

Designing a Culturally Relevant **Credit Building Program** for Women Small Business Owners

About WEV *Ingram Scholar: Soumia Vellanki*

A 501(c)3 dedicated to the economic empowerment of women with operations and Santa Barbara and Ventura, California. WEV is the only certified Women's Business Center (WBC), Community Development Financial Institution (CDFI), and SBA Microlender targeting low-income, Latinx, and women entrepreneurs. Any program fees cover the cost of operations and staff wages. WEV provides small business consulting, funding, and classes, as well financial empowerment and professional development programs and networking. Since 1991, WEV has provided services to more than 20,000 people and **83% of clients assisted are women**. In the last five years, WEV has made over \$2.5 million in loans and \$1 million in grant funding, provided training and advisory services to over 4,000 people, and assisted nearly 2,400 businesses, supporting an estimated 7,200 jobs

Issue Description

Small businesses employ about one-half of all Americans and account for about 60 percent of gross job creation. Ethnic and minority-owned small businesses may provide additional benefits by developing leaders capable of bringing about positive changes in their communities. Only \$1 in \$23 of small business lending goes to women, despite accounting for almost a third of all American businesses. Financial literacy is one of the greatest barriers to start-up initiation, especially for women SME owners. An estimated 45 million people are credit invisible or un-scored, and Black and Latino individuals are twice as likely to be **credit invisible**.

From the Stanford Latino Entrepreneurship Initiative's State of Latino Entrepreneurship 2020 Report, only 20% of Latino-owned businesses that applied for national bank loans over \$100,000 obtained funding, compared to 50% of White-owned businesses. Among discouraged women-owned firms, nearly half flagged a **low credit score** as a chief obstacle, reflecting the larger share of women-owned firms that are medium/high credit risks.

Why Santa Barbara?

WEV operates in Santa Barbara, CA and Ventura, CA. It is important to note that these areas are predominantly White with low Asian (8%), Black (2.4%), Indigenous (0.3%) populations. The absence of BIPOC social networks makes capital access programs for founders of color extra important. At the same time, the population is **36.7% Latino**, compared to the national census 19%. For Latino entrepreneurs, access to funding and language barriers are the greatest obstacles to successful enterprise. WEV's bilingual services in English and Spanish aim to close this gap.

weV

+ the power of you

Women's Economic Ventures

MAY 8, 2023 - JUNE 30, 2023



Jill Agonias, WEV Client



Scholar Impact

WEV was granted funding from the Women's Business Center (WBC) Enhancement Programming Fund to instate a linguistically and culturally appropriate multi-year personal financial literacy course to demystify basic financial principals, learn how to repair credit, and more readily access capital for entrepreneurial pursuits. My project took the following approach to promote financial wellbeing among women small business owners, especially those belonging to systemically marginalized communities:

Credit Building Program

- Researched peers and **gathered best practices** for curriculum, credit builder loan products, and program delivery – 30+ Page Report
- Compiled existing credit **resources repository**
- Organized and facilitate bilingual **Focus Groups** with WEV clients about credit experiences
- Launched **Credit Building Survey**, analyzed findings and created infographics
- Filmed three Credit Building **"Learning Minutes"** to bolster their social media micro-learning content
- Worked alongside on-staff Certified Credit Counselor to **standardize turnover** for implementation of program

"For every \$1 invested in WEV, \$15 is generated in the local economy. Thanks to community support, WEV clients thrive, and their success creates additional jobs, and revenue that is invested directly back into the community."



WEV 2022 Annual Impact Report

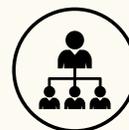
Small Business Credit Survey: Report on Women-Owned Firms (November 2017) by Federal Reserve Banks of New York and Kansas City

My Passion for Women's Capital Access: Spotlight on MakHERs Market



The MakHERs Market is a mission-driven, pop-up event empowering women-owned businesses in a philanthropic marketplace. Through the Atlanta MakHERs Market and Nashville MakHERs Market, I have spotlighted **65+** female-owned small businesses and generating **\$30,000+** in vendor revenue through 4 independent markets. Through our **1500+** event attendees, we have raised **\$10,000+** for local women-empowerment centers such as My Sister's House and Thistle Farms. My past work ignites my passion to learn best practices for women's small business lending at a larger scale.

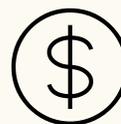
Logistics



- Marni Brook, WEV Director of Lending
- Jared Lapidus '23, Ingram Scholar



- [The Alternative: Most of What You Believe About Poverty Is Wrong](#) by Mauricio Miller
- Mentorship with Mario Avila (Owen TFC for Social Ventures, Director)



- \$5000 Housing (8 Weeks)
- \$1000 Food & Groceries
- \$800 Transport (Flights & Bus Pass)
- \$200 Emergency Cash