

Access to business capital often a barrier for women

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Alicia Wilson

According to a report by the National Women’s Business Council, access to capital remains one of the greatest barriers for women to launch, scale and grow their businesses. Research has shown that men tend to start their own businesses with nearly twice as much financial capital than women — \$135,000 versus \$75,000 — the report notes.

Alicia Wilson, senior vice president of Impact Investments and senior legal counsel to the Port Covington development team, thinks that women-owned businesses can gain access to capital beyond loans and external funds. The key, she said, is to access funding through more contracts and customers.

“We always think of capital as just a loan product. Your access to capital is also access to contracts and customers. For women, we have to be strategic about removing those barriers that prevent them from getting contracts, and gaining access to customers,” she said.

Wilson will explore the topic of gaining access to capital at The Daily Record’s third annual [Women’s Leadership Summit](#) at Coppin State University on March 20. She will moderate a panel including Natasha Wainwright, Natasha’s Just Brittle; Audrey Johnson, Kaiser Permanente’s Mid-Atlantic regional senior program manager for strategy and supplier diversity; Takia Ross, Accessmatized Make-Up Artistry; and Debra Williamson, Campus Canopies.

Wilson points out that business owners typically must have significant collateral to get loans. Women, she said, tend not to have that collateral. According to the Institute for Women’s Policy Research, men are more likely to receive start-up funding from venture

capitalists, angel investors and financial institutions, while women are more likely to use their own credit, take out home equity loans in their own names, or rely on family and friends.

The Institute also notes that women entrepreneurs are less likely than men to receive the full amount they requested.

Reports have also shown that women are generally evaluated for promotions based on their past track record and performance. Men are typically promoted based on their potential. In combination with the fact that female investors prefer to work with male business owners, the odds are stacked against most women business owners.

That's why Wilson sees her role as breaking down barriers for women-owned businesses. She oversees how the Port Covington development can give more access to minority and women-owned businesses.

"There are literally millions of dollars of services and products that are purchased by the development team that allow for the development to come to fruition. It's my job to ensure we are giving women-owned and minority-owned businesses access to entry into the market," Wilson said.

Doing so also opens up opportunities for women-owned businesses to win contracts and gain customers. Wilson argues that the likelihood of gaining capital is higher when a business can demonstrate a customer base.

"It's a much more equitable way for women to be infused with capital. If the test is — do you have customers to necessitate you needing a loan to grow, and you could demonstrate that — it's a guarantee that your loan is worthwhile," she said.

Wilson is also looking to develop a women- and minority-owned investment fund to give women businesses a boost.

"If we, as women, want to disrupt or remedy past inequities, it's important for us to become bold and courageous in supporting women businesses," she said.