



The Spotlight Is On Women-Owned Businesses

by [Steve Brown](#) Topics: [business customers](#), [profitability](#), [lending](#)

Summary: Forty percent of new entrepreneurs in the US are now women. Yet, they often don't apply for loans. Are there ways to help these business owners grow?

The SBA reports that as of the end of last year, there were just over 30mm small businesses in the US, representing about 48% of total employment for the country. By industry, the greatest numbers of employees at small businesses were: health care and social assistance (15%); accommodation and food services (14%); retail trade (9%); manufacturing (9%); and professional, scientific and technical services (9%). Lots of customers for community banks so good luck out there!

Another interesting thing about small businesses is that recent data suggests those owned by women are being established and growing at unprecedented rates. Notably, 40% of new entrepreneurs in the US are now women, according to data from Kauffman. What's more, between 2014 and 2016, the number of women-owned employer firms grew 6%, as noted in a recently [released SBA report](#). That's double the 3% growth rate for employer firms owned by men.

Based on this data, it would be logical to assume that small business loans for women are growing at a similar proportion, but regrettably this is not the case. [In-house research from Fundera](#) suggests that only 1 in 4 female entrepreneurs apply for business loans and those who do, seek roughly \$35k less than their male counterparts. This provides an opportunity for community banks.

No one is too sure why, but some say one reason could be a lack of knowledge about the availability of certain loan programs tailored to support such women-led businesses.

This is a good time to think about all of this because optimism among small business owners in general is rising and the economy is still strong. So, women business owners specifically may be more inclined to reconsider loans.

The convergence of these factors presents a prime opportunity for community banks to onboard more female business owners as customers. It's also a good opportunity to expand relationships with existing women-owned business customers too.

To start, make all small business owners aware of viable options such as SBA loans, lines of credit and microloans. Here for example, one mega bank publicly pledged \$100mm to help female-led businesses specifically gain access to necessary capital. Generating this type of buzz is not only good publicity for the bank as a whole, but more specifically it signals to entrepreneurs that their success is important to your bank.

To win more business, seek to foster practices that prove effective with business owners. For example, have some products for the risk-adverse in the crowd and others for those who may want to grow faster. Still other ways can be to explore business mentorship; educate customers how to improve their credit scores and things like that.

Just as the opportunities for women-led businesses are increasing, so too are the prospects for community banks to help all small business owners. We know you are tight with your customers, so we hope some of these tips above help focus your efforts as you continue on a solid footing for years to come.

ECONOMY & RATES

Rates As Of: 05/13/2019 11:19AM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	2.40	-0.01	0.04
6M	2.42	-0.03	-0.06
1Y	2.32	-0.06	-0.28
2Y	2.18	-0.08	-0.30
5Y	2.18	-0.10	-0.33
10Y	2.40	-0.10	-0.29
30Y	2.84	-0.09	-0.18
FF Market	FF Target	Fed Disc	
2.38	2.50	3.00	
SOFR	Prime	Unemp	
2.40	5.50	3.60	

[More Market Rates](#)

BANK NEWS

M&A

1) Brazilian bank Banco Bradesco (\$361B), will acquire BAC Florida Bank (\$2.3B, FL) for about \$500mm. 2) AbbyBank (\$503mm, WI) will acquire State Bank (\$28mm, WI) for an undisclosed sum. 3) Time Federal Savings Bank (\$586mm, WI) will acquire River Cities Bank (\$256mm, WI) for an undisclosed sum. 4) PNC Bank (\$371B, PA) will sell about \$9B in assets of its investment management business to Federated Investors for about \$52mm. 5) Visa will acquire UK payments firm Earthport for \$321mm (\$247mm GBP) as it looks to give its consumer and business clients the ability to use Visa to send and receive money quickly and securely through bank accounts globally.

Debt Collection

[The CFPB has proposed an update](#) to its rules around debt collection. It would prohibit collectors from making more than 7 attempts to collect a specific debt by telephone per week, but does not limit contact by email or text message.

Weather Regulations

The Fed said it plans to focus regulatory efforts to better prepare banks for severe weather events tied to climate change. Note - no further information was given, but we will monitor and let you know when we hear more.

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