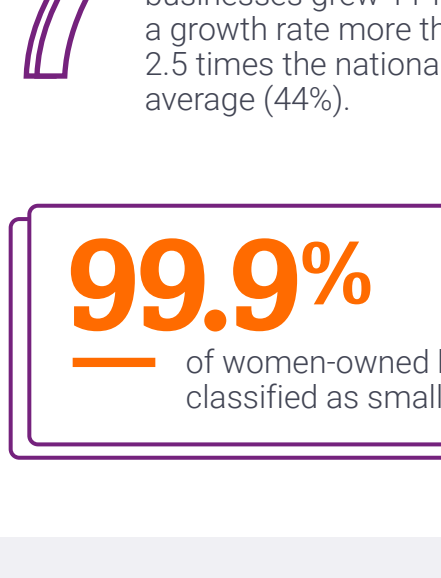




Women's Small Business Month

October is National Women's Small Business Month, and 2018 is the 30th anniversary of H.R. 5050, a bill that forbade lenders from requiring a male cosigner for a woman's business loan. We hope you'll join us in celebrating with **100** incredible facts about women and business.

1 A certified woman-owned business is defined as one that's at least 51% owned and operated by women.



4 ...and generate almost \$1.7 trillion (\$1,663,991,700,000) in revenues.

7 From 1997 to 2017, the number of women-owned businesses grew 114% — a growth rate more than 2.5 times the national average (44%).

11.6 million

2 As of January 2017, there are an estimated 11.6 million (11,615,600) women-owned businesses in the United States...



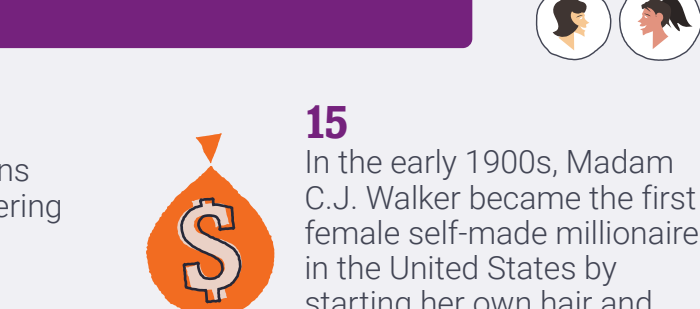
3 ...that employ nearly 9 million (8,985,200) people,

5 As of 2012, an additional 2.5 million businesses were equally-owned by women and men.

6 In 1972, women owned just 4% of all American businesses.

8 Over the last 15 years, women-owned firms have grown 1.5 times faster than other small enterprises.

99.9% of women-owned businesses are classified as small businesses.



Throughout American history

11 Most women's ventures before the 20th century were a way to keep poverty at bay after losing or being abandoned by a spouse, or for unmarried women to earn a living.

12 Women did not historically use the word "entrepreneur" to describe their work until the late 1970s.

13 Before that, they called them "sidelines" or part-time projects (and understood "entrepreneurship" to be something men did).

14 In 1825, Rebecca Lukens turned her family's faltering iron mill into a thriving business that endured into the 21st century.

15 In the early 1900s, Madam C.J. Walker became the first female self-made millionaire in the United States by starting her own hair and beauty products line.

16 In the 1950s, Margaret Rudkin created the world-famous Pepperidge Farm.

17 And in 1961, she sold the business to Campbell Soup Company for \$28 million...

19 From 1940 to 1945, the percentage of working women rose by almost 10% to fill gaps left by men who joined the military...



20 and over 6 million women flooded the American workforce.



21 With the Equal Credit Opportunity Act of 1974, it became illegal for creditors to discriminate against applicants based on sex, as well other factors.

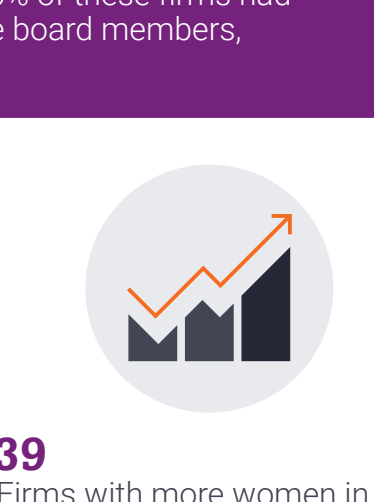
In the 1980s, the Small Business Administration released a report which mistakenly claimed, based on extremely limited data excluding larger corporations, that almost all women-owned businesses were home-based, with sales per year of under \$10,000.

22

23 The National Association of Women Business Owners' then-president, Gillian Rudd, held a press conference on the steps of the U.S. Capitol in late 1988 to publicly call out the misguided report.

24 One of the many witnesses of the H.R. 5050 hearings didn't have a husband, brother, or father available, so her 17-year-old son had to co-sign a business loan for her.

25 On October 25, 1988, H.R. 5050 (or the Women's Business Ownership Act) was signed into law, which:



26 banned lenders from requiring a male cosigner on a business loan,

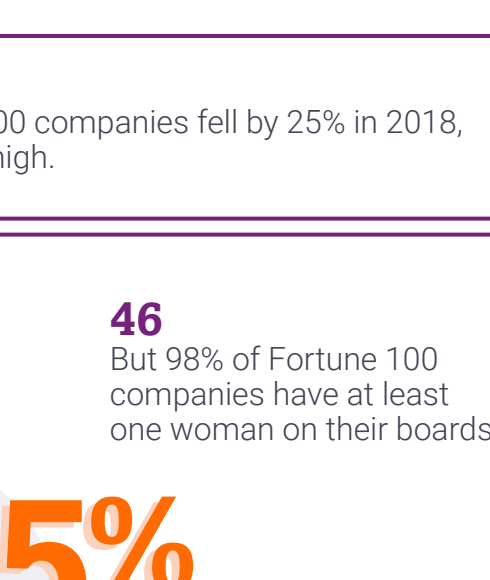
27 created the Women's Business Center program

29 and required the U.S. census to track women-owned C-corporations when reporting data



28 and the National Women's Business Council,

30 (previously, government agencies tracked primarily self-employed women).



31 This landmark legislation helped the number of women-owned businesses grow from 4.1 million in 1987 to 8.6 million in 2013.



32 In 1989, President George H.W. Bush appointed Susan Engleleiter as the first woman to head the Small Business Administration.

At work, on boards, and in the C-suite



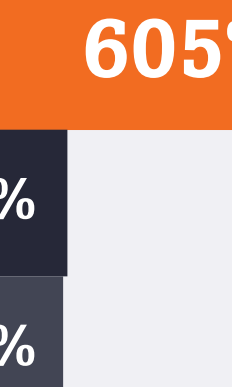
34 Today, more S&P 1500 companies are run by men named John than by women.

60%

35 In a 2014 study of nearly 22,000 companies around the world, almost 60% of these firms had no female board members,

36 just over half had no female C-suite executives,

37 and fewer than 5% had a female CEO.



38 Large-cap companies (companies with a market capitalization value of more than \$10 billion) with at least one woman on the board have outperformed their peer group with no women on the board by 26%.

39 Firms with more women in corporate leadership are typically more profitable.

30%

40 Having a 30% female share of leadership is associated with a one-percentage-point increase in net margin...

41 which translates to a 15% increase in profitability for a typical firm.

42 Only 54% of S&P 1500 companies with a board size of seven directors have at least one female director

54%

43 ...versus 98% for those with 12 directors.

44 The number of women CEOs at Fortune 500 companies fell by 25% in 2018, dipping to 24 from 32 in 2017, its all-time high.

45 Women are the chief executives of just 4.8% of the 500 most profitable companies in the United States.

46 But 98% of Fortune 100 companies have at least one woman on their boards.

47 An analysis of more than 20,000 venture-backed companies in the U.S. between 1997 and 2011 found that 1.3% of privately held companies have a female founder,

6.5%

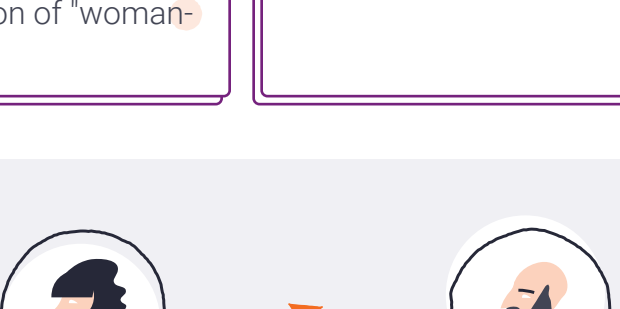
48 6.5% have a female CEO,

49 and 20% have one or more female C-level executives.

50 The study also found that successful startups have more women in senior positions and more than twice as many women in top jobs like C-level managers, vice presidents, and board members.

Of racial and ethnic minorities

55 While the number of women-owned businesses grew 114% from 1997 to 2017, firms owned by women of color grew at more than four times that rate (467%).



59%

56 For example, 59% of Black/African-American businesses are owned by women...

57 and 44% of Hispanic businesses are owned by women.

44%

58 (Versus 32% of non-Hispanic white businesses).

59 Three segments had an even higher growth rate than the average rate for minorities: African American (605%),

605%

60 Native Hawaiian/Pacific Islander (493%),

493%

61 and Latina (491%).

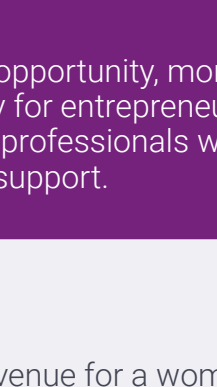
491%

62 The number of businesses owned by African American women grew 322% from 1997 to 2015, making black females the fastest growing group of entrepreneurs in the U.S.

Financing their businesses



64 and another 36% began with less than \$5,000.



63 As late as the 1990s, 31% of women-owned firms started up with no capital at all...

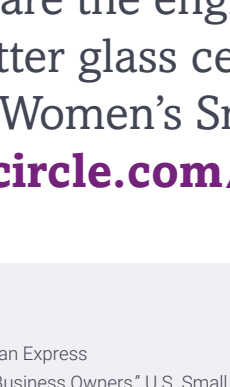
65 While some research shows that women are more likely to feel discouraged from applying for financing from traditional lenders...



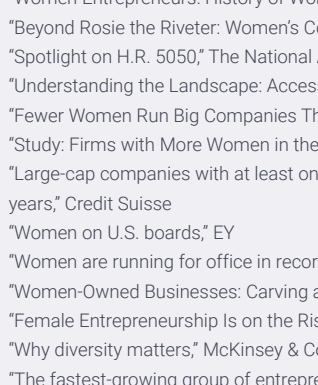
66

data from 2007 to 2010 show that women are no more or less likely to apply for new loans than men

67 (with the exception of during the 2007-8 financial crisis, when women were more likely to not apply for credit for fear of loan denial).



68 These fears were not unwarranted: in 2008, women owners of new businesses were less likely to be approved for loans than men with similar credit profiles.



69 Women are less likely than men to start or acquire firms with business loans from banks or financial institutions (5.5% versus 11.4%).

3x

70 Women founders are three times less likely to access equity financing through angel investors or venture capitalists.

71 In 2014, 30% of all small businesses were women-owned.

72 However, women-owned businesses get only 4% of commercial loans,

73 18% of loans guaranteed by the Small Business Administration,

74 and 16% of conventional small business loans.

4.4%

75 Of conventional small business loans, women only account for 4.4% of the total dollar value of loans.

76 In other words, just \$1 of every \$23 in conventional small business loans goes to women-owned businesses.

77 In a recent analysis of Funding Circle's U.S. loan book, we discovered 34.5% of our small business loans have at least one woman guarantor, and...

78 31.7% have a woman who holds at least half of the company.

79 20.5% have 51% or greater woman ownership (the definition of "woman-owned").

80 17.4% have only women guarantors.

Using crowdfunding as an alternative form of financing

81 Women-led campaigns on crowdfunding platforms are better able to secure their funding goals than campaigns led by men.

82 In the United States, 20% of male-led campaigns reached their fundraising goals — while 24% of women-led campaigns met theirs.

83 Although the average funding goal for men is typically much higher than the average funding goal for women, the average amount pledged is approximately the same. This may account somewhat for women having higher success rates.

84 Strong social networks may be a key factor for women's higher success rates.

85 In general, the majority of crowdfunding investors are men (56%) — however, women made up a larger percentage of investors (44%) than they did among other forms of business financing, indicating a much higher level of participation than is found among women in

86 angel investing (20%) or

20%

6%

87 venture capital (6%).

Family and at home

91 56% feel entrepreneurship is good for parenting.

88 Women are statistically less likely to start a business to increase their status, reach personal goals, or achieve financial gain.

89 Instead, they are more likely to start a business to increase their personal and professional autonomy.

90 A survey of 500 American moms who run their own businesses found that over half of them think running a business makes them a better parent despite the heavy workload.

92 94% believe running a business leaves a positive impression on their kids, teaching them important qualities such as work ethic, responsibility, leadership, commitment, and self-confidence.

93 89% also think they're inspiring their children to be future entrepreneurs.

94 10% of women aged 55 to 64 are involved in starting or running new businesses (compared with 7.5% of men)

26.9%

...despite the fact that 26.9% of women see entrepreneurship as a "good opportunity" at this stage in their careers (compared to 33.4% of men).

96 Even with this gap in perceived opportunity, more than half of women aged 55 to 64 feel that they have the capability for entrepreneurship, representing a vast pool of experienced, late-career female professionals who may be looking to start a business given the right opportunity and support.

97 The average revenue for a women-owned management consulting firm is \$3,565,300. Only 0.02% of women-owned businesses are in this industry.

98 Women own 53% of health care and social assistance firms, including doctors and dentists, residential care facilities, and child care providers.

99 Nebraska (34.6%) and North Dakota (27.9%) are near the bottom overall in the share of self-employed women; yet in each of these states women dominate self-employed health care workers at more than 90%.

100 Women are most likely to be self-employed in the western states, led by the Pacific Northwest. Oregon ranks first in its self-employed workers being women.

Small business owners are the engine of our economy — they break down walls, shatter glass ceilings, and create empires. Learn more about Women's Small Business Month at fundingcircle.com/us/women

References: "The 2017 State of Women-Owned Businesses Report," American Express "Women's Business Ownership: Data from the 2012 Survey of Business Owners," U.S. Small Business Administration "Entreprising Women — a History," Harvard Business School Working Knowledge The National Women's History Museum "How America's First Self-Made Female Millionaire Built Her Fortune," TIME "Women Entrepreneurs: History of Women in Business," Home Business "Beyond Rosie the Riveter: Women's Contributions During World War II," The Glider Lehrman Institute of American History "Spotlight on H.R. 5050," The National Association of Women Business Owners "Understanding the Landscape: Access to Capital for Women Entrepreneurs," The National Women's Business Council "Faster Women Run Big Companies Than Men Named John," The New York Times "Study: Firms with More Women in the C-Suite Are More Profitable," Harvard Business Review "Large-cap companies with at least one woman on the board have outperformed their peer group with no women on the board by 26% over the last six years," Credit Suisse "Women on U.S. boards," EY "Women are running for office in record numbers. In corporate America, they're losing ground," Vox "Women-Owned Businesses: Carving a New American Business Landscape," U.S. Chamber of Commerce Foundation's Center for Women in Business "Female Entrepreneurship Is on the Rise," Entrepreneur "Why diversity matters," McKinsey & Company "The fastest-growing group of entrepreneurs in America," Fortune "Gender Differences in Startup Financing," U.S. Small Business Administration "21st Century Barriers to Women's Entrepreneurship," Majority Report of the U.S. Senate Committee on Small Business and Entrepreneurship "Don't overlook women-owned businesses," American Banker Women Accessing Capital An analysis of Funding Circle's U.S. loan book as of June 2018 "Entrepreneurship makes you a better parent despite the workload, say business-owning moms," Vistaprint