

WOMEN-OWNED BUSINESSES IN DOWNTOWN



Women-owned and -managed businesses have always been an important part of the small business landscape. From side businesses on farms to jointly managed small-scale retail operations and multinational corporations, women have played a prominent role in even the earliest aspects of the U.S. business ecosystem. Today, women entrepreneurs are one of the fastest-growing segments of business owners nationally, outpacing openings of businesses owned by men by 150 percent in the past two decades.

Although this trend toward expanded female entrepreneurship spans a broad spectrum of industry and business types, it is perhaps most strikingly evident in traditional historic districts and downtowns. In the 27 Wisconsin Main Street communities surveyed, women-owned businesses account for 39 percent of all businesses, and at least 26 percent of businesses within each individual industry sector. In addition to supporting a substantial portion of the local economy, these business owners are also incredibly civically engaged, with an estimated 60-plus percent of women business owners actively involved in local initiatives in their communities, be it by participating in downtown organizations, holding civic office or supporting other civic initiatives.

Women entrepreneurs are drawn to downtown districts for a variety of reasons, ranging from the availability of affordable space or the presence of a supportive local business environment to a preference for the character-rich storefronts found only in historic buildings. Regardless of the reason for locating downtown, it is clear that this choice ultimately benefits the entire community, contributing to a cohesive heart of the community and demonstrating the unique character of a place. Read on to meet some of the women entrepreneurs who have achieved success as downtown business owners throughout Wisconsin in a variety of industries.

TRENDS IN WOMEN-OWNED BUSINESSES

The growth in women's entrepreneurship is attributable to a number of factors, including the increasing percentage of women in the labor force overall (47.2 percent in 2016)¹ and the growing number of women with post-secondary degrees. Higher educational attainment is correlated with self-employment in women, with 36 percent of self-employed women possessing a bachelor's degree or higher versus 33 percent of all women.² For women under age 35, entrepreneurship has been both a more common vision and perhaps more attainable than for previous generations, with less than a 15 percent differential in women- and men-owned businesses started within this age group. This is a substantially smaller gender gap than is present for any other age group.³ However, none of these factors can fully explain the rapid increase in women-owned and equally owned/managed businesses over the past two decades.

The graphs at right illustrate the rise in women-owned and equally owned businesses over the past two decades for both the U.S. and the state of Wisconsin. Nationally, between 1997 and 2011, women-owned firms have increased by 50 percent, or nearly 1.5 times the rate of men-

1. The 2016 State of Women-Owned Businesses Report, American Express/Womenable, 2016

2. Measuring America: An Overview of Women-Owned Business and Related Statistics, US Census Bureau, December 2014

3. Women in Business Fact Sheet, National Women's Business Council, 2014



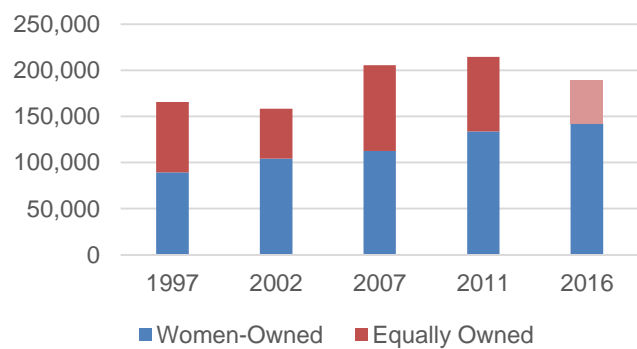
owned firms⁴. Today, 38.2 percent of all firms nationally are owned solely or jointly by women. In Wisconsin, where the percentage of small businesses as a share of all companies is lower than the national average, women-owned firms make up 26.7 percent of all businesses. The recently released Kauffman Foundation study ranked Wisconsin second in the nation for Main Street entrepreneurship, finding that the density of small businesses, the business ownership rate and the business survival rate are all high in the state.⁵ That favorable Main Street climate may also factor into why women in Wisconsin have found such success. In the 27 downtown districts studied as part of this report, women-owned firms account for 35.4 percent of all storefront businesses. In six communities, women own or manage more than half of all storefront businesses, and the figure is between 40 and 50 percent in another three communities.⁶

In addition to age-based trends in entrepreneurship, there are also geographic trends. In general, entrepreneurship, including women's entrepreneurship, is higher in rural communities than in urban areas. In

National Trends



Wisconsin Trends



Source: 2012 U.S. Census Survey of Business Ownership
*2016 Wisconsin Equally Owned extrapolated

K. Megan Wartjes

Chic & Unique
Burlington & Beloit, WI



What was your inspiration for starting your business? My vision is to provide designer fashions in all sizes, 0-3X, at a fraction of retail prices. With our second location we also added repurposed furnishings. We aim to keep as much out of the landfill as possible. Our mission statement is Recycle, repurpose, reuse. We also pay it forward by donating all unsold items to local charities.

What has been your most rewarding experience as a business owner? The mother of a teenager came to me in tears because she was so happy to be able to fully outfit her daughter for prom at our store for under \$100. As a single mother, she had been afraid to tell her daughter she couldn't go to prom. It was gratifying to be able to offer a product that made such a difference to this family.

How has your downtown location influenced your business? Both of my locations are in downtown. I am a firm believer in shopping locally and small businesses are often very involved in the community. I love the eclectic group of shops and hometown service, and appreciate that money generated downtown stays local.

4. The 2016 State of Women-Owned Businesses Report, American Express/Womenable, 2016

5. Kauffman Index: Main Street Entrepreneurship, Kauffman Foundation, 2016

6. Storefront Business Ownership Survey, Wisconsin Main Street, 2016

Wisconsin, the percentage of women-owned businesses per county varies from 16.56 percent of all firms to 23.56 percent of all firms, with the highest concentration of women-owned businesses in Jackson, Waushara, Bayfield, Sawyer, Price and Menominee Counties. At both the state and the national level, another 15 to 17 percent of small businesses are jointly owned, although the percentage of joint ownership has declined over time as the number of women-owned sole proprietorships has grown.⁷

PROFILE OF WOMEN-OWNED BUSINESSES

Although certain types of businesses are more commonly thought of as women-owned, in fact at the national level there are comparable or even higher shares of women-owned businesses across all sectors, with the exception of construction, finance and insurance. Additionally, certain industries are seeing a substantially higher share of women starting businesses, with 32 percent of new physician practices and 23 percent of new dentist offices launched by women.⁸

In Wisconsin, women-owned businesses both earn more and employ more people in several sectors including arts, recreation and mining activities, and are on par or nearly so in the information, professional, scientific and technical industries. The relative allocation of men-owned, women-owned and equally owned businesses in all industries is illustrated in the charts on the following page.

Jennifer Opachan

Bodytherapy by Jen
Ladysmith, WI



What has been your most rewarding experience as a business owner? I am blessed with a rewarding career. People from all walks of life come through my door. Some need to relax, some to rehabilitate, but most need pain relief. Many times they are in so much pain that they are frustrated, exhausted and depressed. Bringing them relief and giving them hope is the most rewarding aspect of my job.

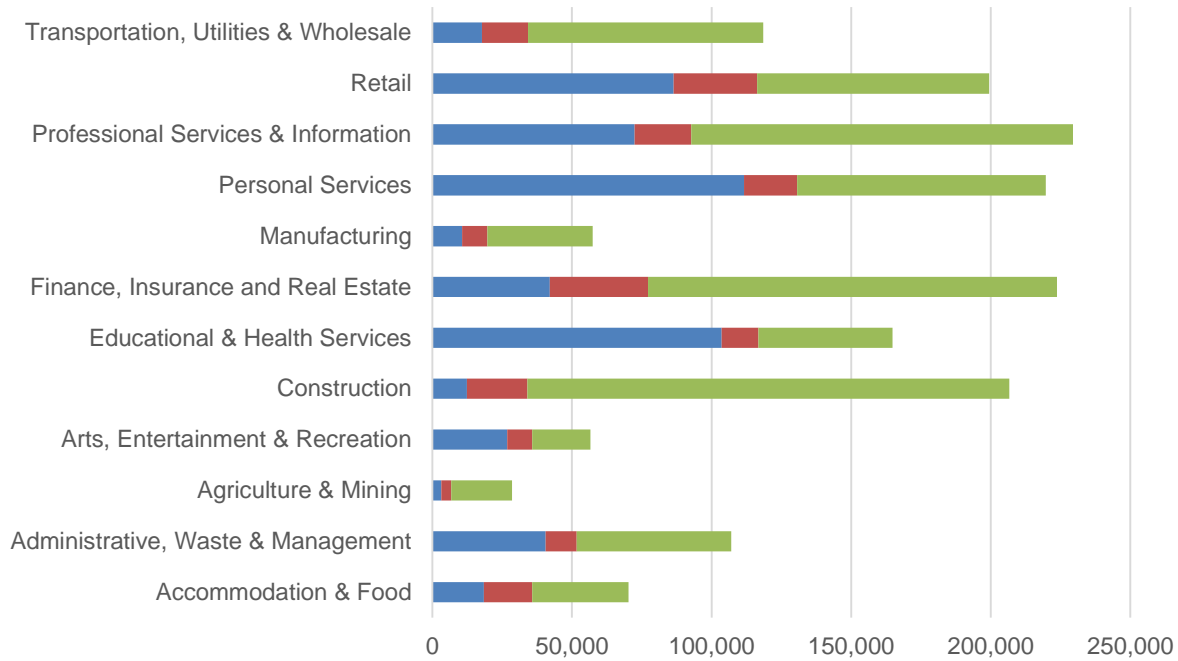
How has your downtown location influenced your business? My downtown location has been a key component in the success of my business. It was something I looked for. Having a professional setting was very important. I wanted to be downtown because of the traffic – people are always walking or driving by and peeking in.

What do you wish someone had told you when you were getting started? Dream big, you'll grow into it. I am constantly starting projects I never would have thought possible before owning by business. Once you realize it's okay to fail, it's not so scary taking a chance. I really don't think I would change anything – I have learned so much along the way.

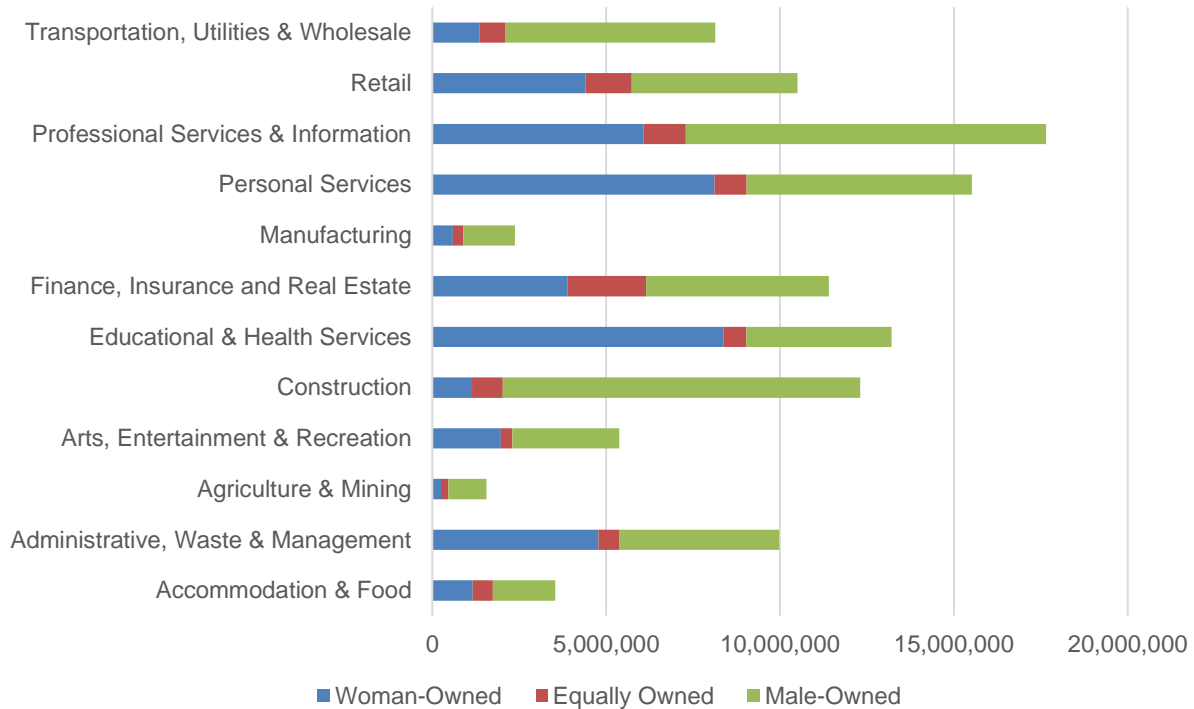
7. Women Business Leaders Across Wisconsin 1990-2011, University of Wisconsin-Madison/Extension, 2015.

8. Measuring America: An Overview of Women-Owned Business and Related Statistics, US Census Bureau, December 2014.

Wisconsin Businesses by Ownership Type, All Industries



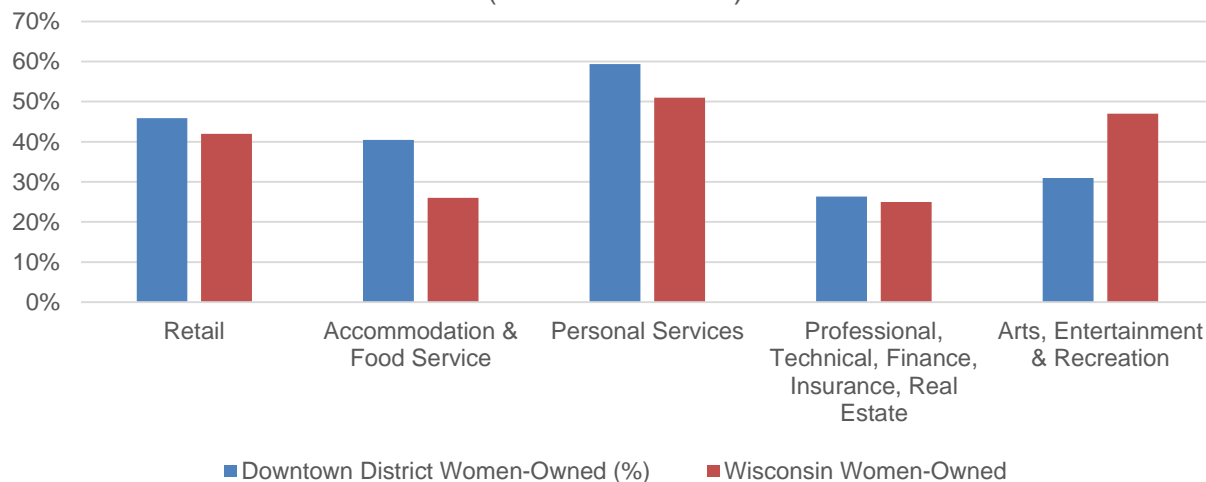
National Businesses by Ownership Type, All Industries



Source: 2012 U.S. Census Survey of Business Ownership

The industry mix within downtown districts obviously differs from the overall business mix within the larger economy due to the nature of the built environment in these areas. However, even accounting for the increased presence of industries which naturally lend themselves to women's ownership, the tendency for women-owned businesses to locate in downtown districts is incredibly pronounced. As illustrated in the chart below, there is a higher-than-average share of women-owned or -managed businesses in nearly all categories commonly located in these districts.

Percentage of Women-Owned Businesses by Sector
(Select Industries)



Source: Downtown Storefront Survey 2016, U.S. Census Survey of Business Ownership 2012

Dawn & Amy Bye

Bye the Willow

Chippewa Falls, WI



How long has your business been open? The business was opened in the fall of 2014 in the renovated second floor of a former warehouse building by the mother-daughter team of Dawn and Amy.

What was your inspiration for your business? The goal of the businesses was to offer a unique space for people to relax, slow down and enjoy each other's company. The space was designed for all ages and occasions.

With regard to your business, what are you most proud of? My proudest moment was when a dear friend, who is a widow, confessed that she had quit going out because she didn't feel comfortable most places. We have given people like her a home away from home.

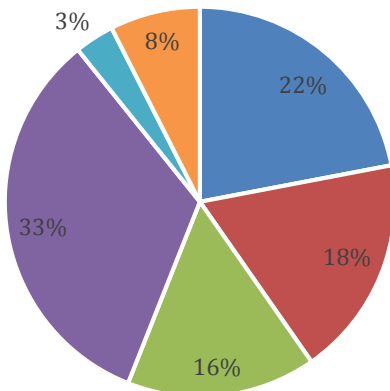
How do you define success? Success to us is seeing smiles on the faces of people who have spent time at Bye the Willow, knowing that they will be back and that we had something to do with that experience.

How does being a woman influence your approach to business? We believe hard work pays off regardless of gender!

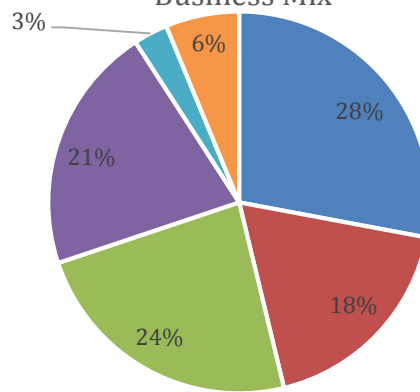
DOWNTOWN BUSINESS CLIMATE

Downtown environments provide a natural fit for this type of small business, offering the ideal business environment for small and emerging businesses, with a higher percentage of non-chain businesses than other types of districts. Nationally, historic commercial districts are populated with 19.2 percent women- or minority-owned businesses, and 90.9 percent non-chain, locally owned businesses.⁹ Within Wisconsin downtown districts these numbers are even higher, with 39 percent of all businesses being women-owned. Across Wisconsin, the share of women-owned or -managed storefront businesses across all categories is higher than the national average, as illustrated in the charts below.

Wisconsin Downtown Storefront Business Mix



Wisconsin Women-Owned Downtown Storefront Business Mix



- Retail
- Accommodations & Food
- Personal Service
- Professional Service
- Arts & Entertainment
- Civic & Nonprofit

Source: Downtown Storefront Survey 2016, US Census Survey of Business Ownership 2012

IMPACT OF WOMEN-OWNED BUSINESSES

The sheer number of these businesses, especially clustered in downtown and convenient to a shared customer base, clearly have a substantial impact on both the cultural and economic climate of a community. On average, Wisconsin Main Street districts comprise 14 percent of all retail sales and 22 percent of restaurant sales within the host community. These strong local sales dollars further benefit the local economy by being recycled multiple times in the community. Most women-owned businesses are locally owned, boosting longevity and promoting reinvestment of profits and revenues within the community. Several studies have shown that 50 to 75 percent of profits from local businesses (depending on the industry) are recycled within the community, compared to just 17 to 30 percent of chain operation profits.¹⁰

9. Older, Smaller, Better. National Trust for Historic Preservation, 2014

10. Indie Impact Series. *Civic Economics*, August 2012.

Deb Lash

The Wedding Tree
La Crosse, WI



How long has your business been open? 2017 marks the 21st year in business. In this time, the business has expanded from a single storefront into the entire four-story building.

What was your inspiration for your business? I started my career in the computer industry with the goal of being partner in my firm. When it was clear that would not happen, I decided to quit, choosing to spend my career pursuing my own goals. The only business for sale that I could afford was a bridal shop.

What has been your most rewarding experience as a business owner? Two things come to mind – fostering a nurturing, ethical and loyal culture resulting in long-term employees and loyal customers. The second is having visions and acting on them, such as turning the long-vacant top floor in to an event venue and purchasing and growing the la Crosse Bridal Expo.

How has being and entrepreneur affected your personal life and outlook? I have had many things go right in business, and many things not go right personally. Having success in business has helped me to keep my confidence boosted and taught me that I have the ability to impact many people in a positive way.

In addition to the sales and employment they generate, these businesses have a substantial impact on the culture of their districts and larger communities. Although not specifically studied, a pattern of local engagement emerged through the downtown storefront business survey. Of women-owned businesses, 60 percent were identified as actively involved in downtown development efforts at the local level, contributing at a higher level than male business owners. This tendency toward engagement and collective effort not only provides increased economic opportunity as a result of joint marketing and promotion efforts, but also creates a supportive environment for fostering additional businesses.

DOWNTOWN DRIVERS AND OPPORTUNITIES

Downtowns offer a number of inherent advantages for small businesses just starting out. These include:

- Smaller spaces and lower rents
- Opportunities for cost savings (live/work spaces, walkable commute)
- Presence of destinations driving increased foot traffic
- Built-in network and ecosystem of small businesses

Although downtowns in general have inherent advantages when it comes to facilitating small business growth, not all downtowns are created equal. Those that have formal or informal networks of business owners, and/or that provide mentorship or support services to new and existing businesses, may be more appealing to entrepreneurs, particularly women, and may be more successful in retaining and growing businesses. Many entrepreneurs have no prior experience with many aspects of running a business and find aspects of business ownership challenging, such as matters of human resources, legal licensing and municipal regulations. A 2015 study of entrepreneurs' experiences in Wisconsin downtowns found that nearly half of startup businesses experienced at least one setback due to lack of knowledge of the process or procedures associated with the startup process. For a new business, cost or timing overruns can mean the difference between success and failure in the first year. Some communities have established teams of local professionals to meet one-on-one with prospective businesses or facilitate group training sessions to help small businesses bridge these gaps in knowledge and increase the likelihood of success.

Nationally, women-owned businesses are primarily founded by their current owners, and most were started with \$5,000 or less in capital (59 percent of firms in 2007).¹¹ This trend is also more pronounced in smaller communities with fewer local lenders. In 2016, a study of new storefront tenants in communities of under

11. "Women-Owned Businesses in the 21st Century," U.S. Department of Commerce, October 2010

AJ Ashenbrenner & Theresa Kronforst

Schroeder's Department Store
Two Rivers, WI



How long has your business been open? Our store has been open since 1891. We took over as general managers in 2008 when the previous generation retired.

What was your inspiration for your business? Ever since I can remember I wanted to work with my dad. I started 'working' when I was ten years old at the Maxwell Street Day Sale. (AJ)

With regard to your business, what are you most proud of? I am most proud of how we transformed our business. We basically turned the business upside down and shook. I had a dream of restoring the department store concept, but didn't want to manage inventory and buying. I identified segments missing in the community and built relationships with other women in business to lease space and meet these needs. (AJ) I am most proud of the ability to change when necessary while keeping the values of our forefathers in sight. (Theresa)

How has your downtown location influenced your business? Being downtown in one of the largest buildings in the city is a blessing and a curse. It's a curse because we are seen as an anchor in the community, which comes with a lot of pressure to succeed on many fronts. That being said, the blessing is that we are in the heart of our community. We are in the center of activity and have become a draw for tourists that may have simply driven through. (Theresa)

5,000 found that 75 percent of these firms did not utilize any type of private financing for the project. Although 38 percent were able to utilize some type of public grant or loan funding, a majority were limited to personal and/or business income or personal equity to finance the project.¹²

However, it is also easy for communities to address these shortcomings. In the 2015 survey, all of the new businesses surveyed that received assistance from a small business service provider (whether through a chamber, city, nonprofit or business advocacy organization) had a more favorable impression of the startup process and of the host community itself, compared to those that dealt only with specific individuals for each task.

Stephanie Kneuppel

Stateline Mental Health Services
Beloit, WI



How long has your business been open?

We opened in November 2014 in leased space, before purchasing our current building. We moved in to our new location in November of 2016.

With regard to your business, what are you most proud of? I am most proud of the wonderful response we've gotten from the community. We have grown exponentially in the past two years, due in large part to amazing community support.

How has your downtown location influenced your business?

We LOVE being downtown. We love the atmosphere, all the small businesses, and being surrounded by other wonderful business owners. Our location is easy for people to find and it helps advertise our wonderful community when clients can see all there is to offer.

How has being an entrepreneur affected your personal life and outlook?

This endeavor has certainly helped strengthen my faith. God has been with us every step of the way. With his grace, I am never worried or concerned if we are going to be ok as a business. I know He has this!

Nancy Boebel

Cream City Marketing &
Wallflower Market
Lake Mills, WI



How long has your business been open? I started Cream City Marketing 17 years ago. The first four years it was home based before opening downtown 9 years ago. Last year I opened the Wallflower Market retail shop with my daughter Erin in a downtown storefront.

With regard to your business, what are you most proud of? It's truly a team effort to succeed in business – over the years we've had great employees with skills to offer who work together to succeed. I love that we have an opportunity to be so involved with the community through our business.

What positive attributes do you think being a woman brings to business ownership? Women are good at bringing their personal touch into business and their nurturing nature helps businesses to grow. Women have a 'can do' attitude and are willing to put in the extra work it takes for a small business to succeed.

How does being an entrepreneur affect your personal life and outlook? Because of all the time and energy that goes into operating a business, it is truly at the core of who you are. For me, the fact that CCM is in its 17th year has brought me confidence in my abilities, proven that hard work has rewards, and enabled me to develop strong personal and professional relationships with employees and clients.

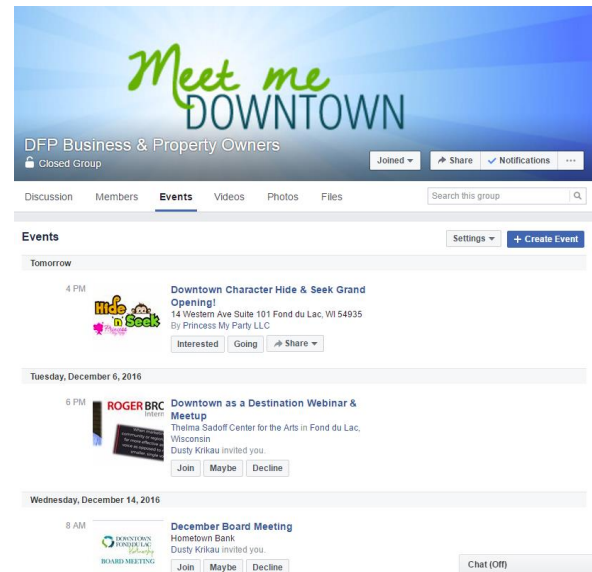
12. "Creative Uses for Downtown Buildings in Small Towns," UW Extension, 2016

STRATEGIES FOR SUPPORTING WOMEN ENTREPRENEURS

With ample evidence to show that women entrepreneurs are a large and growing segment of the downtown business community, communities and downtown organizations that provide meaningful support and assistance to these businesses will benefit from a resilient, engaged and growing small business environment. Strategies for accomplishing this goal range from very basic and informal support networks to more formal and structured entrepreneurship programs, and can be scaled to work in a variety of sizes and contexts. Some examples of the types of programs currently employed successfully elsewhere are provided in the following section.

Networking and Support

At the most basic level, the ability to create a networking and support structure allows new and existing businesses to plug in either regularly or periodically in order to brainstorm ideas, capitalize on shared knowledge to address challenges, collaborate on joint marketing efforts or otherwise share knowledge to ensure that business owners are able to benefit from the skills and experiences of other businesses and maximize the opportunities associated with shared marketing or other initiatives to save time and money. The Downtown Fond du Lac Partnership has established both a monthly Marketing Meetup group where participants brainstorm specific marketing solutions to address individual or shared challenges. Additionally, the organization hosts a private Facebook page for businesses and property owners to facilitate discussion and share information about educational opportunities and upcoming events or initiatives.



Mentoring

For new businesses, creating a formal mentorship program can provide a sustained support system to proactively reach out and address challenges as they arise. This type of mentorship program not only helps increase the financial viability and staying power of new businesses; it also supports business-to-business sales, retaining professional service spending within the community. Programs might match an existing (or retired) business owner with a new business that relates to, but does not compete with, the mentor's, or they might create a pool of professional service providers that can provide free or low-cost assistance to new businesses. Some communities have formalized a mentor pool from within their communities, while others utilize the Service Corps of Retired Executives (SCORE) offices to identify relevant mentors. Similarly, the business mentorship team can be made up of professional service providers that offer a free consultation with new businesses, with the understanding that additional services can be purchased at a reduced rate during the first year of business, for example.

Startup Assistance

Startup assistance can take the form of either technical or financial benefits made available to new businesses. This assistance tends to be more formal in nature than the previously mentioned support strategies, and usually requires some level of investment and/or in-kind contributions. A more formal approach to mentorship is the creation of an entrepreneurial bootcamp or other startup program to provide relevant knowledge and/or the necessary capital assistance to facilitate the improvements needed to update or improve vacant storefronts. The images at right are from the Ripon Entrepreneurial Boot Camp series, which is a 10-class session for current and prospective local entrepreneurs taught as a partnership between Ripon Main Street and Ripon College. At the culmination of the class, the student judged to have the best business plan will win a package of prizes designed to help the student implement his or her vision, including financial and technical support from a variety of local partners.

Ripon College added 20 new photos to the album: Final "boot camp" for Entrepreneurs — with Jill Cline. April 12 · 🌐

Photo Credit: Khun Maung



In order to accommodate the fact that many small businesses have (extremely) limited startup budgets, some communities opt to coordinate shared space or temporary space (pop-up) options that provide a low-cost and low-risk opportunity to test out the market. These programs focus on creating affordable space opportunities during peak traffic periods (typically winter holiday or summer tourist seasons). In some cases, multiple businesses share a larger storefront space, creating a local products marketplace, while others match each applicant business with suitable vacant space. Having a limited-time shop reduces cost and risk for businesses in terms of inventory and overhead, and also maximizes marketing and foot traffic during the pop-up period, increasing profitability. Although retail and service offerings are easiest to coordinate in this manner, pop-up restaurants can also be an option if a licensed kitchen space is available (either recently vacated space or a limited-hours restaurant). The images at right illustrate the Marshfield holiday Pop-up Program space and the Fond du Lac Crepe Café, a weekend-long pop-up restaurant concept. For communities with a targeted business recruitment list, a pop-up program can be dedicated to a certain product type, demonstrating to potential entrepreneurs that there is a market for their products in the community and/or testing various concepts to find the best fit.

