

MAR - 6 2020

SENATE CONCURRENT RESOLUTION

URGING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM TO CONVENE A WORKING GROUP TO EXPLORE AND PROPOSE
METHODS TO INCENTIVIZE WOMEN ENTREPRENEURSHIP IN HAWAII.

1 WHEREAS, in 2015, the New York Times ran a study on the
2 status of the glass ceiling that revealed the blunt reality that
3 "fewer women run big companies than men named John"; and
4

5 WHEREAS, though there have been some positive changes in
6 gender composition in businesses in recent years within the
7 United States, women still hold only about ten percent of top
8 executive positions, including chief executive officers, chief
9 financial officers and the next three highest paid executive
10 positions; and
11

12 WHEREAS, for women of color, this underrepresentation drops
13 further to one in every twenty-five leaders; and
14

15 WHEREAS, evidence-based business cases show that, overall,
16 a racially and gender diverse workforce leads to better
17 financial performance, including increased sales and greater
18 profits, better reputation and greater market share, increased
19 innovation and talent retention, and better group performance
20 and decision making; and
21

22 WHEREAS, regardless of these evidence-based findings, the
23 underrepresentation of women persists at every level in the
24 corporate pipeline, starting early on in many women's careers,
25 with women of color faring significantly worse than white women
26 and most men; and
27

28 WHEREAS, women-owned businesses make up less than ten
29 percent of high-growth firms; and



1 WHEREAS, industries that attract the highest revenues tend
2 to have the fewest women entrepreneurs, including management
3 consulting, with 0.02 percent being women-owned; wholesale
4 trade, with 1.4 percent being women-owned; mining, with 0.2
5 percent being women-owned; and manufacturing, with 1.2 percent
6 being women-owned; and
7

8 WHEREAS, women-owned businesses instead are concentrated in
9 healthcare and social assistance; professional, science, and
10 technology services; administrative support services; retail
11 trade; and other service industries; and
12

13 WHEREAS, these general trends around industry concentration
14 and firm growth for women-owned businesses are further
15 corroborated by a table, adapted from The Middle Market Power
16 Index, confirming that most women-owned businesses make up only
17 a fraction of firms, and that their revenues tend toward the
18 small to middle-market in size; and
19

20 WHEREAS, women in the United States start their businesses
21 with half as much capital as men, relying much more heavily on
22 bootstrapping, and only four percent of commercial loan dollars
23 go to women-owned businesses; and
24

25 WHEREAS, Small Business Administration Loans, the top
26 funding method for women entrepreneurs, is helpful but unlikely
27 to assist in attracting a large influx of start-up capital; and
28

29 WHEREAS, while venture capital dollars are spread across
30 the seventeen percent of startup businesses founded and run by
31 women, women chief executive officers receive less than three
32 percent of venture capital dollars; and
33

34 WHEREAS, the gender gap in financing also tends to grow
35 over time, with men accessing exponentially more capital the
36 larger their firms grow, despite companies with one or more
37 women on the founding team outperforming all-male companies by
38 sixty-three percent; and
39

40 WHEREAS, there are multiple ways forward to try to populate
41 investor spaces with more women, including:



- 1 (1) Gender diverse angel investor groups that focus on
2 women-led companies;
- 3
- 4 (2) Crowdfunding, which has shown some promise for women's
5 seed funding and allows women to sidestep some of the
6 obstacles associated with traditional financing; and
7
- 8 (3) Gender-lens investing, the most rapidly growing trend
9 over the last decade for supporting women in business;
10 and
11

12 WHEREAS, the National Association of Women Business Owners
13 proposes that one of the best ways to strengthen women's
14 networks and foster a better entrepreneurial ecosystem is to
15 proliferate more regional and local incubators and accelerators,
16 which often combine financial support with training, networking,
17 and mentorship to support women entrepreneurs; and
18

19 WHEREAS, research has shown that eighty percent of business
20 owners who receive training and business assistance remain in
21 business after five years, while only fifty percent of those
22 without such help survive; and
23

24 WHEREAS, to assist women business owners and small business
25 ecosystems, other states have considered options such as
26 establishing community lender loan loss programs operated by the
27 state, allocating lottery funds for distribution to support
28 small businesses, and working with local private businesses and
29 nonprofits to match loans for small businesses; and
30

31 WHEREAS, in Hawaii, women working full-time, year-round
32 currently earn 81.6 cents on the dollar as compared with men,
33 while the earnings ratio in Hawaii has stalled and even
34 decreased since 2004, when it was 83.4 percent; and
35

36 WHEREAS, if working women in Hawaii were paid the same
37 income that working men in Hawaii earned, the average annual
38 increase in earnings would be \$13,000; and
39

40 WHEREAS, it is estimated that women employed full-time in
41 Hawaii lose a combined total of more than \$2,500,000,000 every
42 year due to the wage gap, which could cover eight months of



1 child care, a year of tuition at a public university, three
2 months of mortgage and utilities payments, or five additional
3 months of rent; now, therefore,

4
5 BE IT RESOLVED by the Senate of the Thirtieth Legislature
6 of the State of Hawaii, Regular Session of 2020, the House of
7 Representatives concurring, that the Department of Business,
8 Economic Development, and Tourism is urged to convene a working
9 group to explore and propose ways to incentivize women
10 entrepreneurship in Hawaii; and

11
12 BE IT FURTHER RESOLVED that the working group address such
13 issues as the gender pay gap in Hawaii and assess capital and
14 financial resources for women entrepreneurs in Hawaii, including
15 state funding; and

16
17 BE IT FURTHER RESOLVED that the Director of Business,
18 Economic Development, and Tourism and Executive Director of the
19 Hawaii State Commission on Status of Women, or their respective
20 designees, serve as co-chairs of the working group; and

21
22 BE IT FURTHER RESOLVED that the co-chairs of the working
23 group invite community representatives to serve on the working
24 group, including:

- 25
26 (1) Women's Fund of Hawaii;
27
28 (2) Educational organizations, including Project Thesis
29 and the Patsy T. Mink Center for Business &
30 Leadership;
31
32 (3) Accelerators, including Mana Up, Hawaii Investment
33 Ready, Elemental Exceleator, and Blue Startups;
34
35 (4) Chamber of Commerce Hawaii;
36
37 (5) Community development financial institutions with
38 existing character-based loan programs; and
39
40 (6) Other interested parties or experts with relevant
41 experience on subjects to be addressed by the working
42 group; and



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1 BE IT FURTHER RESOLVED that members of the working group
2 shall serve without compensation; and
3

4 BE IT FURTHER RESOLVED that the working group is requested
5 to submit a report of its findings and recommendations,
6 including any proposed legislation, to the Legislature no later
7 than December 1, 2020; and
8

9 BE IT FURTHER RESOLVED that certified copies of this
10 Concurrent Resolution be transmitted to the Governor; Director
11 of Business, Economic Development, and Tourism; Executive
12 Director of the Hawaii State Commission on Status of Women;
13 Executive Director of Women's Fund of Hawaii; Executive Director
14 of Project Thesis; Director of the Patsy T. Mink Center for
15 Business & Leadership; Co-founders of Mana Up; Chief Executive
16 Officer of Hawaii Investment Ready; Managing Director of
17 Elemental Excelerator; Chief Executive Officer and Co-founder of
18 Blue Startups; and Executive Director of Chamber of Commerce
19 Hawaii.
20
21
22

OFFERED BY:

