



November 2020

**Native Women Business Owners:
Building Assets, Strengthening their Communities, and
Working to Close the Women's Wealth Gap**

A Summary Data Report by the Oklahoma Native Assets Coalition, Inc.

Authored by Deborah Scott of
Sage Associates, Inc.

ABOUT THE OKLAHOMA NATIVE ASSETS COALITION, INC.

The Oklahoma Native Assets Coalition, Inc. (ONAC) is an American Indian-led nonprofit network of Native people who are dedicated to increasing self-sufficiency and prosperity in their communities. The coalition, headquartered in Oklahoma City, Oklahoma, has existed since 2001, and was classified by the Internal Revenue Service as a 501(c)(3) nonprofit in 2014. ONAC focuses on promoting culturally responsive asset-building strategies and serves Native communities on a national level. For more information about ONAC, including its programs, please access ONAC's website at: <http://www.oknativeassets.org>.

ACKNOWLEDGEMENTS

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On the cover: Native woman entrepreneur, Dannette McIntosh, Ed.D., *Muscogee (Creek)*, founder of Feather Graphics.

FOR FURTHER INFORMATION

For any questions related to, or additional information about, the findings of this report please contact Christy Finsel, ONAC Executive Director, at cfinsel@oknativeassets.org.

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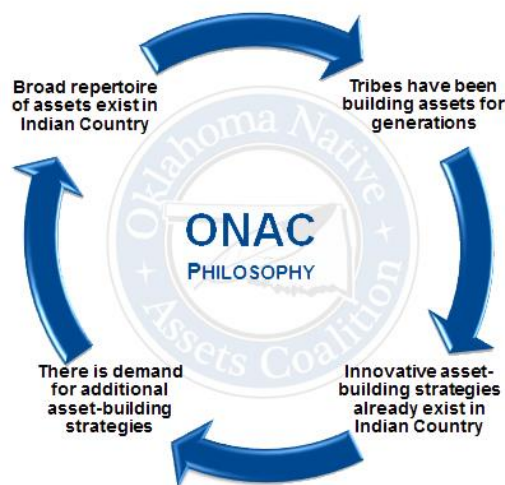
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Foreword

The Oklahoma Native Assets Coalition, Inc. has a 19-year history of promoting Native asset-building initiatives, including small business development. In 2001, a meeting organized by the Center for Social Development (CSD) at Washington University in St. Louis and First Nations Development Institute was held to determine interest in the development of an intertribal consortium or coalition of tribes having initiated (or about to initiate) asset-building programs. Native asset builders in Oklahoma were interested in building a grassroots coalition and have worked to grow the coalition over time, with earlier support from CSD, First Nations Development Institute, and a variety of funders. In 2014, the organization gained nonprofit status and in 2018, the organization formally agreed to work on a national level.

The mission of ONAC is to build and support a network of Native people who are dedicated to increasing self-sufficiency and prosperity in their communities through the establishment of comprehensive asset-building programs such as:

- Native financial education
- Earned Income Tax Credit (EITC) outreach
- Voluntary Income Tax Assistance
- Credit builder products and services
- Native small business resources
- Homeownership assistance
- Children’s Savings Accounts
- Native Individual Development Accounts
- Family emergency savings accounts
- Native Bank On
- Prevention of frauds and scams
- Emergency cash assistance



ONAC Commitment to Reducing the Racial and Women’s Wealth Gap

ONAC has a commitment to reducing the racial and Native women’s wealth gap; a commitment that goes beyond supporting a network of Native people doing this work. ONAC provides culturally-responsive direct asset-building services to Native families and communities through six integrated programs: 1) mini-grants for Native asset-building programs; 2) professional development for asset builders (including facilitating the national Native EITC/VITA Network, conducting national Native asset-building research, providing training and technical assistance, coordinating the Native Bank On ONAC initiative, fraud and scam prevention, and offering resources to Native women entrepreneurs); 3) Children’s Savings Accounts (CSAs); 4) Emergency Savings Accounts (ESAs); 5) Emergency cash assistance; and 6) One-on-one financial coaching related to credit counseling, homebuyer education, and other financial management skills.

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“We had very hard lessons about money in the Native community and also very positive relationships and viewpoints about money from other sources. Work was always the common denominator.”

A Native woman entrepreneur

Executive Summary

Background

For the past four years, Oklahoma Native Assets Coalition Inc. (ONAC), has participated as a member of the national Closing the Women’s Wealth Gap (CWWG) Initiative.[1] CWWG has periodically asked ONAC for data and insights on Native women and wealth gaps they face. ONAC provided aggregated data collected from our various asset-building programs, such as numbers of Native women opening Children’s Savings Accounts and Emergency Savings Accounts, their ages, and if their household incomes were 200% or below the federal poverty level, but ONAC had less data about Native women entrepreneurship—a recognized strategy for closing the women’s wealth gap. In an effort to build a dataset to report on Native women entrepreneurs and their experiences, ONAC conducted an online survey in July 2020, to collect information about realities faced by Native women entrepreneurs as they work to support their families and tribal communities.

This project is one of several efforts by ONAC to gather national data to better inform the story about the Native women’s wealth gap. With more data, ONAC and others are better able to design asset-building programs and advocate for Native women to address financial disparities.

ONAC readily acknowledges this data report has limitations in terms of numbers of respondents and the diversity of tribal communities they represent (19 tribal Native nations among 574 federally recognized tribes in the U.S.). ONAC is publishing the summary results of the survey to contribute data to national efforts to address the women’s wealth gap for Native women, but further research is needed. Deborah Scott (*Cherokee*) of Sage Associates, Inc., generated the survey and has produced this summary report, in coordination with ONAC staff and other consultants working with the coalition. Survey questions were developed in consultation with Native women entrepreneurs. Questionnaire dissemination occurred online through a variety of channels and netted a total of 100 responses from Native women business owners.

What is Known about Native Women Entrepreneurs

As of 2019, Native American/Alaska Native women owned 1.4% of all women-owned businesses (an estimated 180,300), employing 64,898 workers and generating over \$12 billion in revenues.[2] Over the last 20 years, Native woman-owned businesses have grown almost twice as fast as women-owned businesses in general, at a rate of 201% compared to 114%, but slower than other minority groups.[2] Findings from the American Business Survey (ABS) for 2017 reported that most Native woman-owned businesses were self-funded through personal savings (67.9%), while about 18% funded their business through a bank loan and 6% used home equity loans; 18.9% offered retirement plans to employees and 43.2% offered no benefits.[3] Most Native woman-owned businesses (69.2%) had one employee, as did businesses owned by men and women of other races, and 29.8% of Native women-owned businesses employed 2 to 4 employees. Less than 1% employed 5 to 10 employees, and the number employing 11 or more was not reported. An abstracted chart from the ABS is included as an addendum.[3]

Data-Driven Portrait of Native Women Business Owners

SUMMARY OF SURVEY FINDINGS (N=100)

The survey consisted of 33 questions, developed in consultation with Native women entrepreneurs. Questions sought information describing the demographics, beliefs and behaviors about money, business structures and products, and experiences in learning about entrepreneurship. The aim was to identify information that could help Native women considering entrepreneurship as a family strategy to lessen the wealth gap. Several questions regarding the impact of the COVID-19 pandemic on business were included in the survey. Dissemination was completed through a variety of online channels, including social media, netting a total of 100 responses from Native women business owners from 19 tribal nations who had started business in 21 states.

Early Teachings about Money

- 70% of Native women learned about money early, before age 12, with their teachers being primarily parents and family members, with additional teachings from tribal communities.
- 74% of their family teachings primarily involved behaviors such as working hard, saving, and spending wisely. However, another common teaching was that money is scarce and hard to get.
- 42% of their community teachings also focused on behaviors, particularly those involving caring for family and others less fortunate. However, community lessons also identified issues of poverty and wealth gaps within tribal communities.

Realities of Native Women Business Owners

- 69% were raised in families where parents or other family members owned a business.
- 32% reported the primary reason for starting a business was to increase household income.
- 95% started their business in states where they grew up; 26% were in small towns.
- 33% were between the ages of 35 to 44 years when starting their businesses.

- 55% structured their business as a sole proprietor; 33% focused on sales and retailing.
- 42% did not have a business plan, either because they did not think to make one or did not know how.
- 63% had received no formal education or training on business startup or ownership.
- 57% did not have a mentor. For those who did, it was most often a parent (48%).
- A majority of business owners (62%) started with one employee but were able to increase the number of employees over the life of the business. Businesses with two or more employees also increased their employee size over the life of the business. More information is needed to understand these trends as they relate to business type and location.

Access to Capital and Credit

- 66.3% of startup concerns centered on finances and cash flow.
- 63.4% self-funded their businesses through personal savings.
- Entrepreneurs with arts-based businesses or food-based businesses reportedly had more difficulty getting loans than those with businesses in sectors.

Business Management

- 31% indicated having only a business checking account.
- 15.5% held no business bank accounts.
- 2% had no knowledge of tax reporting requirements.
- 18% provided retirement programs for themselves alone; 9% provided retirement programs for themselves and their employees.
- 100% of respondents were interested in getting information on a wide range of business management-related topics.

COVID-19 Impacts

- 35% of these businessowners requested and received federal Paycheck Protection Program (PPP) funding relative to COVID-19, and those with bank accounts were more likely to get PPP loans.
- 12.4% of these business owners reported their businesses may not survive the COVID-19 pandemic and 26.9% anticipate having to make drastic changes in business operations.

LIMITATIONS

Findings from this report have limitations and are not generalizable to the wider community of Native women-owned businesses. As an online survey, all of the actual channels of distribution are unknown. However, responses were most prevalent from citizens of Oklahoma and the Cherokee Nation. Participants were self-selected respondents, eliminating any aspects of randomness. It may be reasonably assumed that businesses owned by Native women may not have responded to the survey for a variety of reasons, including limited access to internet connectivity and fewer interactions with peers during the COVID-19 pandemic. Adding additional voices would enhance future studies. That said, findings from the survey create a

foundation for further query, as well as guidance on the types of services and information that Native communities may offer to further support Native women-owned businesses.

LESSONS LEARNED

- Financial literacy was an important childhood teaching for entrepreneurs. To support future entrepreneurs, financial literacy programs should start at an early age, engaging parents as teachers and guides. Teaching scenarios that include examples of money coming into the home through Native entrepreneurship could also be helpful.
- Native businesswomen are interested in business education programs about business startup and ownership and have great interest in a wide range of business management-related topics such as creating a business plan, tax requirements, financing options, and basic business accounting.
- Based on survey responses, Native businesswomen would benefit from business mentorship programs. Mentoring support could come from both existing business owners, who have successfully maintained their businesses, and from peers who are in various stages of launching their businesses.
- Native businesswomen would greatly benefit from increased access to capital. One step toward gaining this access would be establishing positive relationships with banking institutions. There are significant opportunities to educate Native women business owners about banking products and services that could benefit their companies and increase banking acumen. ONAC could work to expand how they reach Native women entrepreneurs with Native Bank On ONAC resources to help them access and maintain safe and affordable bank accounts.
- While the rate of Native women-owned businesses has been steadily increasing over the past five years, the wealth gap has not reduced at the same rate. Accessible business education and better availability of products designed to build business equity and support retirement programs would multiply the positive effects of business ownership for Native women business owners.
- Incentivized savings programs that either replace or supplement retirement options, due to lack of employer-based retirement plans, are needed to address the wealth gap across generations of Native women.
- Based on survey responses, the COVID-19 pandemic will dramatically impact 39% of the businesses represented in the survey.

Native Women Business Owners: Building Assets and Strengthening their Communities

Background

While working with Native families in a variety of asset-building programs and initiatives, ONAC and its Native partners have identified some of the critical financial needs of Native women. Foremost is the persistent need for income. In many families, wives, mothers, grandmothers, and aunts fill the role of financial manager, and in single-parent households they are often the breadwinners. In fact, 58% of Native American households have a breadwinner mother who is either a single mother or a married mother contributing at least 40% of the couple's joint earnings.[4] However, this contribution to the family is less than half what a white, non-Hispanic father would earn. In 2019, in the United States, the median annual earnings for Native mothers was \$33,000, compared to \$70,000 for White, non-Hispanic fathers.[5] It is increasingly difficult for Native families to improve their conditions, no matter how hard they work. Native Americans and African Americans have lower rates of upward financial mobility and higher rates of downward financial mobility when compared to white populations, leading to persistent income and wealth disparities across generations.[6]

Since 2001, ONAC has supported various asset-building efforts for Native women entrepreneurs. These include:

- Hosting ONAC meetings and conference sessions that highlighted the successes of tribal and Native-led nonprofit entrepreneur programs and providing opportunities for peer sharing of information about small business resources from the Oklahoma City Chapter of the American Indian Chamber of Commerce of Oklahoma, the Small Business Administration, various tribally-led entrepreneurship programs, and other state and federal partners;
- Providing Native-specific financial education trainings for asset-building practitioners, including those administering Native entrepreneur programs;
- Offering technical assistance to Native Individual Development Account (IDA) programs, including those serving small business owners;
- Awarding mini-grant funding to ONAC grantees that are used for a variety of asset-building programs, including serving Native entrepreneurs in their tribal communities;
- Funding Children's Savings Accounts, Emergency Savings Accounts, and emergency cash assistance for Native families, including Native entrepreneurs;
- Supporting Native Voluntary Income Tax Assistance (VITA) sites that, in turn, supported Native entrepreneurs and other tribal citizens.

It takes many partners working together to offer integrated asset-building services, and during the past nineteen years, ONAC has worked with tribes and Native-led nonprofits, as well as state and federal partners on entrepreneurship-related integrated asset-building initiatives.

Since 2016, ONAC has participated as a member of the national Closing the Women’s Wealth Gap (CWWG) Initiative.[1] CWWG has periodically asked ONAC for data on Native women and the wealth gaps they face. ONAC provided aggregated data collected from our various asset-building programs, such as numbers of Native women opening Children’s Savings Accounts and Emergency Savings Accounts, their ages, and if their household incomes were 200% or below the federal poverty level, but ONAC had less data about Native women entrepreneurship—a recognized strategy for closing the women’s wealth gap. A survey was created to begin to build a dataset that could be used to report on Native women entrepreneurs and their experiences.

In July 2020, the Oklahoma Native Assets Coalition Inc. (ONAC), distributed an online survey to collect information about realities faced by Native women entrepreneurs as they work to support their families and tribal communities. The survey link was disseminated to tribes and Native-led nonprofits, Native business organizations, women’s organizations, Tribal Employment Rights organizations (TERO), funders, and to supporters via the ONAC Facebook page. A total of 100 women from 19 tribes responded to the survey, representing Native-owned businesses in 20 states.

What is Known about Native American Women-Owned Businesses

As of 2019, Native American/Alaska Native (AI/AN) women owned 1.4% of all women-owned businesses (an estimated 180,316), employing 64,898 workers and generating over \$12 billion in revenues.[2] Over the last 20 years, Native women-owned businesses have grown almost twice as fast as businesses, in general, at a rate of 201% compared to 114%. However, when compared to other minority business owners, the growth rate of Native women-owned businesses is not as high.[2]

The American Business Survey (ABS) for 2017 reported that most Native (AI/AN) women-owned businesses were self-funded through personal savings (67.9%), while about 18% were funded through a bank loan and 6% funded through home equity loans. The low rate of access to capital suggests a need, as well as an opportunity, for asset-building programs to work with Native women entrepreneurs to connect them with financial institutions that will meet their need for capital. Advantageous reasons to build a relationship with a bank include access to better interest rates and loan terms, fewer fees, a higher level of customer service, and access to help for financial advice.[11]

Approximately 19% of Native women-owned businesses in the ABS study offered retirement plans to employees and 43.2% offered no benefits. Most Native women-owned businesses (69.2%) had one employee, as did all other groups, and 29.8% employed 2 to 4 employees. Less than 1% employed 5 to 10 employees and the number employing 11 or more was not reported. An abstracted chart from ABS is included as an addendum.[3] Many of these small businesses will likely have a difficult time sustaining their business through economic shocks like a pandemic. Researchers have recently reported that businesses with fewer than 20 employees are more likely to close due to the COVID-19 pandemic.[12]

According to SCORE, the nation’s largest network of volunteer, expert business mentors, entrepreneurs with access to a mentor are five times more likely to start a business than those without a mentor and are 11% more likely to be in business after one year than those without a mentor.[10] Anecdotally, we know that many Native women business owners receive business mentoring from family members. However, the type of information women receive and the extent of the mentoring process is not documented, and therefore, unclear.

Data-Driven Portrait of Native Women Entrepreneurs

DEMOGRAPHICS

A total of 100 Native women from across the nation responded to the survey and had started businesses across 21 states.

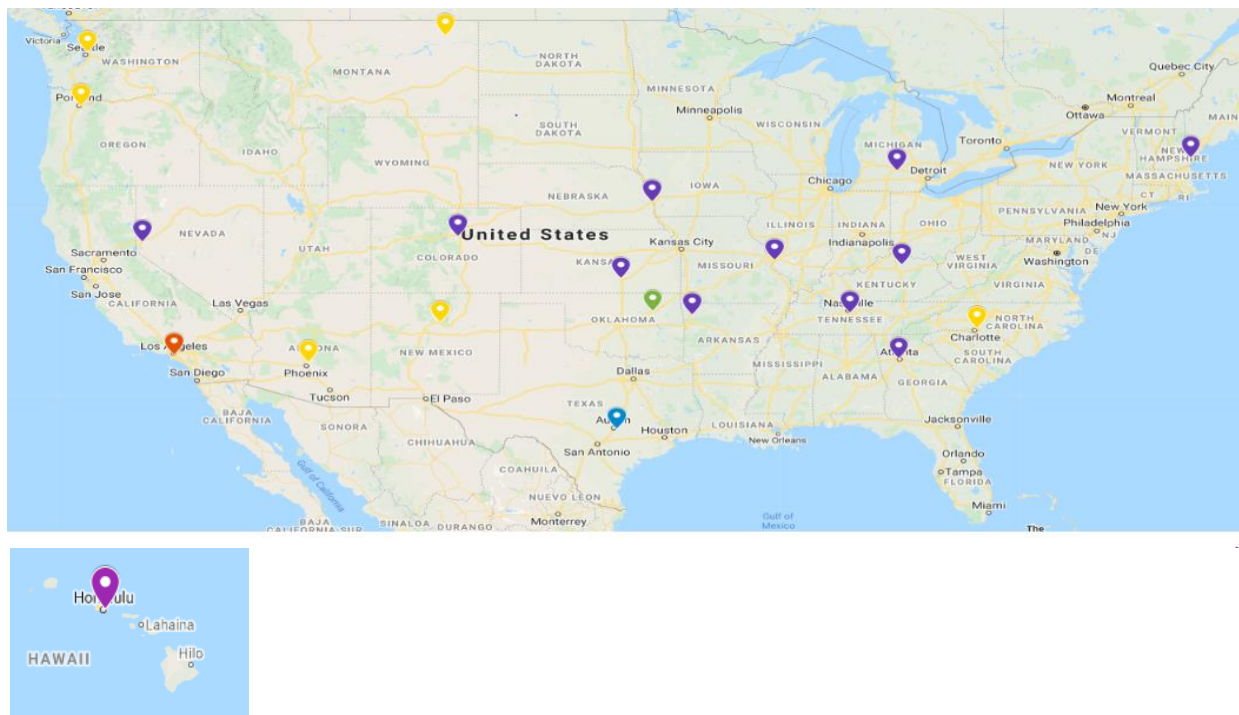


Figure 1.

OK had 64 respondents (green dot)
 CA had 6 respondents (red dot)
 TX had 5 respondents (blue dot)
 AZ, MT, NC, NM, OR, WA had two respondents, respectively (yellow dot)
 AR, CO, GA, HI, KS, MI, MO, NE, TN, WI, NV, ME had one respondent each (purple dot)
 Note: One respondent did not include the state in which they started their business.

Age When Started Business

Of the ONAC survey respondents, most Native women (33%) were between the ages of 35 and 44 when they started their businesses, followed by those aged 25 to 34, then 45 to 54.

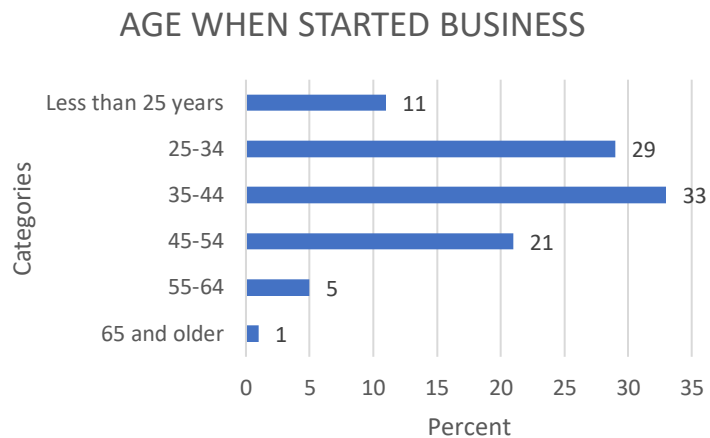


Figure 2.

Tribal Affiliations

Nineteen tribes were represented by respondents, with most reporting a Cherokee Nation tribal affiliation. Tribes with a single response are included in the “other” category and represent: Cheyenne Arapaho Tribes of Oklahoma, Cree Tribe, Hoopa Valley Tribe, Kialegee Tribal Town, Little River Band of Ottawa Indians, Little Shell Tribe of Chippewa Indians of Montana, St. Regis Mohawk Tribe, Ottawa Tribe

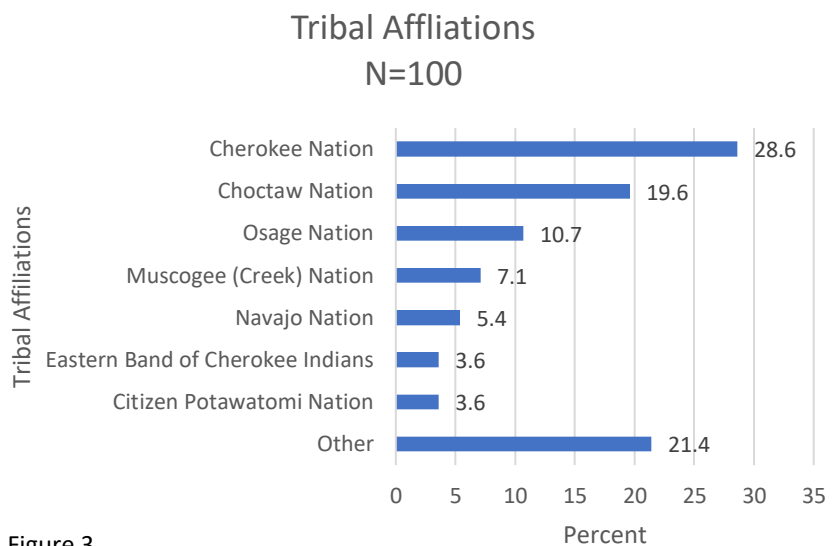


Figure 3.

of Oklahoma, Aroostook Band of Micmac, Pawnee Nation of Oklahoma, Spokane Tribe, United Keetoowah Band of Cherokee Indians, Wichita and Affiliated Tribes, and others. Note: The respondent residing in Hawai’i reported they were American Indian.

MONEY

Understandings about Money

Most respondents (70%) reported that their understanding or teachings about money were learned from their parents and family members in their early years, before the age of 12 (69%); 21% reported having no teachers and learning about money on their own. A small percent (5%) learned from teachers in school or from a spouse (2%).

Family Beliefs and Behaviors: Overview

The query to participants regarding early life lessons about money generated 148 responses from 98 participants. All comments were coded into main categories and sub-categories. The four main categories were: beliefs about money (12%), money and behaviors (74%), personal characteristics to acquire money (8%), and limited teachings about money (6%). Within these four main categories, there were 17 sub-categories that more fully described what participants learned from their families about money.

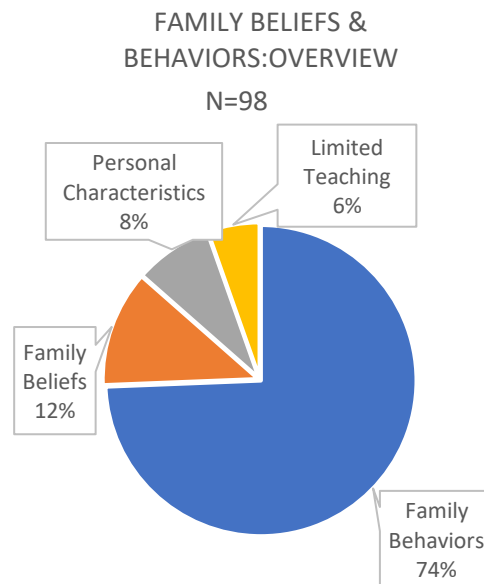


Figure 4.

Family Beliefs

The most often mentioned belief about money is that it is scarce. In their voices, *“It doesn't grow on trees,”* and *“I would never have enough.”*

Some held the belief that earning enough money is difficult, *“You have to work hard your entire life to get it.”*

Money was also necessary for living, reflected in comments like, *“Money paid the bills and is very important,”* and *“...you need it to live.”*

Two women reported the family belief that money/love of money is evil.

Family Behaviors

“Work hard” was the most frequently shared behavior, reflected in comments such as, *“You must work for what you want in life and work hard to achieve the goals you set for yourself,”* and *“We have very hard lessons about money in the Native community and also very positive relationships and viewpoints about money from other sources. WORK was always the common denominator, however.”*

Saving was another common behavior observed by participants, as one respondent reported, *“My grandfather taught me how important it is to put money in savings.”* Careful spending and being thrifty was an early lesson, *“My grandmother taught me about shopping all the stores for the best deals...”* and another said, *“We didn't have much money to start with, but we used what we had wisely.”*

Financial responsibility was reflected in comments such as, *“My family taught me to be financially responsible, to not overspend, to pay off debt,”* and *“Be a saver, spend what you have. It is not important to keep up with the Joneses,”* also *“It [money] was a tool to be used for needs, to help others and enjoy a little along the way. Always live below your means.”*

Other money lessons included: paying bills first; the importance of taking care of the family; investing; the importance of generosity; and avoiding debt. In the words of respondents, *“My earliest memories about money are giving an offering at church. I saw my parents give weekly,”* and *“My family taught me to be financially responsible, to not overspend, to pay off debt.”*

**Family Beliefs and Behaviors:
Sub-Categories**

In relation to money, participants learned lessons about personal characteristics such as being self-sufficient, being honest, and the importance of getting an education. In their words:

“Pay your own way.”

“Always be honest and word will get out or spread that you are a worker bee.”

“Believe in your product, honor your work, appreciate your contracts and customers - earning honest money makes for a promising future.”

“To pursue an education to get a higher-paying job.”

A small number of participants reported behaviors related to spending money and use of credit and several reported no memorable teachings related to money.

**FAMILY BELIEFS & BEHAVIORS: BREAKDOWN
N=98**

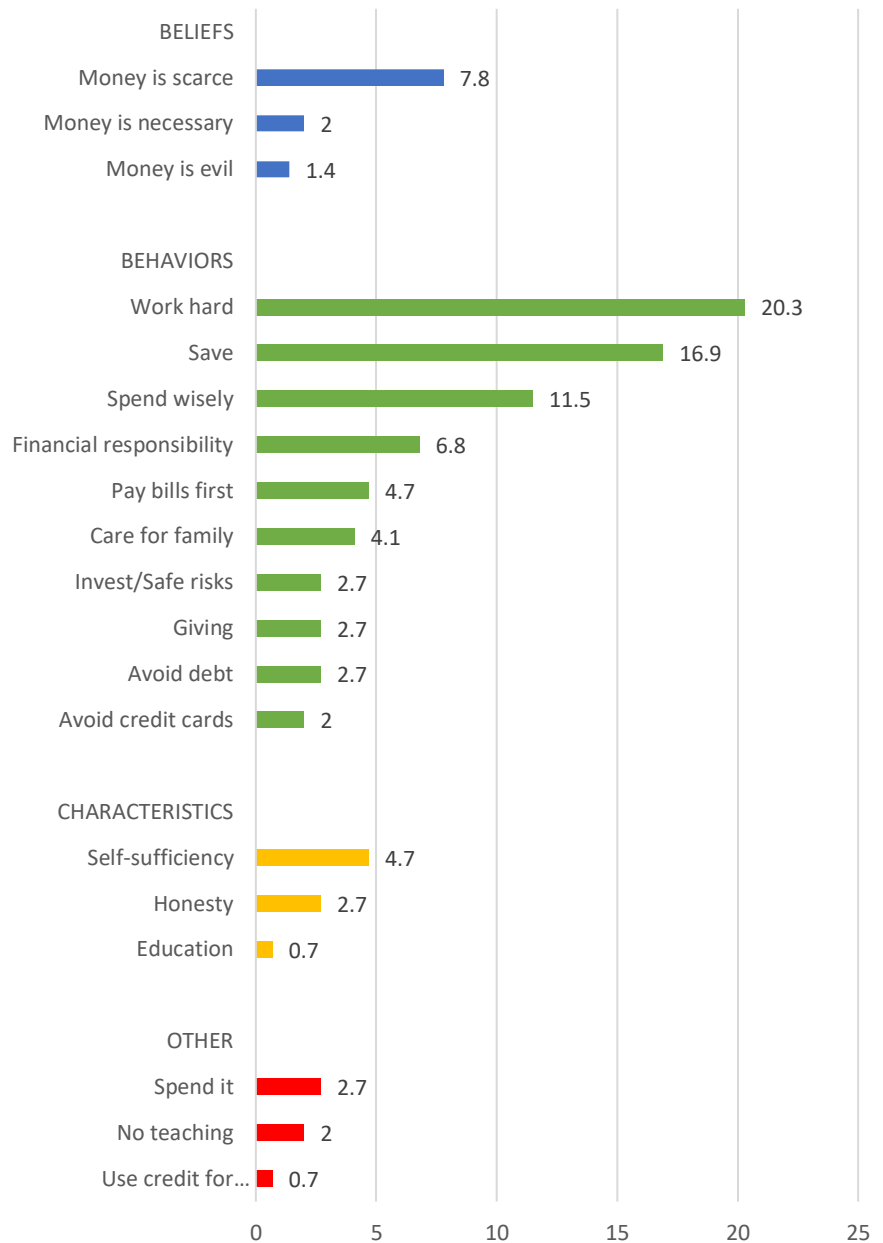


Figure 5.

Percent

Community Beliefs and Behaviors: Overview

Like the question regarding lessons learned within the family, participants were asked to recount the money messages they received from their communities. Responses were more succinct, with comments from 85 individuals. Comments were coded to mirror all but one of the main categories reported in the prior section—beliefs (5%), behaviors (42%), community characteristics to acquire money (11%), limited financial education lessons (19%), and no information (23%), including those living away from their tribal seats of government.

COMMUNITY BELIEFS & BEHAVIORS: OVERVIEW

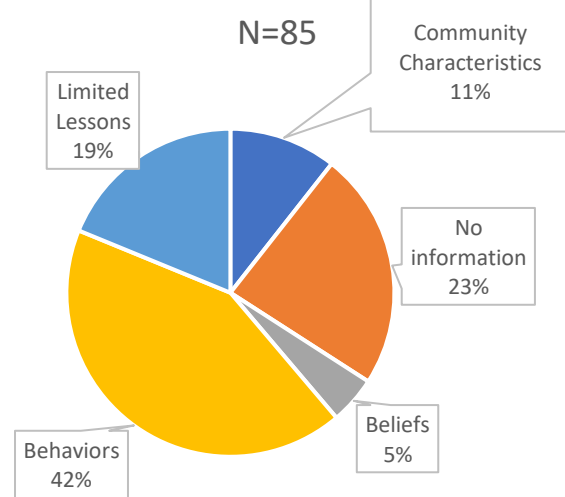


Figure 6.

Community Beliefs

Some learned the lesson that money was not so important, “[*Everything was*] community property. [*There was*] little emphasis on money, wealth, or financial stability.”

Community Behaviors

Described behaviors included caring for others, “*I wouldn't have called it ‘about money’ but I knew that we all had a responsibility to care for one another at whatever level that we were able. No one should go hungry,*” and “*It [money] is a resource that should be allocated out very carefully to benefit the largest and most needy populations in the community.*”

Another behavior was to spend wisely, “*... my Grandmother. She was very wise with spending,*” and, “*To be good stewards.*”

Saving was also an important behavior echoed throughout communities, “*To save what you can and invest into future generations.*” Educating about money was a tribally initiated behavior, “*The Tribe has classes and a wealth of information on how to budget and allocate funds for businesses.*” It was also important to understand the place money holds in the greater society, “*I was taught that if you are going to make it in the world, you had to know the value of money as others see it.*”

Community Characteristics

Participants spoke of the wealth gap within their communities, some commenters were more matter of fact, and others felt there was limited discussion about money. In their words, “*I grew up in a high poverty area. My family was looked at as wealthy, though nobody was truly wealthy!*” “*It was a poor community and we were all pretty equal financially.*”

For some, discussions about money were never held in public, though there was a shared understanding about the wealth gaps within the community, *“There was a middle class, but folks did not talk about money in the community. Poverty is its own language and we had that on both sides of the family,”* and *“It is not something that is really spoken about.”*

STARTING A BUSINESS

Exposure to Entrepreneurship

Thirty-one percent of respondents had immediate family members who had owned a business, 38% had extended family members in business and 31% of respondents were the first in their families to own a business.

Reasons for Business Ownership

There were four primary reasons Native women started their businesses. Foremost, it was to increase income (32%), then to provide a service, for a personal reason (24%, respectively), or to have autonomy (20%).

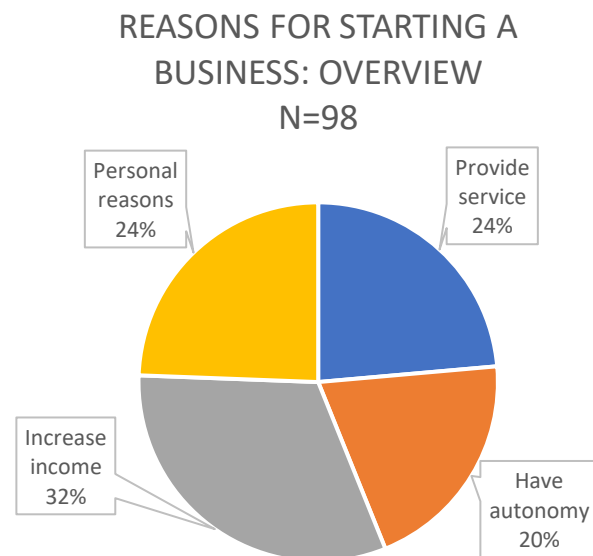


Figure 7.

Examples from women who indicated a need to increase their incomes show that situations create the need, *“[Out of] necessity and [for] job stability. People move around a lot in my chosen field and I didn't want to do that.”* Three percent specifically mentioned *family* in their responses. When household income is known to be a great need, this percentage would expectedly be higher; however, comments throughout the responses reflected the overarching need to create financial security and wellbeing for the family, *“I wanted to make a difference doing something I call my passion. I love that I can spend time with my family and take care of them all while being happy.”*

Personal reasons influenced women’s choices to go into business for themselves, such as having scheduling flexibility and ability to care for family, *“I could be home with my young children.”* Several women-owned businesses were created by parents who wanted to continue the legacy, or in turn, create a legacy for the next generation, *“I have five daughters and I want to leave a legacy for my children and grandchildren. I want to be an example for young Native women that we can achieve a standard of life that we choose.”* Others held a lifelong dream to own a business or felt the need to change their life’s course.

Another reason was to have autonomy and independence, *“[I wanted] financial freedom and the ability to run my life as I wanted.”*

“After working in my parent’s company, I realized I wanted to build my own and not keep working in his business. It was his dream, not mine.”

Others wanted to provide a service or fill a need, *“I saw a need that I had through direct experience [and] believed other Native people also had the same need, so I started my business to help myself but also others.”*

REASONS FOR STARTING A BUSINESS

N=98

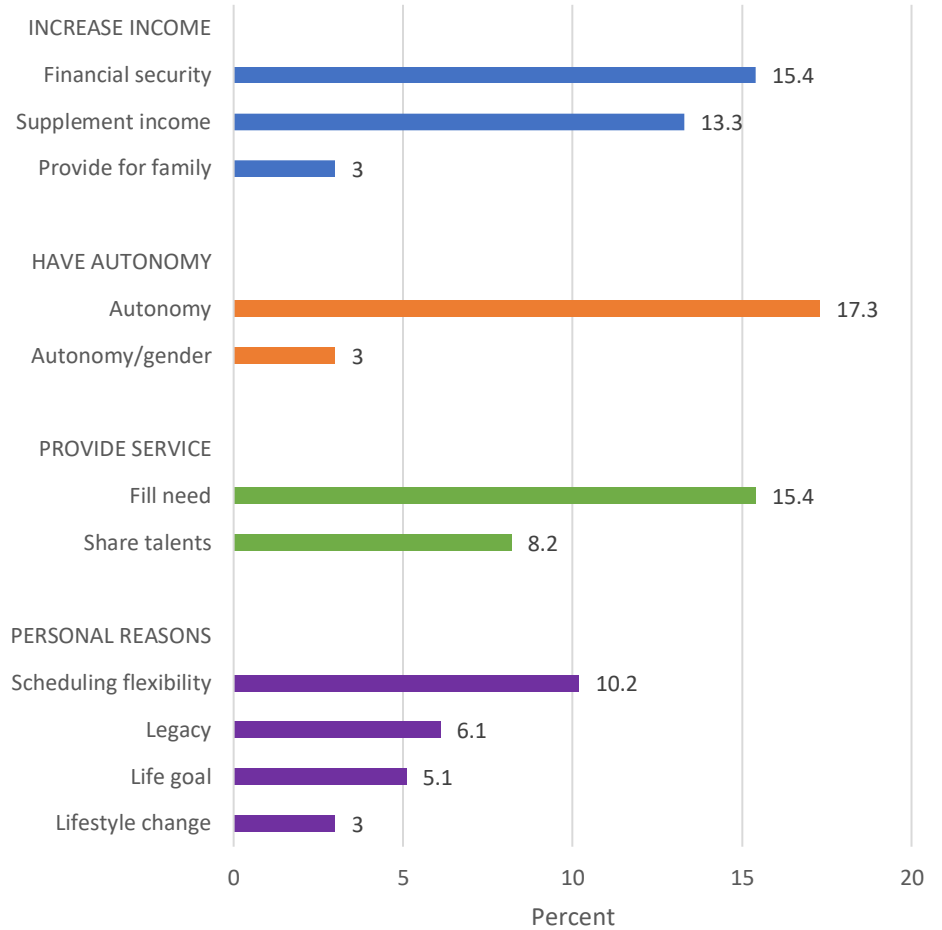


Figure 8.

Business Locations

About 26.3% of businesses were started in small towns and 70.8% of businesses were home-based. Further, 95% of business owners started their business in a state where they grew up.

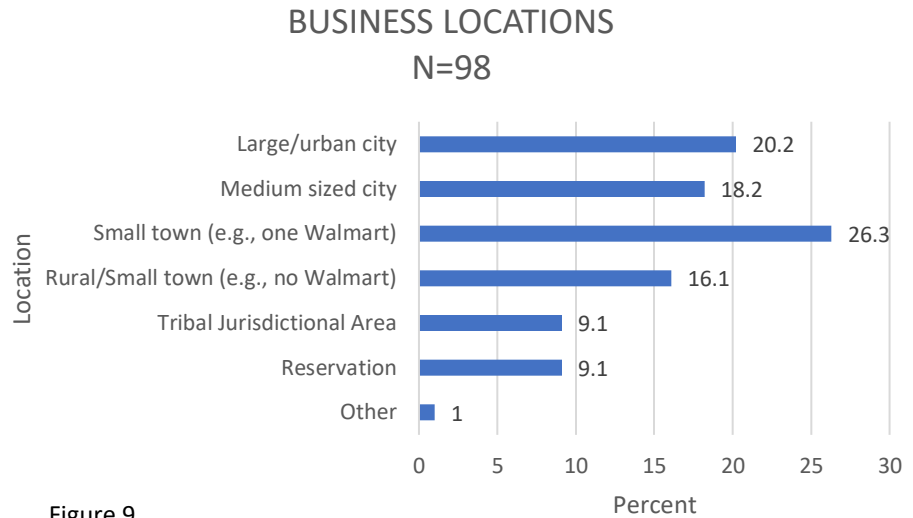


Figure 9.

Business Structure

The business structure used by most women (55%) was as a sole proprietor, followed by S corporations (9%), partnerships (7%), corporations (5%), and nonprofits (2%).

Types of Business

The Department of Labor classifies business types and there is an extensive list of categories. In this survey, respondents were able to select from a modified list of choices (see Figure 10).

A third of respondents had a business classified as sales and retailing. Many in this category were home artisans, making Native jewelry or other items and selling through a variety of venues.

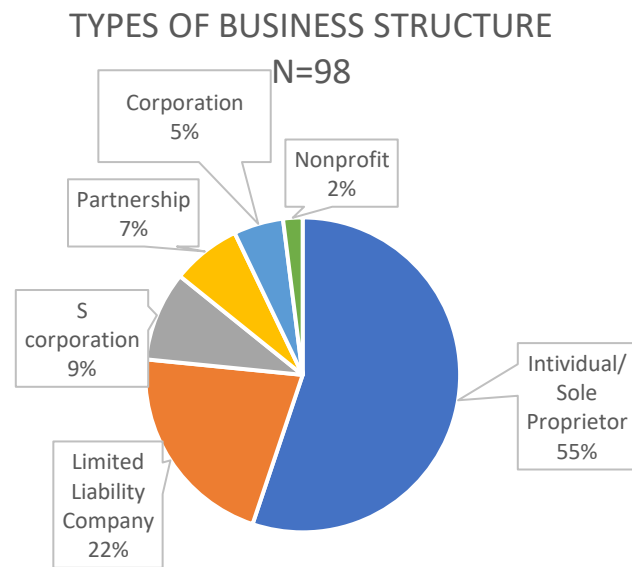


Figure 10.

Personal service was the next most common category at 19%, followed by manufacturing (12%), construction (11%), food/beverage (7%), healthcare (7%) and agriculture (5%). Included in the “other” category were medical and legal practices, animal welfare, and environmental studies.

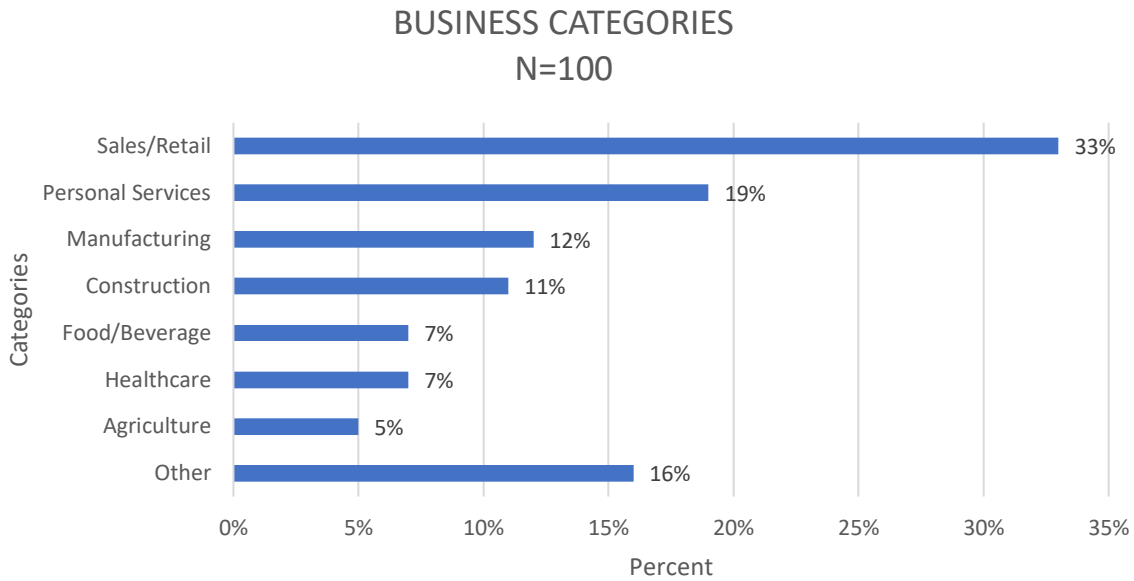


Figure 11.

Business Plans

Less than 40% of women had a business plan in place when they started their businesses, another 25% did not think to make a plan, and 17% reported that they did not know how. Twenty percent were okay with no plan but had thought it through and understood what was needed.

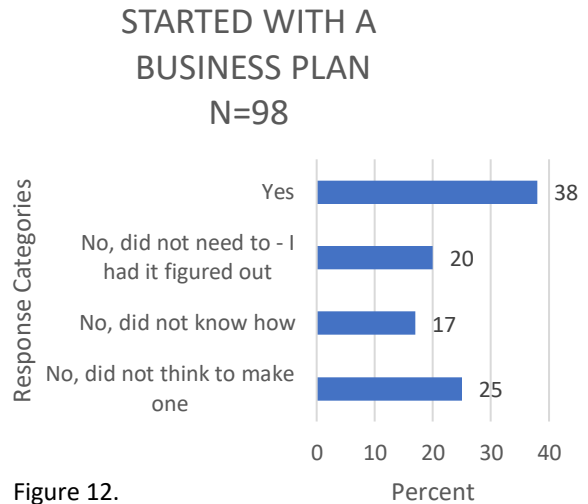


Figure 12.

Learning about Business Ownership

Figure 13 includes a list of sources of training for business ownership that was offered to survey respondents to assess the types of business training they have accessed in the past. Of the 100 respondents, 63 had no formal business training, 26 had training from one source, and 11 had trainings from multiple sources. Of those 37 women who had some education about business ownership, the majority got information in a school setting—high school, vocational school, or college.

SOURCES OF TRAINING FOR BUSINESS OWNERSHIP N=100

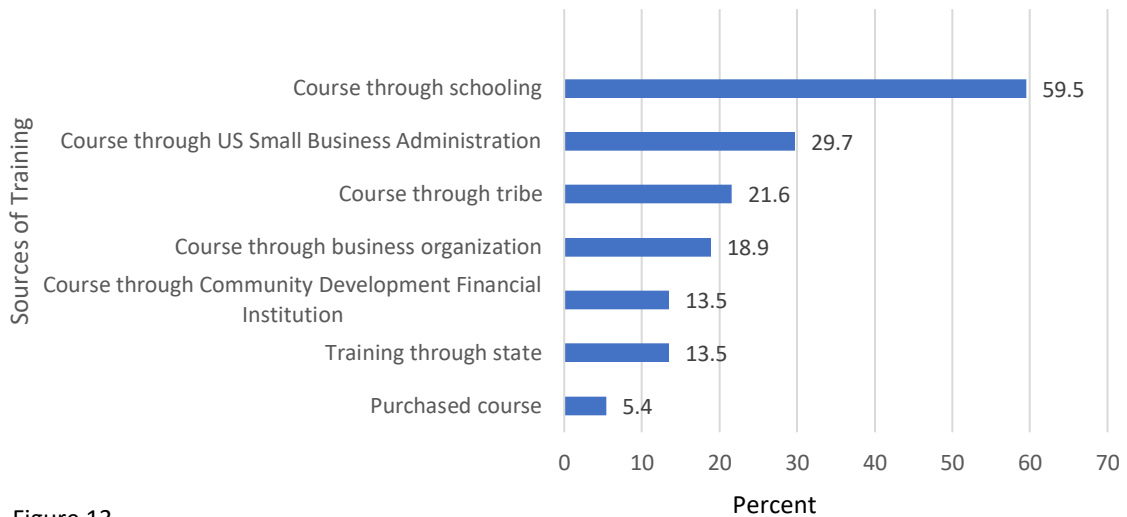


Figure 13.

Employees & Growth

The majority (61.9%) of respondents started their business with a single employee, 26.8% had 2 to 5 employees, and 10.3% had 6 to 25 employees. This is similar in comparison to the U.S. Census Annual Business Survey (ABS) results for Native women-owned businesses wherein 69.2% had one employee, 29.8% had 2 to 5 employees, and 0.9% had 5 to 10 employees.[2]

The trajectory of growth is measured by the number of employees at start-up to the present or the time the business closed. The number of businesses with a single employee declined over the life of the business, meaning that they were able to increase the number of employees over time. Among survey respondents, 20% of business owners were able to employ more than one person over the lifetime of their business. Likewise, 5% of employers with 2 to 5 employees were able to increase employee size; those businesses that started with 6 to 25 employees, increased staff size by 11% over the life of the business, and businesses that started with 26-50 employee were able to increase the number of employees by 4.3% over the life of the business. Variation in business type and location may account for these employment trends so more information is needed to explain the growth differentials among this group of business owners.

Mentorship

42.7% of respondents reported having a business mentor. The mentor was often a parent (48.3%), a business associate (20.7%), or an associate in the field or the business' prior owner (20.7%, respectively). Recent research has demonstrated that people who come from entrepreneurial families have benefited from family members as mentors, whereas people who do not have this advantage are more likely to be concerned about failure. [7] Formalized mentoring programs are also beneficial. A Stanford University executive coaching survey found that 80% of CEOs received some form of mentorship [8], and according to a study from the American Society for Training and Development, 70% of Fortune 500 companies provide mentorship opportunities. [9]

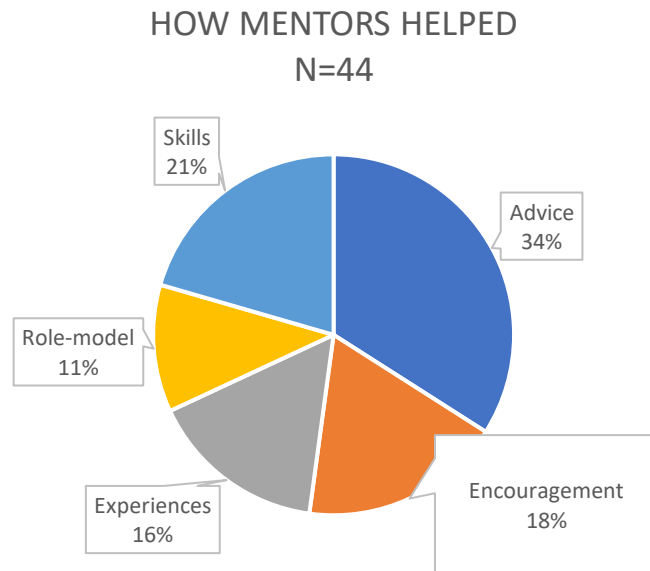


Figure 14.

Native women business owners shared a variety of ways mentors aided them in their business development. Their responses were sorted into five major categorical themes:

Advice (34%) - *"My mother [was my mentor]. She did all the research and guided me through the business licensing application process as a DBA. Now we are a larger LLC and moved out of the home."*

Skills-building (21%) - *"My parents [were my mentors]. They encouraged me and taught me things about owning a business."*

Encouragement (18%) - *"My mentor encouraged me and taught me the skills I needed to do my business,"* and *"My partner was and is my biggest supporter and sounding board. We have great brainstorming sessions and help each other grow!"*

Experiences (16%) - *"My father [was my mentor]. He started working for the original owner, so he taught me all the ins and outs,"* and *"My dad was our mentor. He introduced me to the industry, and we worked side by side with him."*

Role modeling (11%) - *"My dad led by example and coached me, but allowed me to fail and learn from my mistakes."*

BUSINESS MANAGEMENT AND ACCESS TO CAPITAL AND CREDIT

Startup Funds

The source of startup funding varied across survey respondents. Most Native women drew upon personal resources, e.g. personal funds, and savings (63.7%), mortgages on personal property (6.5%), and personal credit cards (1.6%). Other personal resources were loans from family and friends (8.9%). This finding is similar to the ABS Survey of 2017 reporting 67.9% used personal resources and 6% used home equity loans.[2]

About 29% of participants pooled money from multiple sources. Others were funded through institutional loans; 12.9% started their businesses with a loan. They selected their lender in various ways—their banker, a lender recommended by a friend, a lender through online advertisements, a nonprofit lender, and through tribal commerce.

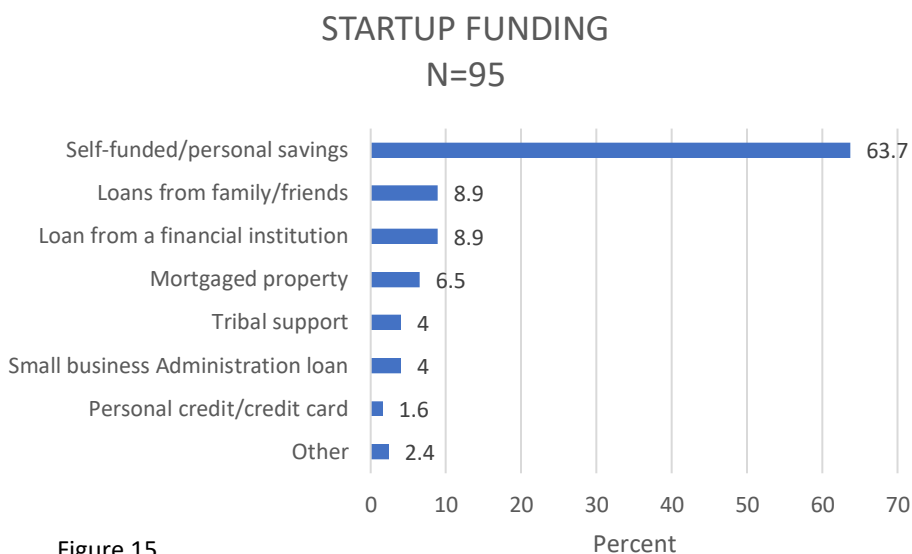


Figure 15.

Among those who applied for a business loan, the loan application process was easy/very easy for three respondents, neither easy nor difficult for five, and difficult/very difficult for six. Among the many challenges these borrowers encountered, requirements for collateral and extensive paperwork presented the most significant barriers. The type of business also affected ease of funding. Artists and food service establishments were reportedly considered riskier businesses and had a harder time with loan applications than other respondents.

Banking

Ninety-seven of the entrepreneurs responded to the query about use of bank accounts and reported using a range of banking services for their businesses; 31% had a business checking account only, or a combination of checking account and business credit card (28.9%). Two percent operated business through a savings account only or savings in combination with a checking (6.2%), while 13.4% used savings, checking, and credit card. Two percent used prepaid credit cards only and 1% used prepaid credit cards in combination with checking, saving, and credit cards.

Interestingly, 15.5% reported using none of the above. Several of these entrepreneurs were contacted with a follow-up email to identify how they handled their cash flow. The most common response was through PayPal, an online system for sending and receiving money.

Bookkeeping

Bookkeeping systems varied by skill level, with most using a computer software program (35.4%) or an electronic ledger (18.8%). A significant, but minority, group of 23.9% maintained paper ledgers. About 16.7% hired a bookkeeper or depended upon an experienced friend or family member (5.2%) to assist in bookkeeping needs.

TYPES OF BUSINESS BANK ACCOUNTS

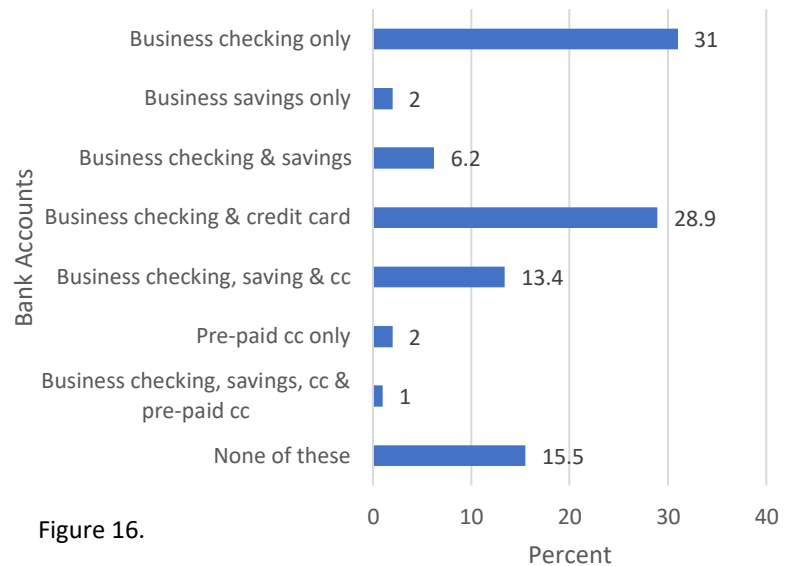


Figure 16.

METHODS OF BOOKKEEPING

N=96

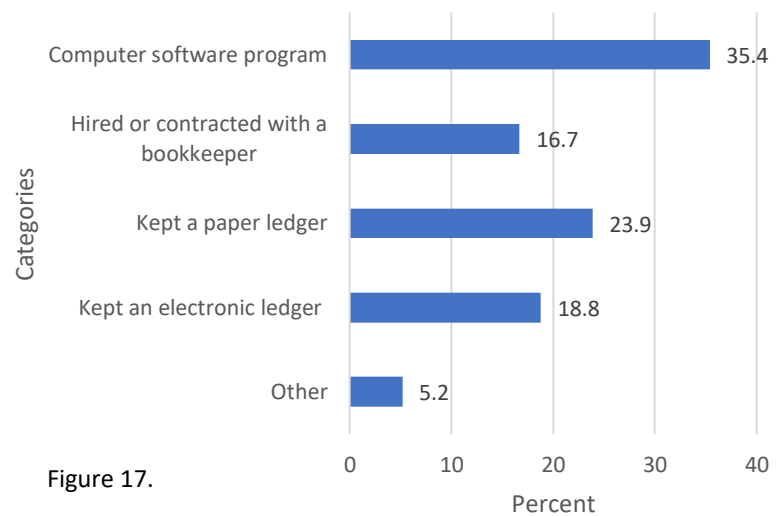


Figure 17.

In setting up bookkeeping systems, most (43%) relied on hired expertise while others had help from a family friend or relative (11.4%); 19% were self-taught, 17.8% learned through online tutorials, 5% were experienced accountants, and 3.8% took a class.

Several respondents had not created bookkeeping systems; one found that nothing helped, and another had no help and credited this lack as a roadblock to success.

HELP SETTING UP BOOKKEEPING
N=74

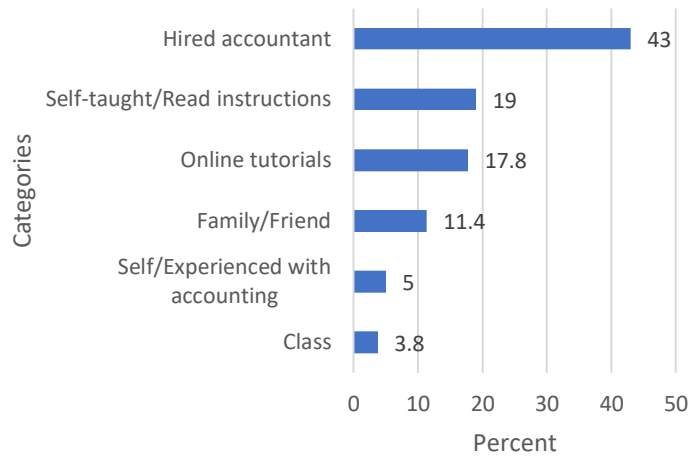


Figure 18.

Respondents were asked how they learned about tax requirements and state regulations. Most got their information from an accountant (45%). Other sources included state and federal websites, tax courses, mentors, or commercial tax preparers. Two percent of respondents did not know about tax reporting.

SOURCE OF TAX INFORMATION
N=96

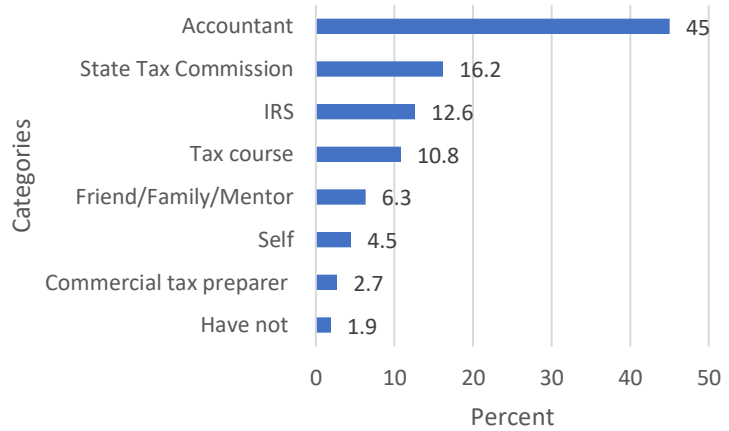


Figure 19.

Retirement Benefits

Most entrepreneurs (73%), did not offer retirement benefits to employees; similarly, the ABS survey reported 72% did not offer retirement plans to employees [2]. However, 18% of respondents created retirement programs for themselves and 9% provided retirement programs for all employees.

Types of Retirement Accounts

Of the business owners funding their own retirement accounts, most set up Roth IRAs (64.7%), followed by 401(k) plans (35.3%), and SIMPLE IRAs (17.6%). Some had more than one type of retirement account.

Owners funding themselves and their employees used a range of offerings, with the most common option being 401(k) plans, then SIMPLE IRAs and SEP plans, and Roth IRAs. One employer belonged to a business association that provided benefits.

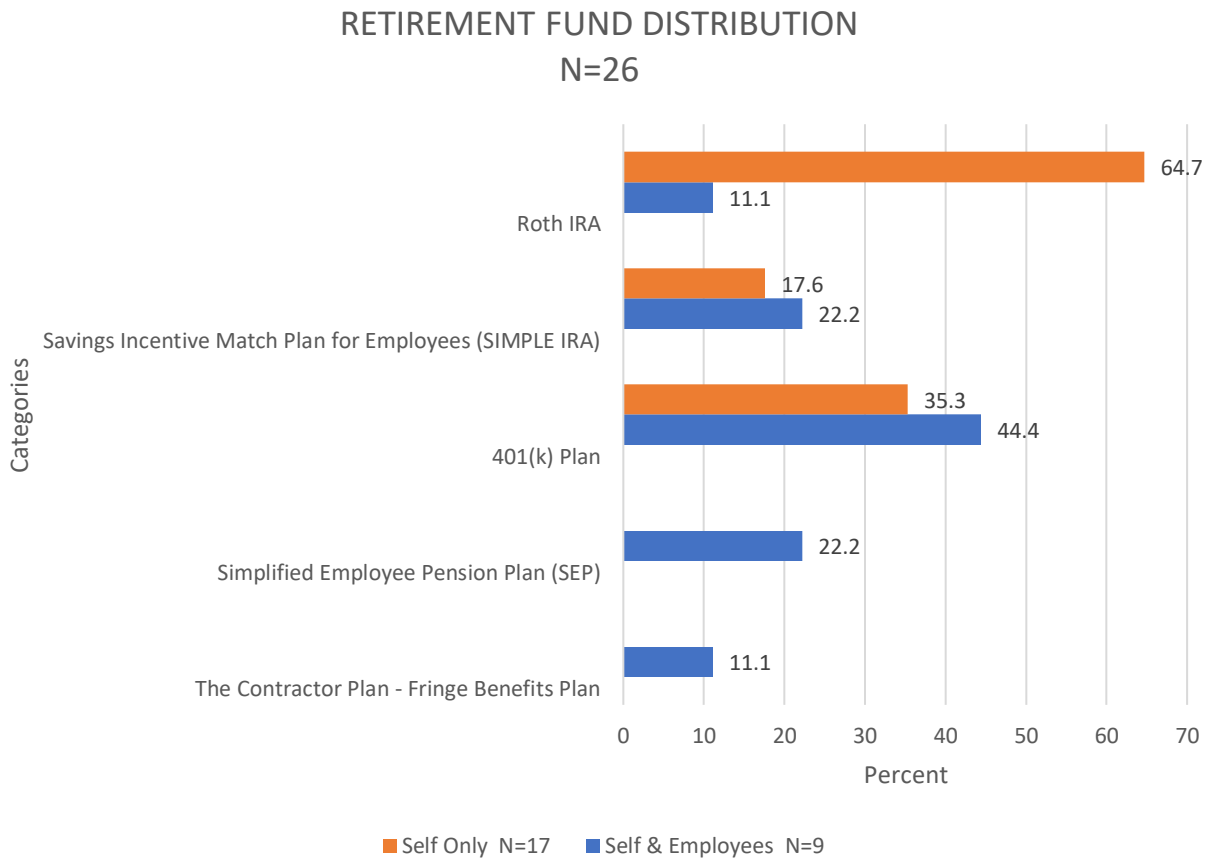


Figure 20.

STARTUP CONCERNS

When asked to reflect on their worries and concerns during the startup process, not unexpectedly, the most common concerns were about finances—accounting, accounts payable and receivable, cash flow, and acquiring growth capital. The next most common concern was customers—how to find them, please them, and be accepted by them. Acceptance was a particular worry for women with businesses in construction. In one entrepreneur’s voice, “[I worry about] getting customers to trust me since I was a woman.” Also, about 5.5% worried about their own decision-making skills and feelings of inadequacy during this time in their business development.

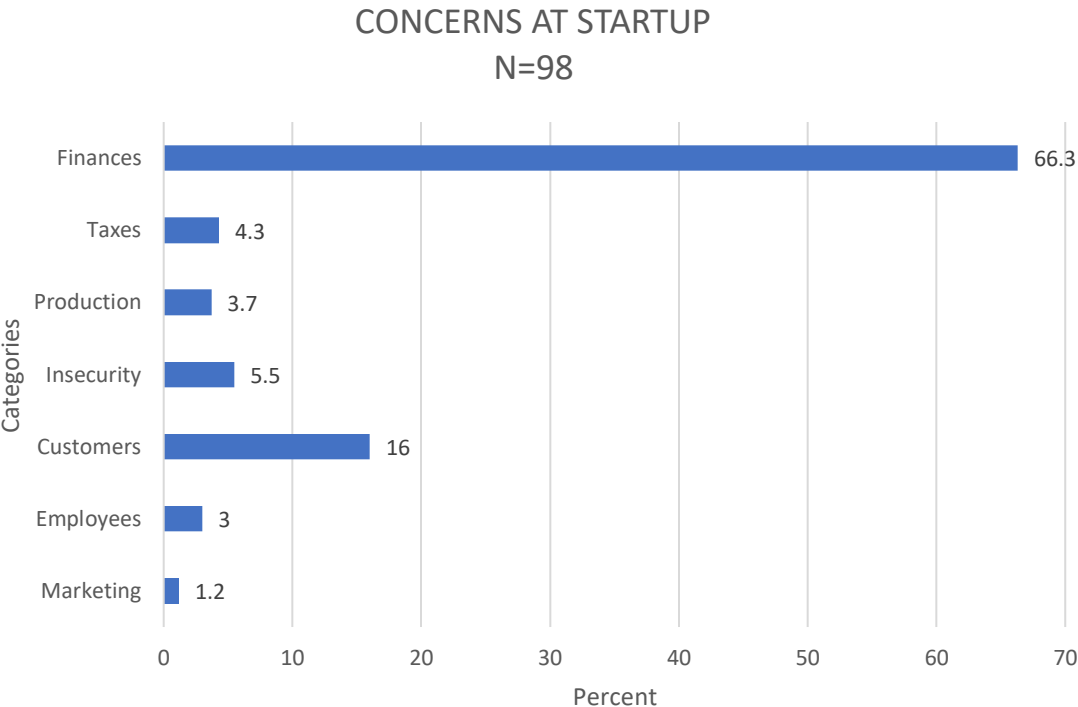


Figure 21.

HELPFUL INFORMATION

To guide resource development, participants were provided with a list of business-related topics and asked to check all topics that they believed Native women entrepreneurs would find helpful in running their businesses. Participants had the option of selecting multiple topics. All topics received at least 34% of responses while the top rated one was, *Understanding accounting and financial practices*. In addition to the list provided, participants offered additional topics—staff management, understanding business structures, operating a home-based business, social marketing, and technology.

WHAT NEW ENTREPRENEURS NEED TO KNOW

N=95

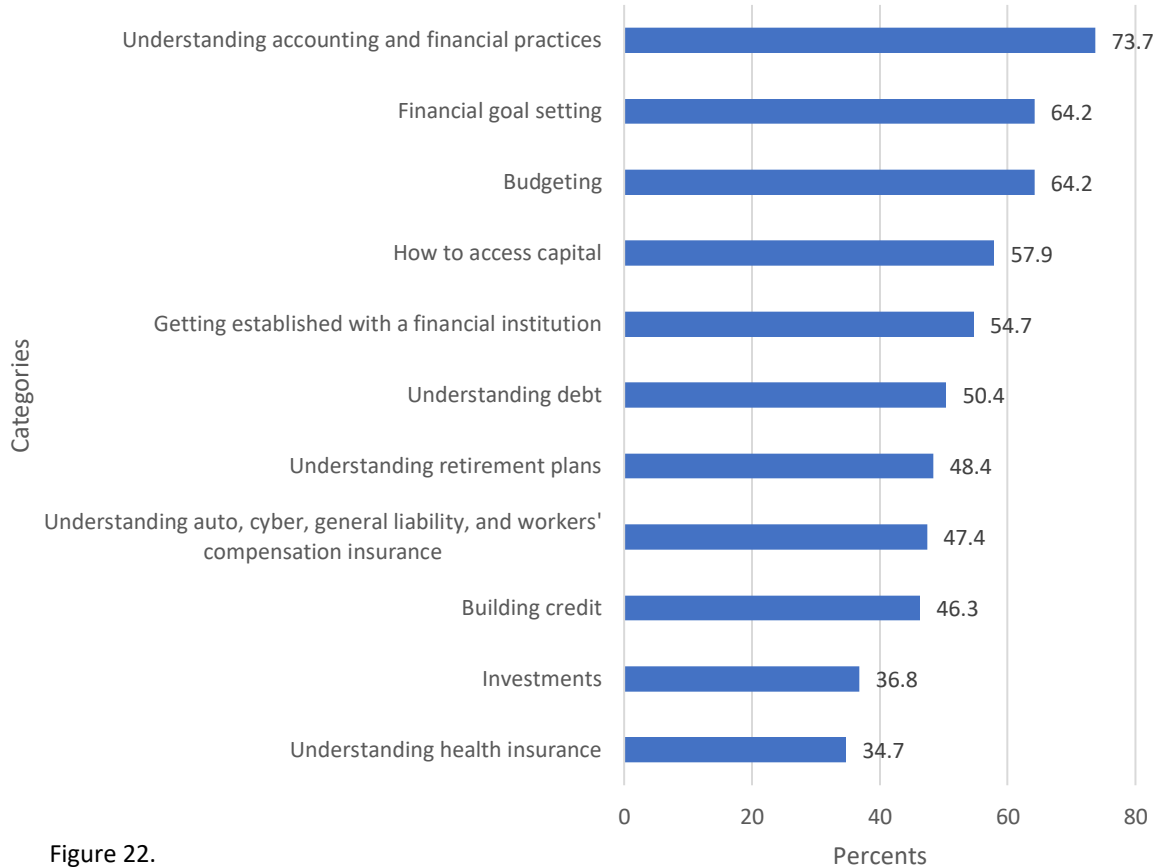


Figure 22.

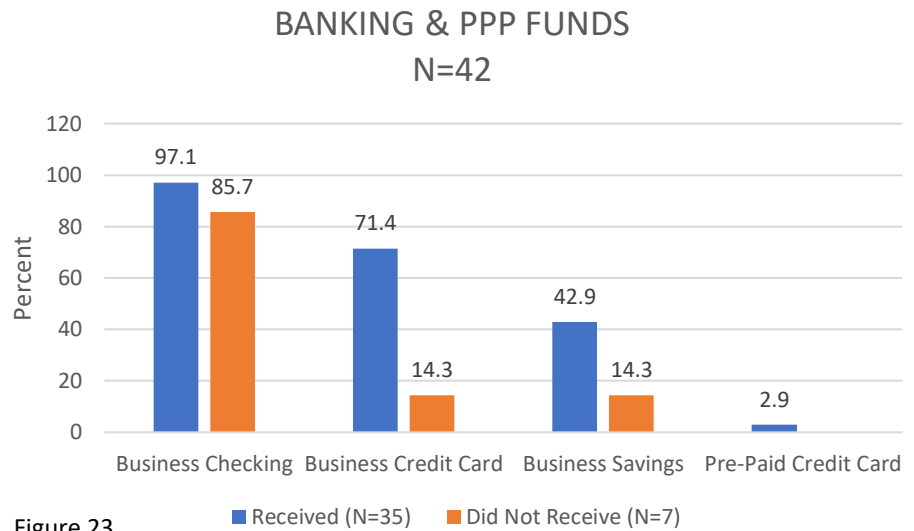
COVID-19 PANDEMIC

Paycheck Protection Program (PPP)

Survey responses were collected during July 2020 during the COVID-19 pandemic and after PPP legislation supporting businesses was passed. The survey asked two questions about the pandemic and 91 business owners supplied information.

Among the respondents, 42 respondents (46.1%) requested PPP funds, 25 respondents (27.5%) determined they did not need to apply, and 24 respondents (26.4%) decided not to apply. Of the 42 respondents who applied for PPP funds, 35 (83.3%) received funds and seven (16.7%) were denied funds.

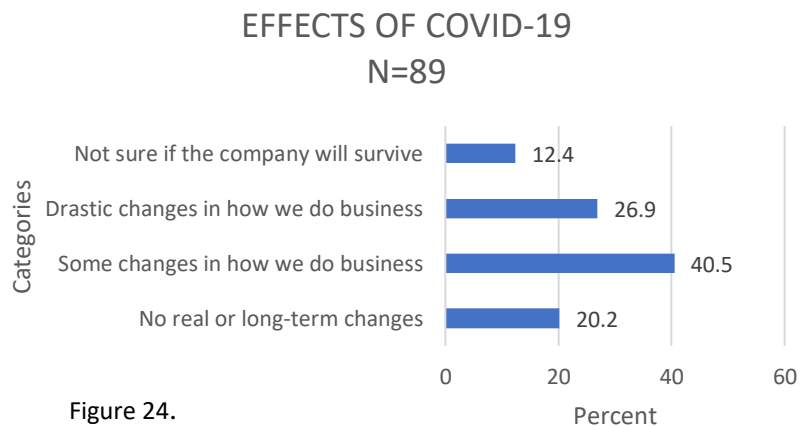
The most marked difference between those who received funds and those who were denied funds, was in types of banking experiences. Those receiving funds were more likely to be established with their banks and have business checking and savings accounts, compared to those denied PPP



funding—97.1% had business checking versus 85.7% and 42.9% had a business saving versus 14.3%; This is important in that applications for PPP were made through banks, making those with better banking connections seemingly more advantaged.

Business Survival During COVID-19

Eighty-nine participants answered questions about how COVID-19 would affect their businesses. Just over a quarter (26.9%) of those responding noted their businesses were likely to experience drastic changes in business operations and 12.4% were in jeopardy of closing their doors. Another 60.7% would continue operations with some changes to how they did conducted business (40.5%), while others anticipated no long-term changes (20.2%).



Conclusion

Native women business owners play an important role in the economic vitality of their communities. As demonstrated through this data collection effort, these businesses provide income for families, jobs for the community, personal gratification and pride for the business owners, and enrichment of cultural capital in the business community. ONAC and its Native and non-Native partners are well-positioned to support Native women entrepreneurs. Those in ONAC's network already provide core resources needed for Native women-owned businesses including fostering business owner and bank relationships, access to capital, tax preparation assistance, financial coaching, and entrepreneurship education. To further support the needs of Native women entrepreneurs, ONAC and its partners will continue to provide, and expand where possible, financial products and services that will allow more businesses to launch and existing businesses to grow, contributing to future generations of thriving Native families and communities.

Addendum

The U.S. Census conducts the Annual Business Survey (ABS) yearly to provide information on economic and demographic characteristics for businesses and business owners. The ABS used a stratified methodology to sample approximately 850,000 employer businesses in 2017, the most recent data available. The survey produces annual data on characteristics of businesses and business owners by demographic category. The table below compares All Businesses, All American Indian Businesses, All Women-Owned Businesses, and All American Indian, Women-Owned Businesses, across select measures also collected by the ONAC survey. For clarity, the number of responses to the question, which differs from the total count, is listed as “Respondents”, and shaded in light blue. (Note: Under the Business Funding category, rows are abstracted from the larger table and totals do not reflect 100%).

	All Businesses N=5,744,643	All AI/AN Businesses N=24,503	All Women- owned Businesses N=1,134,549	AI/AN Women- owned Businesses N=8,081
Business Funding	Respondents n=3,153,971	Respondents n=13,711	Respondents n=630,922	Respondents n=4,365
Personal/family savings of owner	2,034,310 (64.5%)	9,393 (68.5%)	422,068 (66.9%)	2,964 (67.9%)
Personal/home equity	171,550 (5.4%)	758 (5.5%)	35,872 (5.7%)	264 (6.0%)
Bank loan	523,466 (16.6%)	2,382 (17.4%)	90,466 (14.3%)	792 (18.1%)
Retirement plans	Respondents n=3,151,103	Respondents n=13,695	Respondents n=630,439	Respondents n=4,352
Contribute to retirement plans	775,063 (24.6%)	2,663 (19.4%)	130,732 (20.7%)	821 (18.9%)
No benefits	1,237,857 (39.3%)	5,983 (43.7%)	288,120 (45.7%)	1,882 (43.2%)
Employees	Respondents n=3,171,895	Respondents n=13,986	Respondents n=642,923	Respondents n=4,444
1	1,835,415 (57.9%)	9,844 (70.3%)	464,515 (72.3%)	3,075 (69.2%)
2-4	1,171,009 (36.9%)	3,947 (28.2%)	165,166 (25.7%)	1,325 (29.8%)
5-10	59,682 (1.9%)	133 (0.9%)	8,399 (1.3%)	38 (0.9%)
11 or more	32,471 (1.0%)	14 (0.1%)	1,958 (0.3%)	0

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