

MAR - 6 2020

SENATE 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

30 WHEREAS, industries that attract the highest revenues tend
31 to have the fewest women entrepreneurs, including management
32 consulting, with 0.02 percent being women-owned; wholesale



1 trade, with 1.4 percent being women-owned; mining, with 0.2
2 percent being women-owned; and manufacturing, with 1.2 percent
3 being women-owned; and
4

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

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

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

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

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

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

37 WHEREAS, there are multiple ways forward to try to populate
38 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, that the
7 Department of Business, Economic Development, and Tourism is
8 urged to convene a working group to explore and propose ways to
9 incentivize women entrepreneurship in Hawaii; and

10
11 BE IT FURTHER RESOLVED that the working group address such
12 issues as the gender pay gap in Hawaii and assess capital and
13 financial resources for women entrepreneurs in Hawaii, including
14 state funding; and

15
16 BE IT FURTHER RESOLVED that the Director of Business,
17 Economic Development, and Tourism and Executive Director of the
18 Hawaii State Commission on Status of Women, or their respective
19 designees, serve as co-chairs of the working group; and

20
21 BE IT FURTHER RESOLVED that the co-chairs of the working
22 group invite community representatives to serve on the working
23 group, including:

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



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

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OFFERED BY: 

