



165 Western Ave. North
Suite 8, Office 100
St. Paul, MN 55102
WomenVenture.org
612.224.9540

March 30, 2023

Minnesota State House Workforce Development Finance and Policy Committee

Subject: WomenVenture/HF3028, A-2 Amendment

Chair Xiong and the Workforce Development Finance and Policy Committee,

Thank you for including WomenVenture as part of your proposed bill covering DEED appropriations for 2023 (HF3028). The inclusion means that WomenVenture can expand our efforts to sustain the supply of child care providers in Minnesota by giving clients the tools, skills, and resources to run profitable and sustainable businesses.

For the past 45 years, WomenVenture's mission has been to empower women to achieve their economic goals by building profitable and sustainable businesses that transform communities. Our role is to level the playing field for women entrepreneurs who face unique obstacles in business, especially for those who are economically and socially disadvantaged. Emerging from the COVID-19 pandemic, civil unrest and racial reckoning, WomenVenture feels an even greater urgency to help and seeks new opportunities and solutions to keep and attract more women to the workforce through small business ownership and entrepreneurship.

Child care is a uniquely challenging industry with struggles on all sides and WomenVenture seeks to support the child care business owners by providing them the foundation to operate successful child care businesses. Businesses which enable more participants to enter the workforce and to further fuel our economy. Despite the importance of this industry, many challenges and obstacles to starting and sustaining child care businesses remain and the supply of child care providers continues to decline. Minnesota has lost 52 licensed providers since January 1st.

For most providers child care is a labor of love, they have a passion that fuels them. The business side of things --the bookkeeping, record keeping, billing, marketing, and management of day-to-day expenses-- is not part of their repertoire, but it is very necessary to running a successful business. WomenVenture has the expertise and track record to help women entrepreneurs with these fundamentals.

With funding provided in HF3028 WomenVenture would expand our shared services offerings that provide support for family child care businesses utilizing a mix of business support including financial management software, consulting services, and training. The goals of the program are to help licensed family child care providers build and grow sustainable businesses, to meet the needs in the community, to improve providers' financial outcomes, and to reduce the number of hours they work.

To quote our Child Care Business Specialist, Katie Messerli: "No provider should have to struggle with turning their passion into a successful business, especially where there is such a great need. The women I speak to everyday are smart, have a passion for working with children, and are willing to work hard to succeed. We just need to provide the right resources so they can provide the care that Minnesota

parents so desperately need. The bonus is that we help them build successful sustainable businesses as well.”

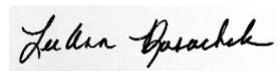
By investing in child care businesses, we add supply to address the growing child care crisis while also addressing the state’s labor and workforce challenges. We seek to close racial and economic gaps through this work to generate wealth and prosperity for all Minnesotans.

Why is investing in women to close these gaps important?

- Female small business owners reinvest up to 90% of their income back into their communities through investment in “human resources”.¹
- Data also supports that, for every dollar of funding, female-run startups earn 78 cents in contrast to male-run startups at 31 cents.²
- A Boston Consulting Group study found that women who run their own businesses generate 10% more revenue in five years than men do.³

Thank you for your consideration and support.

Sincerely,



LeeAnn Rasachak
Chief Executive Officer
WomenVenture

¹(Global Entrepreneurship Monitor, cited by Harvard Business Review, September 2013)

²(Boston Consulting Group, “Why Women-Owned Startups Are a Better Bet, June 2018)

³ (Boston Consulting Group, “Want to Boost the Global Economy by \$5 Trillion? Support Women as Entrepreneurs, July 2019)

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