the "D.C. Doing Business Guide" published by the Washington D.C. Economic Partnership, the D.C. Small Biz Help Directory and the D.C. Small Biz Help Workshop Calendar produced by the Coalition for Nonprofit Housing and Economic Development, as well as BEACON's own events calendar and biweekly newsletter. However, focus groups continued to cite a lack of awareness of relevant engagements.

Focus groups frequently cited Eventbrite and Facebook as their "go-to" for knowledge on upcoming events and opportunities; rarely did they check service providers' websites because "there are so many different websites—it's difficult to keep track."⁷¹ Even if websites are used, outdated pages or inoperable links further complicate matters. Focus groups noted that the visual aesthetics of marketing materials also impact their decision to attend events, as both the quality of marketing materials and functionality of websites are used to gauge the perceived quality of services.

This presents a two-pronged challenge: 1) resource providers are not reaching entrepreneurs who need their services, and 2) as a result, some providers may be overburdened by misdirected entrepreneurs.⁷²

Approaches to delivering information vary among resource providers. Whereas the BEACON Events Calendar empowers community members to upload events and opportunities they deem helpful, this feature is coupled with curated, biweekly newsletters that highlight the most useful events. The D.C. Small Biz Help Directory, designed for a broader group of entrepreneurs, is managed by a closed interface that is searchable by neighborhood. Other initiatives, such as the D.C. Small Business Resource Center (part of the Department of Consumer and Regulatory Affairs) compiles resources in a static webpage but has recently added an interactive calendar platform that is more user-friendly. However, these features are located on two entirely different websites, making it challenging for an entrepreneur to locate what is most suitable to her needs. Strategies used by other organizations include static webpages and printed directories which are plagued by inactive links or outdated information, and often arranged as bulleted lists with little organization. Compounding these challenges is that each source must be actively sought out by the entrepreneur. To be more effective, user interfaces could include clear design, consistent review, and active curation; in addition, they should seek to reach entrepreneurs where they are.

Poor communication about resource opportunities makes support organizations less effective, while frustrating business owners who seek relevant information. When entrepreneurs

cannot find applicable resources themselves, providers may inadvertently serve as one-stop-shops—even when not designed to do so. For example, a representative of the Washington D.C. Economic Partnership noted that business owners sometimes expect the Partnership to be “subject matter experts on everything,” when its actual role is to serve as a referral and connector to technical assistance organizations better suited for such engagement.⁷³ On the other side are entrepreneurs who feel caught in a web of constant referrals: “I’m constantly bouncing between resource providers—with no one actually in a position to help me solve my problem.”⁷⁴

CHALLENGE TWO: ONE-SIZE-FITS-ALL APPROACHES MAKE ENTREPRENEURS FEEL THAT SERVICES “ARE NOT FOR THEM” AND EXACERBATE EXISTING INEQUITIES.

- **Conflating Startups with Small Businesses in Need of Growth.**

Startups and small businesses have distinct characteristics, and an entrepreneurial ecosystem may effectively support one while inadequately supporting the other. Businesses that are built to remain small and those whose success depends on rapid growth can have different objectives, play different roles in the economy, and require varying resources and support.⁷⁵

Despite this distinction, much of D.C.’s entrepreneurial ecosystem is framed as supporting start-ups, with a particular focus on seed and early-stage ventures. This programming is valuable and can support a high rate of net new business creation in the District, but it should not come at the expense of resources tailored for businesses that are beyond the startup stage and/or not designed for high growth.

I’m constantly bouncing between resource providers – with no one actually in a position to help me solve my problem.

***Entrepreneur,
BEACON Focus Group***



The U.S. Small Business Administration Office of Advocacy reports that 98.2% of D.C. businesses are small businesses and 99.9% of women-owned businesses are small businesses. Focus group participants overwhelmingly requested more clarity and direction in marketing resources, programming and opportunities with this distinction in mind. Resource providers also stressed the importance in empowering entrepreneurs to understand this difference, so to better align them with appropriate strategies for business development.

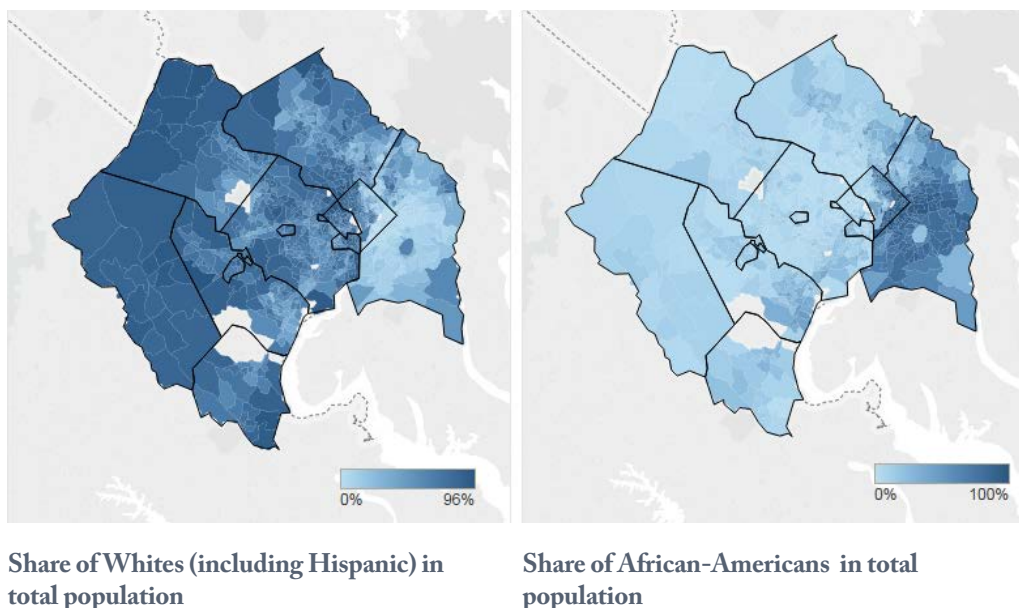
- **Geographic Discrepancies in the Availability of Resources and Services.**

The D.C. metro area's population is racially segregated. Due, in part, to histories of discrimination, redlining and resulting socioeconomic conditions, Black residents are concentrated in southeastern neighborhoods of D.C, while White and Hispanic residents are dispersed across the western portion of the

District. Distribution of wealth follows the same trajectory, with the wealthiest households located in the western region of the DMV.⁷⁶

While BEACON is currently working with partners to comprehensively map the geographic placement of support organizations vis-à-vis women-owned businesses, anecdotal evidence suggests that resources are more likely to be located in the western (particularly northwestern) segments of the city.⁷⁷ This aligns with findings of a J.P. Morgan Chase and Company study of the national landscape of incubators and accelerators, where most of the organizations surveyed were placed in higher income, less diverse communities.⁷⁸ While some D.C. programming is focused east of the river (Anacostia), such as the Hive 2.0 (a co-working space that has regular programming for small business owners), women business owners based in that region reported feeling left out of opportunities for resources, grants and investment.⁷⁹

Figure 8. Racial distribution across Washington, D.C. (D.C. Policy Center).



CHALLENGE THREE: WOMEN AND MINORITY FOUNDERS ARE UNDERREPRESENTED IN INCUBATORS AND ACCELERATORS.

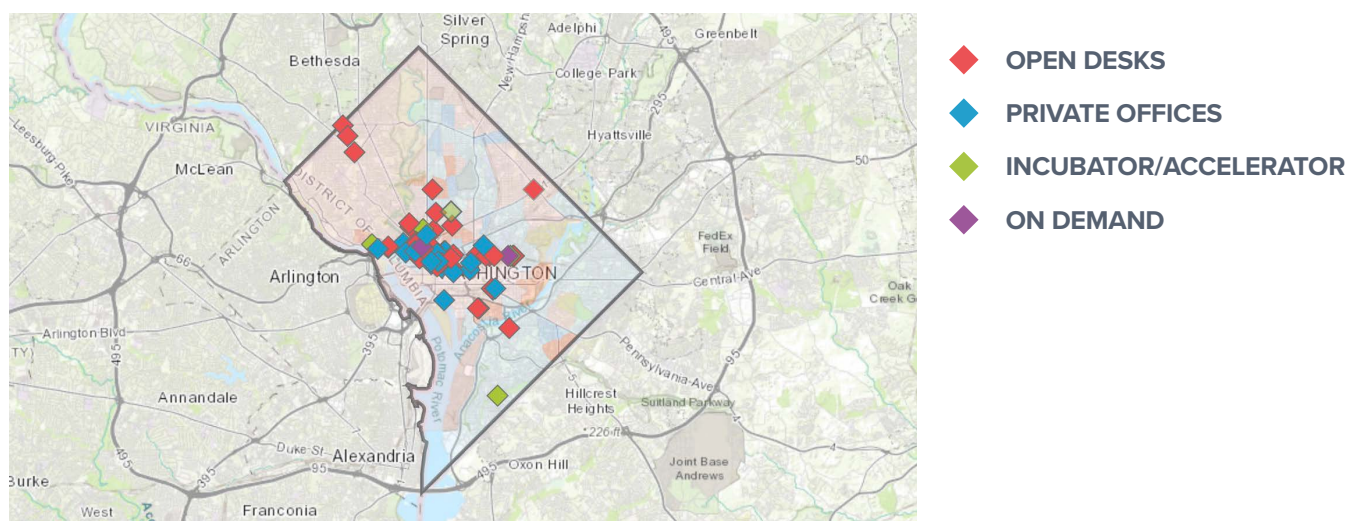
The distinction between accelerators, incubators and co-working spaces is often overlooked, causing mixed messaging and missed opportunities in D.C.'s ecosystem. Generally, incubators are co-working spaces that offer particular services such as mentoring, technical assistance and introductions, while accelerators use shorter-term cohort models, may offer seed investment, and often culminate in a public pitch event or demo day.⁸⁰ A growing number of resource providers are adding accelerator or pre-accelerator programs to existing efforts in order to support diverse applicants at various stages of development.⁸¹

A 2016 nationwide study by J.P. Morgan Chase & Co.'s Small Business Forward Initiative for a Competitive Inner City surveyed 51 managers of incubators and accelerators and 25 subject-matter experts on practices for enhancing

inclusivity in incubator and accelerator spaces. The survey found that not only are women and minority entrepreneurs not participating in high-tech incubators and accelerators at the same rates as their White counterparts, they are also less engaged in the programing and resources offered within these initiatives. Further, only 9% of incubators/accelerators in their study focused specifically on women entrepreneurs.⁸² According to their analysis, low representation is likely due to four factors: recruitment, selection bias, program design and culture.⁸³

Anecdotal evidence within D.C.'s ecosystem also shows that women-owned and women-led companies are underrepresented in these programs, but further information is needed to fully understand the current landscape (see above, "Challenges to Data Collection"). However, this finding is especially troubling since the National Women's Business Council concluded that women business owners who participated in accelerators and incubators were more likely to have raised capital and were better capitalized in their first year.⁸⁴

Figure 9. Map of D.C.'s Incubators and Accelerators, (Washington, D.C. Economic Partnership).⁸⁵



INCLUSIVE INNOVATION INCUBATOR

The Inclusive Innovation Incubator (In3) is D.C.'s first community space committed to creating a collaborative environment where under-resourced members have access to the space and services needed to build or grow successful businesses. In partnership with the Office of the Mayor and Howard University, In3 offers local entrepreneurs the opportunity to participate in networking events, mentorships, and build strategic connections with investors and partners.

CHALLENGE FOUR: ENTREPRENEURS BENEFIT FROM DIRECT ONE-ON-ONE CONSULTATIONS AND MENTORING RELATIONSHIPS, BUT RESOURCE ORGANIZATIONS STRUGGLE TO MEET THOSE NEEDS.

Focus groups frequently expressed the need for more one-on-one attention, allotted time for practical application, and organic networking among peers. Resource providers also reported frequent requests for one-on-one attention, but were unable to fulfill those requests due to administrative constraints. While resource providers saw value in responding to unique business challenges, their funding providers were more likely to support educational trainings rather than direct, technical assistance.⁸⁶

Founders also appreciated when they could converse and share openly with their peers. Through organic conversations, they identified complimentary skill-sets, shared resources, and learned from the stories of others. These opportunities forged connections over similar experiences, built deeper relationships in a short period of time, and reminded entrepreneurs that they “were not alone.”⁸⁷

While both support communities and informal mentorship are beneficial, formal mentorship programs that provide both short and long-term engagements could help ensure that diverse founders receive the guidance they deserve. BEACON findings uncovered that many technical assistance providers relied on word-of-mouth and individual referrals to secure diverse and well-qualified mentors. This may not be the most efficient strategy, however, since focus groups frequently requested more opportunities for short-term mentorship engagement given the difficulty in securing long-term guides.

A streamlined process that identifies project-based or short-term mentors could help ensure that diverse founders receive better guidance. Alignment with groups that provide free strategic consulting to local companies, such as the D.C. Startup Club founded at McKinsey and Company, could provide the technical assistance needed to translate generalized advice into pragmatic progress.

CHALLENGE FIVE: ECOSYSTEM NORMS, EVEN IF UNINTENTIONAL, DISSUADE PARTICIPATION BY CERTAIN INDUSTRIES, GROUPS AND INSTITUTIONS.

- **A hyper-focus on tech could diminish opportunities for other, perhaps more readily accessible, business development trajectories for underrepresented entrepreneurs.**

According to the Center for American Progress, “entrepreneurship is often associated with technology startups that launch into global companies, but the majority of U.S. entrepreneurs are small-business owners that employ zero to four people.”⁸⁸ Ariel Pasternak, Founder of Pineapple Collaborative, a community of over 20,000 women convening online and offline with food as the centerpiece, believes an over-emphasis on tech could make local founders second-guess the validity of their ideas.⁸⁹ Other founders noted that wide-sweeping publicity campaigns and pitch competition eligibility rules induced them to pivot towards tech or tech-enabled ventures just to be more attractive for investment. Among these founders, there was a general perception that funding was more difficult to attain for ventures that operated without a tech component: opportunities were scarce, competition was high, and investors were disinterested.⁹⁰

While D.C. has a booming tech scene, with national rankings and major commitment from local government, D.C. also has a thriving community of makers, retailers, restaurateurs, consultants, professional trainers, and more. While tech will certainly impact the future global economy, it will also work in tandem with industries that have grounded societies for centuries. A representative of Think Local First, a D.C.-focused advocate of small businesses, would like to see support across all of D.C.'s local businesses – regardless of industry, sector, size or geographic location. In response to D.C. government's courting of the Amazon HQ2 bid, he hopes to see the same level of support for D.C. businesses that have been here for generations and, as a result, have brought on newer businesses that are truly rooted and invested in the District.⁹¹

By siloing the community and incentivizing tech over non-tech businesses, D.C.'s ecosystem may skew the support of certain ventures, induce non-tech entrepreneurs to build their businesses elsewhere, and also prevent important opportunities for collaboration. Veni Kunche, founder of Code with Veni, yearns for opportunities to meet people outside of D.C.'s tech ecosystem. She is currently working to build a platform that would connect experienced techies with non-tech entrepreneurs to address business needs and bridge this separation.

- **Resources may be underutilized due to perceived ageism.**

Resources must be targeted to relevant sectors and demographics to achieve optimal outcomes. According to Wendy Guillies, President and CEO of the Kauffman Foundation, millennials and baby boomers are the two biggest forces shaping the U.S. economy.⁹² The

common perception that millennials lead the entrepreneurial sector is clouded by a “mentality” towards entrepreneurship rather than actual occupation and activity. In fact, the firm creation rate among millennial entrepreneurs has declined since the early 2000s, though it may increase as they reach the traditional “peak age” for entrepreneurship—around 40 years.⁹³ This “peak age” (and beyond) is not explicitly targeted within D.C.’s ecosystem: older women who transition careers or seek to turn a hobby into a business felt out of place within existing meetups, networking events and support programs.⁹⁴

A focus group participant and recent graduate of D.C.’s Union Kitchen Food Accelerator noted, “there are so many resources for young people to tap into; for older people, that’s just not the case.” Though programming did not explicitly target younger groups, the majority of attendees were millennials which made her feel out of place. Other respondents felt their presence may inappropriately “take the place” of a younger founder, and that there were “few opportunities for older and younger women entrepreneurs to connect.”⁹⁵ Further, founders reported a deficit in programming for women transitioning careers at later stages of their lives.

3. RESOURCES AND SUPPORT: OPPORTUNITIES FOR RESOURCE PROVIDERS - ECOSYSTEM MAPPING

IMPROVE THE INTERFACE OF EXISTING RESOURCE DIRECTORIES, EXPAND LISTINGS AND ALIGN RESOURCES WITH BUSINESS DEVELOPMENT LIFECYCLES AND COST.

In response to a lack of coordination among resource providers and decentralized marketing strategies, focus groups recommended a centralized, interactive and diagnostic database that analyzes business needs and connects entrepreneurs with relevant resources. This “one-stop-shop” approach would be particularly helpful for entrepreneurs who have less access to networks and financial capital.⁹⁶ The D.C. Small Business Wizard has made progress towards this: its algorithm produces a personalized checklist for the appropriate Basic Business License and supporting documents. However, this technology could go a step further for support post-licensing.



The Detroit BizGrid, for example, is managed by a committee of the Detroit Business Support Network and uses an interactive directory tool and physical infographic to showcase a range of support options, including business planning and strategy, real estate assistance, legal aid, funding and more. The “BizGrid” is designed to serve a variety of entrepreneurs and comes in two formats: (1) an interactive, online directory that charts a personalized course and responds to the evolving needs of entrepreneurs, and (2) a physical infographic that can be downloaded or picked up at various entrepreneurial hotspots across the city. Both formats outline specific resources, their price-points, and contact information. With the support of a “BizGrid Team” that includes the Detroit Economic Growth Corporation, TechTown Detroit, the New Economy Initiative of Southeast Michigan, and other stakeholders, information is regularly updated and adaptable to user needs.

If adopted in D.C., such a platform could combine and collect the efforts of existing resource listings in a navigable interface that is responsive to common business challenges. This effort would require direct management/curation and consistent engagement with stakeholders. The Department of Small and Local Business Development’s various entrepreneurship stakeholder meetings are a great start to building the type of network necessary to facilitate, but dedicated resources and a focused commitment would be required for scale.

In the short term, stakeholders could commit to a focus on improving the quality of existing directories. This could take the form of a survey to update and clarify the services provided by

different groups, with results collated and shared on a community-sourced platform (e.g. a Wiki) for updates. Some attempts have already been undertaken, but to be effective, this effort must be sustained, have wide buy-in and promotion within the stakeholder community, and be organized in a way that captures the needs of different business owners based on business stage, industry, geographic location, support required, and other factors.

IMPROVE CROSS-PROMOTION OF PROGRAMS AND RESOURCE GUIDES, INCLUDING VIA ENTREPRENEUR “HOT SPOTS.”

At minimum, resource organizations should be encouraged to better share and cross-promote their information among themselves and to their target groups. One key place to do so is through cross-promotion at local incubators, accelerators and co-working spaces frequented by entrepreneurs (or “hot spots”). Another option could place materials at existing training programs, such as those offered by the Department of Small and Local Business Development and other resource providers, which could provide space for flyers and/or invite other resource programs to speak briefly during their events. An additional opportunity is at events and marketplaces organized by the Deputy Mayor for Planning and Economic Development and the Deputy Mayor for Greater Economic Opportunity, where resource organizations could showcase the services they provide by “tabling” at a marketplace, hosting live presentations, or simply providing written materials as a take-home from the event.

At minimum, resource organizations should be encouraged to better share and cross-promote their information both among themselves and to their target groups. One key place to do so is through cross-promotion at local incubators, accelerators and co-working spaces frequented by entrepreneurs.



One centralized place to provide information to businesses is the Department of Consumer and Regulatory Affairs, which many businesses automatically engage with to register a company or obtain a license. With some light coordination, the District government could use this opportunity to connect business owners with resources tailored to their industry. This model would mimic those used by legal service providers following a traffic violation: once flagged in the system, an updated series of resources or interactive directory could be shared via mail (without additional effort on the part of the entrepreneur). Doing so would help a developing business entity become better acquainted with D.C.'s entrepreneurial ecosystem.

USE ECOSYSTEM MAPPING AND PARTNERSHIPS TO DEVELOP AN APPLICANT RECAPTURE INITIATIVE.

Applicant re-capture provides an opportunity to re-direct, align and better support founders who are not admitted to programs, accelerators or incubators. Supported by formalized partnerships and transparency through ecosystem mapping, a re-capture initiative could help ensure that applicants who are not a good fit for a particular program are steered towards other opportunities. Presently, only informal and inconsistent referral mechanisms exist. Such a program, if implemented, could be led by a centralized organization that connects resource providers such as the Department of Small and Local Business Development, BEACON, or individual program operators within a given domain, industry or stage of business development.

Figure 10. Proposed Applicant Recapture Program (BEACON: The D.C. Women Founders Initiative).





SUPPORT ENTREPRENEURS EAST OF THE RIVER THROUGH STRATEGIC PARTNERSHIPS AND DEVELOPMENT INITIATIVES.

- **Focus on Strategic Partnerships.**

By identifying support organizations already active in target areas and enhancing their visibility, operations or impact through coordinated engagement, resource providers can help equalize the provisioning of resources across D.C.'s eight wards.

Support organizations have already made progress in this realm by targeting Wards 7 and 8 for both programming and financing. For example, Think Local First has partnered with organizations that already engage underserved groups to support low-income entrepreneurs and cooperatives around D.C.'s Cottage Food Amendment Act of 2013 (a law allowing home chefs and bakers to run businesses out of their home). Similarly, the Washington D.C. Economic Partnership is amending a pattern of programming that was previously concentrated in the northwest corridor: "we're now working with groups already active in the community to get their involvement, sign-off and buy-in for sustainability reasons," reported Lee Peskine, Manager of Small Business and Entrepreneurship.

- **Value Co-Location.**

Current development efforts East of the River present an opportunity to improve resources for business owners and entrepreneurs. "Innovation Districts," or dense, mixed-use spaces that situate startup companies alongside business support organizations, retail and housing units have been established in Boston, St. Louis, San Francisco, Pittsburgh, and Chattanooga – and D.C. may benefit from a similar approach.⁹⁷

An interesting and impactful approach developed by Professor Anthony E. Cook of Georgetown Law would integrate long-term community building into the conventional model of mixed-income affordable housing. Through the GateBridge Community, a development proposal focused on addressing structural barriers to opportunity, dedicated staff would help underserved communities reach their economic development and social goals as residents live, work, learn and innovate together. For example, live-in entrepreneurs would pledge community service hours each month in exchange for the benefits offered by GateBridge. Their services would include mentoring and entrepreneurship education, as well as startup/early-stage business support for other community members.⁹⁸

Current development projects in Wards 7 and 8 make this area particularly ripe for an “innovation hub” approach. As of August 2017, there were 21 projects under construction in Wards 7 and 8, with another 72 in the pipeline.⁹⁹ These projects, such as the 11th Street Bridge Park, mix commercial, residential and mixed-use spaces and are geared to capitalize on the influx of economic growth forecasted in these neighborhoods. Not only could these developments house a “hub,” they could also generate major contracts for women and minority businesses. While plans for the 11th Street Bridge Park, the city’s first elevated park connecting D.C.’s Capitol Hill/Navy Yard and Anacostia/Fairlawn neighborhoods, reference “prioritizing minority and women-owned businesses,” developers have not yet defined how this will be achieved.¹⁰⁰ By integrating support organizations that already have direct contact with entrepreneurs, such as local Business Improvement Districts and Main Streets programs, developers may be better positioned to achieve their diversity and inclusion goals, as well as support long term community development efforts already in existence.

SPOTLIGHT

ANACOSTIA BUSINESS IMPROVEMENT DISTRICT

Anacostia has already organized a hub of businesses and support organizations within a main corridor. Within a mile radius lies over seven women-owned businesses, the Anacostia Business Improvement District offices, the Anacostia Arts Center, and the Anacostia Economic Development Corporation.



4. RESOURCES AND SUPPORT: OPPORTUNITIES FOR RESOURCE PROVIDERS - PROGRAM DESIGN

REPLACE “ONE-SIZE-FITS-ALL” MODELS WITH DESIGNS THAT RESPOND TO UNIQUE BUSINESS NEEDS.

The content of curricular offerings should be aligned with the specific needs of local businesses. This includes differentiating between the needs of startups and small businesses, and perhaps, addressing a perceived skew in support for the former. While it may seem daunting to develop and market programming for various stages of business development or the nuanced needs of distinct industries, a coordinated approach could create a systematic way to address common problems faced by differently-positioned entrepreneurs.

A general understanding of the business development lifecycle has seven distinct stages: seed, start-up, growth, established, expansion, decline, and exit. Each stage poses unique challenges and mandates different priorities, requiring different levels of support. By distinguishing which resource providers best serve entrepreneurs at each stage, then sharing this information through ecosystem mapping and coordinated marketing, resource providers could better distribute their efforts to serve the unique needs of business owners. Other considerations could include identifying and responding to the needs of the top industries in D.C., or promoting underutilized industries in response to market changes or racial/gender disparities.

Program design involves not only substantive content but also delivery and structure. Programs that are led by experienced entrepreneurs are more effective forms of support.¹⁰¹ By integrating entrepreneurs as instructors, providers create an additional opportunity for connections between early and later-stage companies, which may lead both to mentorship and new business opportunities.

REPLACE “ONE-SIZE-FITS-ALL” MODELS WITH DESIGNS THAT RESPOND TO UNIQUE FOUNDER NEEDS.

- **Respond to and Design for the Needs of Target Group(s).**

Program design extends to issues of accessibility. When designing with diversity and inclusion at the forefront, initiatives should consider the unique needs of the target group, ranging from disability and language-based accommodations, to scheduling and affordability considerations, among others.

SEED SPOT, a D.C.-based social impact incubator, compressed a three-month program to five days and offered both evening and weekend options in response to the scheduling needs of participants. SEED SPOT also reduced program fees and introduced payment plan options to support varying income levels and venture stages. Other examples include Walker's Legacy Foundation, which supports diverse women entrepreneurs and offers childcare during their "mompreneurs" training program, Hera Hub D.C.'s bartering system which trades volunteer hours for membership access, and the Black UpStart's infusion of culturally-relevant curricula and instructors to better serve its community of African American founders.

Using a different approach, the EnterpriseWorks Incubator at the University of Illinois analyzed how women entrepreneurs created companies and found that scientists typically validated their ideas by launching consulting companies rather than product-focused start-ups. In response, EnterpriseWorks began admitting consulting businesses which then scaled to female-founded, product-based businesses through incubation.¹⁰²

Responsive programs must also be aware of the risk of further isolating underrepresented groups when designing targeted programming. To avoid this, programs that specifically align with the needs of women founders, or subsets of women founders, should make sure participants still have access to broader networks. For example, MET Community, an international non-profit supporting women founders of Hispanic or Latino decent, partners with BEACON, the IE Business School (Spain), and Indiaspora

SPOTLIGHT

D.C. DISABILITY STARTUP NETWORK

The D.C. Disability Startup Network is a new initiative born out of a need to recognize and support entrepreneurs with disabilities. Although they are twice as likely to pursue entrepreneurship, resources and spaces are often not accessible to disabled entrepreneurs. This network aims to lead efforts to enhance visibility of disabled founders and promote their inclusion in local programming and financing opportunities.



(an organization supporting Indian Americans) to help connect its members to broader social capital. Similarly, Humble Ventures (a D.C. based accelerator) brings underserved groups together rather than siloing them based on particular characteristics. In doing so, they “hope to integrate [entrepreneurs] in a way that would be more reflective of the business community at large.”¹⁰³

- **Set an Inclusive Tone through Company Leadership and Data Collection.**

Building inclusive cultures require both a top-down and bottom-up approach, with company leadership driving expectations and setting the tone for organizational behavior. The D.C.-based accelerator, 1776, recently hired a Director of Diversity to formalize long-held company values: “[w]e have historically been intentional about building diverse teams but this hasn’t been documented; now we can track real, measurable success around what matters.”¹⁰⁴ By first measuring their progress and then sharing findings, communities can hold actors accountable for diversity and inclusion efforts.

Presently, diversity and inclusion statistics for local resource providers are not widely tracked or shared. As explained above in “Challenges to Data Collection,” measuring progress and tracking impact is key to developing effective strategies to recruit and support diverse entrepreneurs.

ENGAGE ENTREPRENEURS IN VIRTUAL OFFICE HOURS, VIRTUAL ORIENTATIONS AND Q&A SESSIONS WITHIN FORUMS ALREADY FREQUENTED ONLINE.

Social media provides an excellent hub for open dialogue, resource referrals and rapid communication for women founders. Whether connected by interest area or locality, social media enables peer-to-peer dialogue and facilitates practical, real-time advice. Focus groups often cited “Facebook Groups” or “Mastermind Groups” as their first destination for questions and advice, yet few technical assistance providers interviewed noted these forums as a point of engagement beyond event promotion. Rather, resource providers used “Facebook Pages” as a one-way advertising platform to promote events, rather than “Facebook Groups” to build a dynamic community that encourages continuous, multi-directional engagement by all members.

According to Facebook, “Pages” were designed to serve as the official profiles for entities, while “Groups” enable and encourage small group communication for people to share common interests and express opinions. This simple example based on the type of social media platform an organization chooses suggests there may be low-cost opportunities for resource providers to enhance their offerings, engage with entrepreneurs, and deliver applicable advice.¹⁰⁵

**INCREASE OPPORTUNITIES FOR
AFFORDABLE TECHNICAL ASSISTANCE
AND OPERATIONAL SUPPORT
THROUGH SKILLS-SHARING AND
ALIGNMENT WITH LOCAL COLLEGES
AND UNIVERSITIES.**

The cost of technical assistance, particularly professional services, is prohibitive for most founders and may be particularly prohibitive for underrepresented groups. By leveraging underutilized ecosystem domains, resource providers can align affordable assistance with existing talent pools.



SPOTLIGHT

HERCORNER

Her Corner uses the power of collective intelligence to accelerate the growth of women-owned businesses with a hyper-focus on education rather than networking and events. Through virtual information sessions and morning coffee meetups across the city, Her Corner shares the benefits of its programming and recruits diverse founders who may not already have a presence within their network.



We just need a space for us to talk. We have the resources within ourselves and the things that we are creating. If we could exchange that information, we could see how valuable we could be to one another.

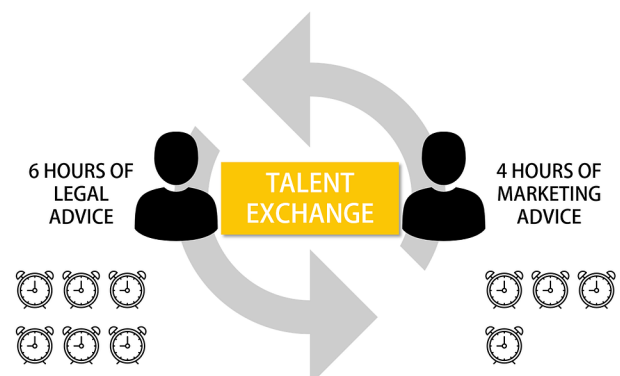
*Entrepreneur,
BEACON Focus Group*

- **Harness the Talent and Skills within Existing Communities of Women Entrepreneurs.**

Hera Hub D.C., a co-working space for women, incorporated a community-based information exchange through “Business Development Power Hours” and “Guru Sessions.” “Power Hours” allow both members and non-members to have routine, small-group attention while working through individual business challenges. Alternatively, “Guru Sessions” rotate hosts selected from community members and allow groups to learn from the strengths of one another.

Resources like the BEACON Directory could be enhanced to provide a bartering or skills-exchange platform similar to the model used by Street Entrepreneur’s Talent Exchange. Street Entrepreneurs is a D.C.-based educational program for underrepresented founders. Through its Talent Exchange, participants who have advanced to a certain level of programming can trade their knowledge or skills for time credit; this credit can be used when they are in need of technical services. For example, Entrepreneur A trades six hours of legal advice for four hours of marketing advice and has two remaining hours to use for another trade. This design alleviates burdens related to social and financial capital for business owners who may not have professional services readily accessible in their networks.

Figure 11. Talent Exchange (Street Entrepreneurs).



- **Integrate Support Provided by Local Colleges and Universities.**

A second approach could capture the underutilized college and university community by aligning apprenticeship, internship and clinical service opportunities with the startup and small business community. As hubs of innovation, universities provide a high-skilled workforce and support for research and development. They support entrepreneurial ecosystems through academic programs and publications, clinics, extra-curricular activities, business incubation and in some instances, financing.¹⁰⁶ There are five business schools located in and around D.C., with approximately 45% enrollment of women students. There are also 13 nationally-ranked universities in the D.C. area; at least four of which directly support non-student entrepreneurs.¹⁰⁷

Both the Social Enterprise and Nonprofit Clinic and the Law and Entrepreneurship Practicum at Georgetown Law, for example, provide free legal and business consulting to local startups and small businesses. George Washington University's Office of Innovation and Entrepreneurship offers opportunities for non-student and alumni entrepreneurs to attend programming and serve as mentors. Similarly, certain courses at the University of Maryland's Robert H. Smith's School of Business require students to locate, identify and secure their own startup/small business client(s). If these networks also included connections to funding sources and student clubs that could furnish interns or affordable staff, such as the Dingman Center Angels at the University of Maryland, universities could serve as an excellent hub for various facets of support. However, there is an overarching need to better centralize these opportunities and connect deserving entrepreneurs to them.

SPOTLIGHT

PROJECT 500

Project 500 is a business development program whose mission is to accelerate new majority entrepreneurs from high potential to high growth. As part of a national initiative, the ASCEND 2020 D.C. division links business schools, business service-providing organizations, and community development financial institutions (CDFIs) with local companies for intensive business development over a nine-week period.



Creating New Business Opportunities

Key Challenge

Women and minority-owned businesses need more opportunities to showcase their products/services and engage with potential customers.

- The cost of doing business in D.C. may dissuade new business creation.
- Women business owners are not fully aware of the benefits of certification programs that could help to secure larger customers.
- Women entrepreneurs need more opportunities to showcase their businesses, particularly for non-retail and service-based industries.

Key Opportunity

Create new business opportunities by alleviating administrative burdens, promoting creative consumer-centric models, and mobilizing community partners for both marketing and contracting opportunities.

Key Ecosystem Actors

Accelerators/Incubators, Local Government, Large Companies, Local Chambers, Industry Associations, Media, and Advocacy Groups.

Recommended Strategies

- Encourage regulation reform and streamline administrative procedures burdensome to new business creation and development.
- Launch new business development strategies that identify and help secure initial major customers and connect to ongoing “buy local” campaigns.
- Develop affordable commercial lease options for women and minority-owned businesses.
- Enhance curriculum offerings to focus on customer development strategies.
- Seek new and improve existing strategies to identify and promote women-owned businesses.

1. NEW BUSINESS OPPORTUNITIES: OVERVIEW OF LANDSCAPE

D.C. is referenced as a great “test-market” for new products and services.¹⁰⁸ In fact, the diversity of consumers and their spending power attracted entrepreneurs like Kim Bryden of Cureate Connect and support organizations like the Union Kitchen Accelerator. According to Bryden, “D.C. is interesting because the environment of local, national and international consumers is stacked – it’s great from a consumer demand perspective; you have more of a chance of success here.”¹⁰⁹

Actualizing this success, however, depends on many factors. To help close the gap in employment, revenue and sales experienced by women business owners, D.C.’s ecosystem could collaboratively support on-ramps for new customer acquisition, increase opportunities that showcase women-owned products and services, and provide direct technical assistance on pricing and sales strategies.

The following section expounds upon challenges to creating new business opportunities in D.C.’s entrepreneurial ecosystem.

2. NEW BUSINESS OPPORTUNITIES: CHALLENGES

CHALLENGE ONE: THE COST OF DOING BUSINESS IN D.C. MAY DISSUADE NEW BUSINESS CREATION AMONG WOMEN AND MINORITIES.

The cost of doing business in D.C. is extremely high. According to the D.C. Chamber of Commerce, “the highest source of costs are office space and wages,” but regulatory fees for business licenses, occupational licenses, permits, fines and government services compound costs for cash-strapped small businesses and early-stage startups.

Though administrative borders define legal limits, DMV residents traverse boundaries to access resources, customers, clients and products. Some choose to live outside of the District due to rising rent costs, while others take advantage of subsidized co-working space, e-commerce, and partnerships to conduct business within a locality that is not necessarily their home. The decision to locate, live and/or work in D.C. was a frequent topic in focus groups, with some choosing to headquarter in Maryland or Virginia due to lower operating costs and fewer administrative hurdles.



- **Registration and Licensing.**

D.C. has the highest incorporation fees in the DMV region and complicates the annual renewal process. D.C. charges \$220 to incorporate a Limited Liability Company as compared to \$100-\$170 in Maryland and \$100 in Virginia.¹¹⁰ Although D.C. has a more favorable annual fee assessment and process as compared to Maryland, Virginia requires only a one-page summary notifying the state that one's business intends to continue operating and charges as little as \$25 for renewal.

A lack of transparency further complicates interactions between local regulatory agencies and business owners, with entrepreneurs frequently reporting having received contradictory information and delayed notifications from regulatory agencies.¹¹¹ Due to high operating costs and administrative frustrations, Kyla Hill of Get Hemp Butter chose to locate her business in Virginia rather than D.C., despite having a large customer base and presence in the District.

According to a 2015 report published by the Brookings Institute, 19.7% of D.C.'s workforce is licensed.¹¹² For some D.C. founders, the combined cost of incorporation and licensing can reach upwards of \$700 - a steep price for a business not yet able to validate its model or legally engage with customers.¹¹³ Occupational licensing fees, in particular, may also unduly burden underrepresented entrepreneurs. Research published by the Institute of Justice, a libertarian law firm, found that D.C. licenses 60 out of the 102 lower-income occupations, ranks #38 in the U.S. as having the most burdensome licensing laws, and #26 as the most broadly and onerously licensed state.¹¹⁴ Though not the worst of the batch, a more in-depth review of occupational licensing guidelines and impact may uncover an unintentional burden on women and minority-owned businesses.

- **Lease Space.**

Businesses based in D.C. also face the harsh reality of property prices in a popular, thriving city. While the average rent for commercial properties in Northern Virginia is \$36 per square foot, D.C. averages \$50 per square foot.¹¹⁵ Although D.C.'s lower sales tax reduces burdens on business-to-business sales, its real property tax rate on commercial property is higher than both Maryland and Virginia, even when considering Virginia's surcharge for the construction of the Metro's Silver Line.¹¹⁶ According to a representative of Think Local First, a large increase in the price per square foot over the past few years has induced businesses to relocate production from D.C. to Maryland. When the rising cost of living is also factored in, disadvantaged groups can find themselves boxed out from operating within the District.¹¹⁷

CHALLENGE TWO: WOMEN BUSINESS OWNERS ARE NOT FULLY AWARE OF THE BENEFITS OF CERTIFICATION PROGRAMS THAT COULD HELP TO SECURE LARGER CUSTOMERS.

D.C.'s economy is unique in that it relies heavily on government as a source of employment. But as D.C. extends its brand to inclusive entrepreneurship, it is poised to support local businesses by promoting contracting opportunities through corporate and government-backed supplier diversity programs.

BEACON focus groups revealed that certification, for some, is believed to be necessary or beneficial only if contracting with the federal or local government. Founders also assumed only a limited number of industries were ripe for contracting opportunities. Those who did view contracting as an option were not clear on how to go about the process - or even where to go for help.

There is an overabundance of educational activities; we need more opportunities to generate revenue.

*Entrepreneur,
BEACON Focus Group*

Leaders of support organizations that serve as liaisons between corporate supplier diversity programs and local entrepreneurs face challenges in knowledge sharing, registering qualified companies and ultimately, successfully pairing companies for contracts. According to a local startup founder and now leader of a diversity-focused accelerator, “if the well is dry [referencing venture capital investment], focus on revenue.” A major way to do so is to help disadvantaged businesses secure larger customers by expanding and strengthening on-ramps to supplier diversity programs.

3. NEW BUSINESS OPPORTUNITIES: OPPORTUNITIES FOR POLICYMAKERS

WAIVE, REDUCE, OR SUSPEND FEES AND PENALTIES TO SUPPORT WOMEN AND MINORITY-OWNED BUSINESSES.

Smaller revenue streams can make licensing, registration and operating expenses doubly daunting for women and minority-owned businesses. One meaningful way to promote opportunities for these businesses is for agencies to waive, reduce or suspend such fees, or offer grace periods for remediation of licensing/operations issues.¹¹⁸

The Micro-Business Startup Fee Relief Amendment Act of 2017 (B22-0525), currently under review by the Council of the District of Columbia, proposes significantly reducing the cost of a basic business license and all required endorsements, taxes, and fees for new businesses with taxable incomes of \$100,000 or less. According to a local, small business advocacy

There's a variety of state and federal-level [certification] programs, and some companies [will offer] to do this for you for a fee. What's worthwhile, what's the cost and what's the process? It would be helpful for this information to be more clearly presented and readily available.

*Entrepreneur,
BEACON Focus Group*



organization, “this makes sense—if you’re barely above the poverty line, why would you also have to pay hundreds of dollars just to register before you’ve really even had the shot to prove your concept?”¹¹⁹

In 2015, D.C. also implemented a “Business License Amnesty Program” which offered a temporary grace period for non-compliant businesses to rectify errors without penalty. This creative approach provided a useful opportunity for businesses to achieve good standing with the District without incurring costs they were unable to afford. Efforts to reinstate this program, or otherwise design strategies to tailor taxes and fees based on an entity’s ability to pay, could be a meaningful step in alleviating burdens on women and minority-owned businesses.

**REALLOCATE GRANT FUNDING
TO SUPPORT START-UP COSTS,
IN ADDITION TO STIPENDS FOR
TRAINERS.**

Support organizations shared that grant funding is skewed towards educational programming rather than direct technical assistance. Relatedly, funds could often be used to support trainers but not to offset the costs of startup-related expenses for participating entrepreneurs.¹²⁰ While more research is needed, insufficient financial support may induce informal business operations or explicit noncompliance by business owners. Since startup costs can be especially prohibitive for underrepresented entrepreneurs, policymakers should consider whether grant structures best serve their intended outcome, or whether modifications in the approach could better serve their target communities.

**ENCOURAGE LARGE, REGIONALLY-
HEADQUARTERED FIRMS TO SUPPORT
LOCAL AND WOMEN/MINORITY-
OWNED COMPANIES THROUGH
CORPORATE SUPPLY CHAINS.**

Washington, D.C. is well-positioned to welcome the expansion of corporate headquarters, while also supporting the creation of new business opportunities for existing enterprises. However, the support and incentives geared to attract larger companies should complement efforts to develop and scale home-grown small businesses and startups. By “contracting local,” D.C. can incentivize major companies to reinvest in the local ecosystem, increasingly diversify their supply chains and incubate small businesses for continued growth and expansion.

For example, Washington, D.C. is a “front-runner” for the Amazon HQ2 bid.¹²¹ While the ultimate details of the bid or negotiated terms are neither finalized nor public, Amazon’s potential relocation presents an opportunity to impact D.C.’s entrepreneurial ecosystem. The tech community has rallied behind a request for incentives for small businesses, similar in structure to those offered to Amazon. Policies such as wage reimbursement, on-the-job training bonuses, property tax freezes and software-as-a-service sales tax relief could also boost local companies as they attempt to enter larger markets.¹²²

Other programs such as “Amazon Launchpad,” which provides an ecommerce platform, onboarding, packaging support, inventory management and more for entrepreneurs could be aligned for local impact. Both the Amazon

Launchpad and Amazon’s existing Supplier Diversity Program should set minimum standards for the inclusion of D.C.-based, women and minority-owned businesses. Doing so would require increased engagement between local partners and community members, as well as a coordinated ecosystem that is able to readily identify suitable businesses.

While companies like Capitol One, AARP, and MedStar consistently partner with area startup competitions and incubators through prizes, in-kind support and connections to corporate resources, the D.C. Small Business Policy Project agrees that more could and should be done. The D.C. Small Business Policy Project represents a 20-member steering committee of public, private and nonprofit stakeholders. They have worked collaboratively to identify barriers to small business success, and agree that the ecosystem could work more strategically to “connect small businesses with larger companies and encourage partnerships that provide small businesses with entry into larger development projects.”¹²³

**4. NEW BUSINESS
OPPORTUNITIES:
OPPORTUNITIES FOR
RESOURCE PROVIDERS**

**UTILIZE SEGMENTS OF MIXED-USE
DEVELOPMENTS AS AFFORDABLE
LEASE SPACE FOR WOMEN AND
MINORITY-OWNED BUSINESSES.**

The rapid development taking place in D.C. creates opportunities and challenges for the District’s entrepreneurs. The rising costs of

commercial real estate can be a grave expense, but the cost could be offset through rent subsidies in emerging and transitioning neighborhoods.¹²⁴ Entrepreneurs could also benefit from utilizing vacant commercial space during periods of transition, helping to fill underutilized spaces while providing visibility for underrepresented founders.

One approach is to offer short-term “pop-up” opportunities in unused spaces, vacant lots, or new developments at affordable costs. Femme Fatale, a collective of women-owned businesses, has repurposed two separate D.C. locations to support more than 60 women-owned businesses with low-cost retail opportunities. Marketplaces that bring businesses together in this way allow vendors to share costs and attract more customers. In addition, tech-based solutions, such as Poppir, a web-based platform, allows businesses and property owners to support one another by renting out existing spaces at daily or hourly rates.

Though these examples demonstrate how private actors can help create vending opportunities, D.C. government could also play an active role by incentivizing developers to consider similar models and connecting development sites with diverse vendors/contractors and the organizations that support them.

INCREASE VISIBILITY OF WOMEN-OWNED BUSINESSES THROUGH CERTIFICATIONS, STREAMLINED BUSINESS DIRECTORIES, AND COMMUNITY CAMPAIGNS TO HELP ALIGN THEM WITH CUSTOMERS.

- **Leverage Business Certifications.**

Resource organizations could do more to help entrepreneurs leverage business certification programs for Women-Owned Small Businesses

(WOSB), Women’s Business Enterprises (WBE), Minority Business Enterprises (MBE) and the 8(a) Certification for Small, Disadvantaged Businesses. These programs are specifically designed to create opportunities for disadvantaged businesses, and can be used not only by federal, state and local government but also in the private sector through supplier diversity initiatives. Resource providers could help educate entrepreneurs about these opportunities, including combatting incorrect assumptions about program benefits or operations. In addition, resource providers—backed by local government—should encourage private sector businesses to increase *local* supplier diversity.

- **Develop Business Directories.**

D.C.’s ecosystem includes multiple business directories with various functionalities, including The D.C. Small Business Directory (operated by the Greater Washington Hispanic Chamber of Commerce), the Think Local First Directory, and maps or directories operated by several D.C. Main Streets districts and six out of ten local Business Improvement Districts.

Only one guide, the BEACON Directory, allows users to specifically search for and identify women-owned businesses.¹²⁵ Managers of directories report difficulty in locating women-owned businesses and/or securing enough survey responses to populate a woman-centric or filterable registry. Resource providers or appropriate government agencies could address this issue by capturing relevant data when encountering companies and/or providing opt-in mechanisms for sharing this data at the point of interaction.

- **Community Campaigns and Media Features.**

Directory managers, such as the Business Improvement Districts and Main Streets programs, are well-situated to support women-owned businesses through existing events that engage local residents in entertainment, festivals, concerts, and more.

Women-centered holidays are particularly poised for such opportunities, such as International Women's Day (March 8), Women's History Month (March), National Small Business Week (April 29-May 5), Women's Entrepreneurship Day (November 19), as well as D.C.'s thriving festival scene – such as the National Cherry Blossom Festival, Waterfront Spring Festival and Smithsonian Craft Show. Each of these activations present opportunities to set and surpass goals for amplifying women-owned businesses in exhibition spaces and marketing campaigns across the city.

Local press outlets should also make a concerted effort to showcase women-owned businesses across various media platforms. “Growth story telling” or “growth communications,” helps to continually connect the ecosystem by sharing news of new contracts, sales, exports, hires, facilities, and more. Local publications such as DC Inno and Technical.ly D.C. showcase this for startups generally, but more could be done to feature women business owners (particularly diverse women business owners) across D.C.'s eight wards.

SPOTLIGHT

AMPLIFYING WOMEN FOUNDERS

There are various initiatives across D.C. designed to amplify women. The **Get Found, Get Funded** podcast helps women founders create brand awareness and visibility to connect with both customers and investors. **The Spectrum Circle** and the **DCFemTech Awards** shine a light by recognizing pioneering women across industries. Lastly, **NominateHER** ensures women know about different award opportunities so that they can apply, celebrate and support one another.



CUREATE CONNECT

Cureate Connect is an online platform connecting large businesses, name brands, and institutions with local and regional small business owners. As a supply and demand matching platform, its mission is to provide knowledge of new business opportunities so that small businesses can survive and thrive. As of March 2018, 40% of their community is based in D.C., with 64% of that group representing women-owned businesses.



HELP WOMEN-OWNED BUSINESSES SUPPORT ONE ANOTHER THROUGH BUSINESS-TO-BUSINESS AND SKILLS EXCHANGE OPPORTUNITIES.

The BEACON Directory allows registrants to self-identify as a “mentor,” “speaker,” or “collaborator.” These tags help signal to the community how a particular business would like to engage. Julia Westfall of Hera Hub D.C. frequently suggests that her members check the BEACON Directory first when seeking goods or services, and notes that women founders have generated new customers from the platform.¹²⁶

This business-to-business exchange could go a step further through live and in-person business showcase events. Rather than pitching for investment, businesses could pitch for clients - specifically targeting other women entrepreneurs both as business professionals and individual consumers. While expos are generally designed for consumer products, a similar model could be used for service-based businesses such as corporate trainers, ideation experts, and lifestyle coaches - all professions with a strong presence in the BEACON Directory. Resource providers and government agencies could provide similar opportunities by expanding invitations for “vendors” to also include service-based firms.

Since women-owned businesses that sell to other businesses earn higher revenues than those that do not, this strategy could help propel the growth of D.C.’s women and minority-owned businesses.¹²⁷

We need a place to showcase our skills—to show how these workshops or trainings [that we produce] could benefit office culture or help propel you to your next level of business.

*Entrepreneur,
BEACON Focus Group*



ENHANCE CURRICULUM OFFERINGS TO FOCUS ON CUSTOMER DEVELOPMENT.

Unlike many resource offerings in the District, Humble Ventures, a local accelerator with an inclusive approach to venture capital, looks to investment as a by-product but not the primary focus of support. Rather, the Humble Ventures curriculum prioritizes customer development: relaying strategies, practical advice and relevant connections necessary to identify and target early adopters, define a businesses' message and brand, and develop the customer discovery, acquisition and retention cycle. According to its co-founder, Mary Iafelice, "we want our cohorts to have ownership and control of their businesses; to be engines to stay in the communities within which they are building their teams... if the well [for venture capital investment] is dry, let's focus on revenue instead."¹²⁸

Daniel Isenberg, founding Executive Director of the Babson Entrepreneurship Ecosystem Project, believes ecosystems should focus on "workhorses" rather than "unicorns." This approach specifically drives support to help "scale-up" existing companies that have validated their product in the marketplace by enhancing customer value rather than focusing on hard-pitching and investor-dependent growth strategies. By reframing support in this way, groups like Femme Fatale (a pop-up supporting over 60 women-owned businesses) could be empowered to source the best location, identify best practices for customer acquisition and retention, and improve sales while decreasing vendor turnover in future activations.¹²⁹

D. Inspiring the Next Generation

Key Challenge

There are limited on-ramps for teenagers and young adults to learn the skills needed to become successful entrepreneurs.

- Entrepreneurship curriculum is limited in existing Career and Technical Education Programs (D.C. Public High Schools).
- Youth need employment/internship opportunities in local businesses and startups.
- Youth are underutilized in local advocacy efforts.

Key Opportunity

Inspire the next generation of entrepreneurs by integrating youth outreach into existing initiatives and expanding curriculum offerings within school-based programs.

Key Ecosystem Actors

Universities, Community Colleges, Local High Schools, Local Government, Accelerators/Incubators, Local Chambers, Corporations, Small Businesses, Support Organizations, Peer Networks, Media, and Advocacy Groups.

Recommended Strategies

- Increase visibility and engagement of women founders in youth outreach initiatives.
- Expand availability of entrepreneurial curriculum offerings in the D.C. Public Schools Career and Technical Education Program to encourage development of student owned businesses, particularly in areas underrepresented by women founders of color.
- Align existing youth training programs with opportunities in local startups, small businesses, and corporations for both training and mentorship—particularly in industries underrepresented by women founders of color.
- Establish youth components within organizational structures of existing entrepreneurial networks.
- Engage youth in advocacy efforts pertaining to small business development.

1. INSPIRING THE NEXT GENERATION: OVERVIEW OF LANDSCAPE

According to the U.S. Bureau of Labor Statistics' preliminary 2016 estimates, 14% of youth age 16-24 who are actively seeking work are unemployed.¹³⁰ This decreases only slightly for ages 20-24.¹³¹ While a young person's drive towards entrepreneurship may stem from personal interest or the unavailability of other options, it is the responsibility of the ecosystem community as a whole to support these endeavors so that she may realize her true potential.

The benefits of investment in youth entrepreneurship are compounding: not only does entrepreneurial education and exposure inspire young founders to launch their own ventures and gain professional experience, such programs also decrease the likelihood of high school drop-out, increase college readiness, and improve the outlook of students from disadvantaged schools and neighborhoods.¹³²

According to a U.S. Senate report examining the gender gap in entrepreneurship, the perception that entrepreneurship is a masculine activity is deeply rooted in the media and can affect a young woman's confidence in pursuing an entrepreneurial goal.¹³³ The implicit biases that develop as a result of histories of discrimination and skewed public perception are two-fold: first, media informs what professional careers look like and who pursues them, and second, gatekeepers respond to these biases in deciding

what businesses to fund and scale. By countering biased media images, increasing the visibility of women founders, and supporting entrepreneurial curricula and exposure in schools, D.C. can better support the next generation of women entrepreneurs.

The following section expounds upon challenges and opportunities to supporting the next generation of women entrepreneurs in D.C.

2. INSPIRING THE NEXT GENERATION: OPPORTUNITIES FOR RESOURCE PROVIDERS

INCREASE VISIBILITY OF WOMEN FOUNDERS IN YOUTH OUTREACH INITIATIVES.

D.C. has a number of public and private programs designed to support youth entrepreneurs. However, these efforts are rarely formally integrated into programs that involve mature entrepreneurs. This visibility and interaction is key, especially for underserved groups of women and minority founders who may not see their own identities widely reflected in this profession. According to the Center for American Progress, "policies [targeting] incubator programs will only be effective in encouraging entrepreneurship among individuals who already have self-selected to be entrepreneurs."¹³⁴ Thus, ecosystem actors should make a targeted effort to inspire and support entrepreneurship at a young age so that self-selection has an opportunity to occur.

Support groups that work with youth entrepreneurs should partner with women-focused organizations for Career Day, job shadowing, and business showcase opportunities. For example, the Vinetta Project offered two high-school entrepreneurs the ability to table, showcase and sell their products during the Fall 2017 Venture Challenge. To do so, Vinetta partnered with BUILD Metro D.C., a non-profit that engages high school students from under-resourced communities in a four-year entrepreneurship, business development, and post-secondary readiness model.

Another approach could integrate young women into pitch competitions that target seasoned entrepreneurs. Whether pitch competitions are sponsored by universities, venture capital firms or non-profit organizations, a select number of youth entrepreneurs could pitch their ventures on stage and have an opportunity to view and interact with competitors. This not only allows for enhanced opportunities to hone their pitch but also increases face-to-face interaction with local ecosystem actors. Another approach could reserve a section of the audience for youth observers.

For pitch competitions targeting young women, mature women founders could serve as judges and provide on-going mentorship as part of the competition's prize package. Lastly, existing programs housed within D.C. Public Schools, such as the Future Business Leaders of America, provide additional opportunities for mentorship connections and increased visibility of women founders.

When you ask a lot of the kids about their ultimate goal, they often say that they want to start *something* – it's on the forefront of their minds – but they haven't received the prerequisites of skills training on that part of the business.

***Raymond Hutchison,
Director of Career Education at
D.C. Public Schools***



EXPAND ENTREPRENEURIAL CURRICULUM OFFERINGS IN D.C. PUBLIC SCHOOLS' CAREER AND TECHNICAL EDUCATION PROGRAM.

D.C. Public High Schools have various initiatives to promote STEM education and other fields but currently do not have a targeted strategy to promote entrepreneurship. Though serving as one of 19 career technical education programs, entrepreneurship is only offered as a formal course at three high schools—two of which are alternative high schools that do not retain students for an extended period of time. Not only should entrepreneurship courses be offered more widely, other career and technical education courses could integrate entrepreneurship curriculum into their existing subject-matter. For example, courses in computer science, culinary arts, digital/mass media, hospitality and early childhood education could integrate unit modules focused on entrepreneurial education, and/or connect with and expose students to business owners in those fields. According to Raymond Hutchison, Director of Career Education at D.C. Public Schools, “when you ask a lot of the kids about their ultimate goal, they often say that they want to start something – it’s on the forefront of their minds – but they haven’t received the prerequisites of skills training on that part of the business.”¹³⁵

Without curriculum to expose youth to the idea of entrepreneurship, or role-models that showcase this track as an attainable career, youth may lose a valuable opportunity to gain insights into a potential career option. Entrepreneurship should not be seen solely as an “alternative option” or relegated for students whose discipline keeps them from accessing the preferred academic environment. Rather, it should be celebrated and supported across educational opportunities as a valid investment in youth development.

SPOTLIGHT

YOUTH ENTREPRENEURSHIP ROUNDTABLE

Presently hosted by My Brother’s Keeper D.C. and originally convened by the Department of Small and Local Business Development, this community roundtable works to connect and empower D.C.-based youth entrepreneurship organizations. Its current priorities include (1) unlocking workforce dollars for increased youth engagement in job opportunities, (2) creating pipelines among programs, and (3) mapping the youth entrepreneurship ecosystem and assets.



ALIGN EXISTING YOUTH TRAINING PROGRAMS WITH OPPORTUNITIES IN LOCAL STARTUPS AND SMALL BUSINESSES.

The D.C. Youth Corps and other non-profit initiatives train local youth on a variety of technical tracks, geared to strengthen their professional potential. Within the D.C. Public School system, the Career Ready Internship Initiative supports students through an employment skills training program before employing them in internships during the summer. Such opportunities place youth in roles with responsibilities ranging from web development, data science, user experience/design, ecosystem building, and more. Through a partnership-driven approach, students could help develop women and minority-owned businesses through their job placements: aligning student skill sets, the resources of established companies, and the needs of early-stage women and minority founders to fill existing gaps in operations. Further, student business education curricula could be enhanced with early introduction to forming and running student-owned businesses as outgrowths of classroom activities, internships and on-the-job experiences. A convening body such as BEACON or the Department of Small and Local Business Development could play a valuable role to coordinate a matching service of this kind.



MAKE ROOM IN THE STARTUP/SMALL BUSINESS ADVOCACY ECOSYSTEM FOR YOUTH INVOLVEMENT AND LEADERSHIP DEVELOPMENT.

Today's youth evinced in the current social policy conversation on school safety demonstrate that they possess brilliance and insights much advanced from where their elders may have assumed. The D.C. ecosystem would be remiss if it did not create informal and formal opportunities for youth participation and engagement in its support and advocacy infrastructure. As the next generation of business leaders, youth should be a part of the conversation today – expressing their stance on issues, advocating for inclusion, and developing new business enterprises that will continue to push D.C.'s economy forward.



Conclusion and Next Steps

Women-owned businesses demonstrate continued growth and expansion despite structural barriers that may impede full success. In Washington, D.C., each ecosystem domain has made strides towards the inclusion and support of women founders but more can be done to first understand, and then support, the unique needs of diverse business owners. Led by a charge to recognize D.C. as the “Capital of Inclusive Innovation,” the District is poised to bring transformative change that integrates support, collaborates across ecosystem domains, and implements a data-driven strategy to business development and growth.

In tandem with the first presentation of this report, BEACON convened ecosystem stakeholders to brainstorm and plan next steps to implement select recommendations. With commitment across domains, these efforts will continue to build over the next year and beyond. Specifically, BEACON will work with community partners to map D.C.’s ecosystem and build an interactive map of women-owned businesses by neighborhood, help coordinate a comprehensive study on D.C.’s women business owners, and continue to conduct research and inform the community on opportunities that impact industry-specific nuances and other issues faced by D.C.’s diverse women founders.



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