



2021 Client Outcomes Research Project Report

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OVERVIEW

WEV conducted its annual Client Outcomes research project in the summer of 2021, a project which it has undertaken nearly every year since 2001.

For the purposes of the study, WEV surveyed clients who received significant* services during 2019 about their experiences in 2020.

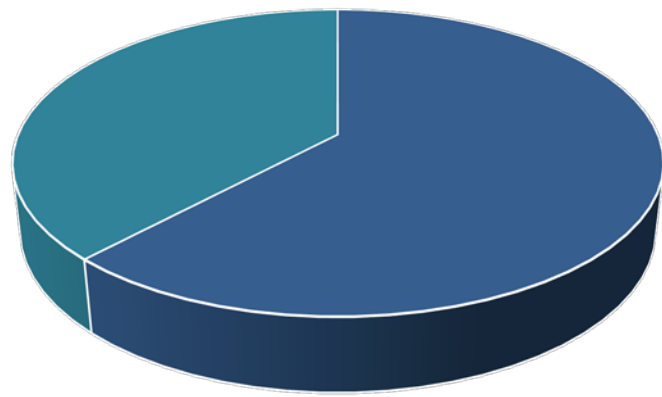
Survey data were collected via telephone interviews, which were conducted by two part-time research interns. Data were obtained from 141 of 208 possible clients, equating to a 68% response rate which is considered statistically robust.

Survey data were reviewed, cleaned and analyzed by WEV's Director of Impact who has 15 years of experience in conducting outcomes research.

**Completing a business plan training program, receiving seven or more hours of advisory services, receiving a business recovery grant, and/or having an active loan.*

SURVEY PARTICIPANT DEMOGRAPHICS

Statistically robust and representative of WEV general client demographics.

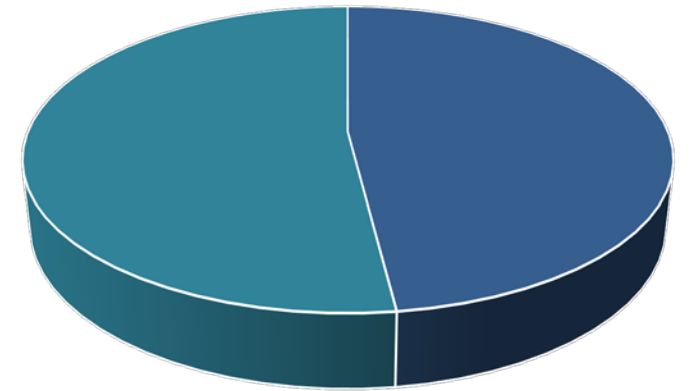


■ White ■ Minority

83% Female

92% English-speaking (primary language)

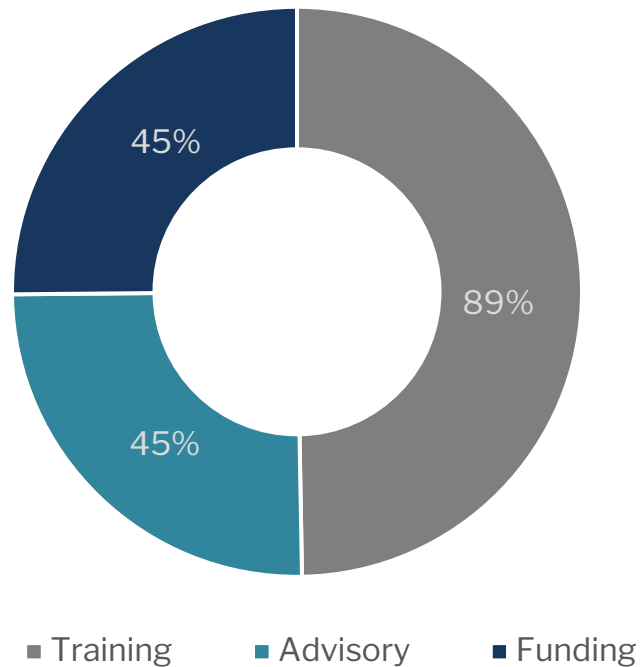
8% Spanish-speaking (primary language)



■ Santa Barbara ■ Ventura

WEV PROGRAM PARTICIPATION

Participation by Program Area*



The majority of survey participants participated in WEV's multi-week business plan training program, and most participated in two or more program areas in 2019.

Many received funding (either a business loan or grant) in conjunction with other services.

Over a third of those surveyed were new to WEV in 2019.

**some overlap between programs so, percentages will not equal 100%*

BUSINESS STATUS AND ACTIVITY

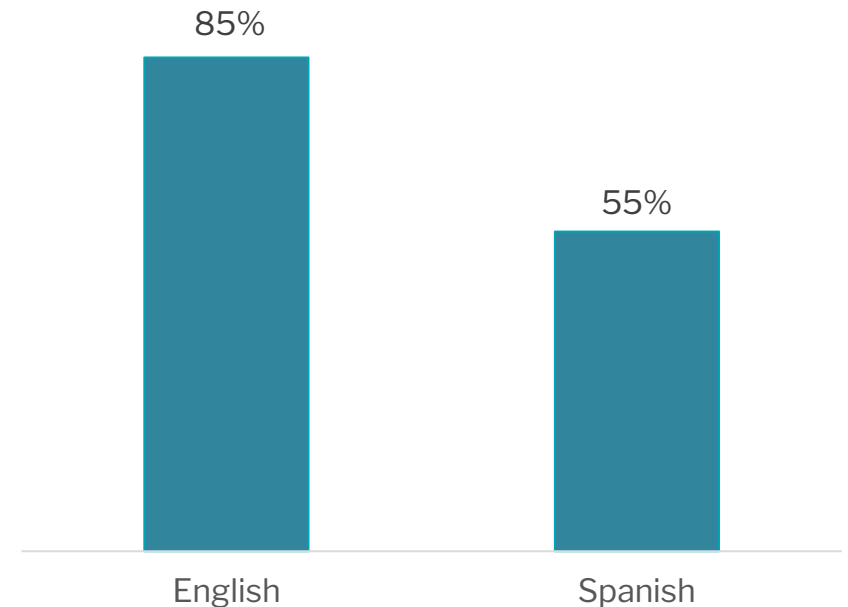
Overall, 80% of survey respondents were in business in 2020, but there was a significant difference in business status between English and Spanish-speaking clients.

Of all respondents in business, 57% were operating full-time (compared to 66% in 2020)

Of all respondents who were not in business in 2020, 85% said they expected to start a business within a year.

WEV's business **start rate** increased slightly from 62% in 2019 to 63% in 2020, but the business **survival rate** declined from 96% to 88%.

Clients In Business in 2020



Respondents listed the *COVID-19 pandemic* as the primary reason for closing or not starting a business



“WEV helps business owners by facilitating space, connections, and guidance to further develop their business. WEV also gives you the opportunity to be empowered by a community of other mighty women business owners! I have learned a lot from my peers.”

-Ana Guerrero, FirstGen Resilience

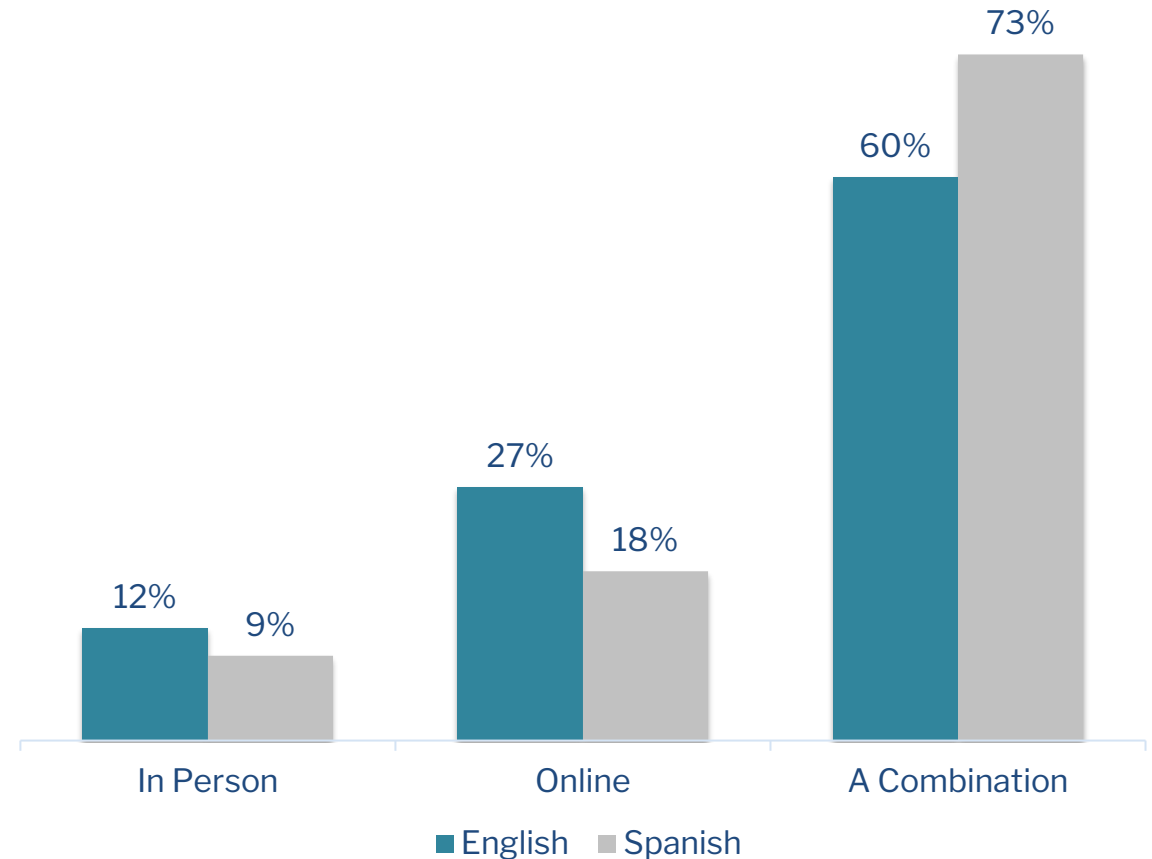
CLIENT EXPERIENCE

Nearly 90% of clients said that the services they received from WEV matched their needs. This indicates that WEV has been successful in our goal to more effectively screen clients and enroll them in the appropriate program(s).

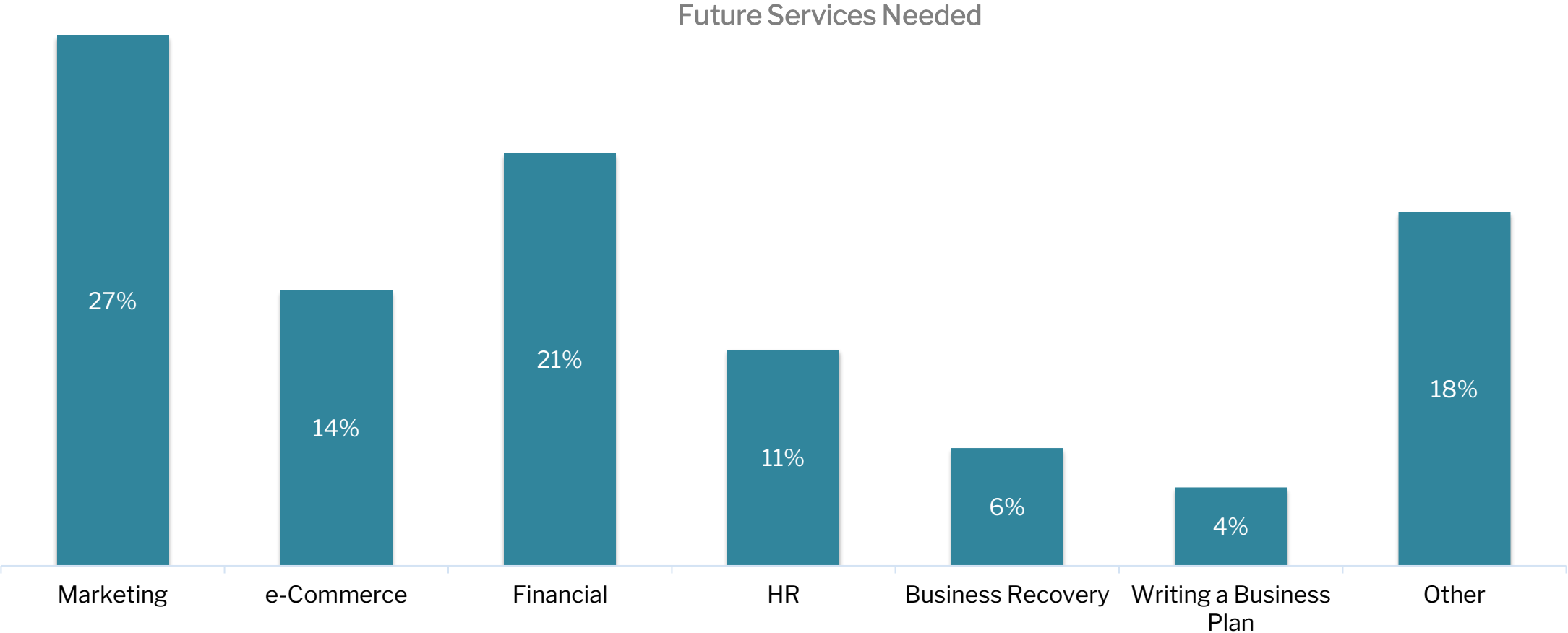
Clients overwhelmingly desire hybrid learning programs to solely in-person or online offerings, and a larger majority of Spanish-speaking respondents prefer the combined approach.

Fewer Spanish speakers prefer the online-only option, possibly due to technology literacy and access challenges.

Learning Preference



Overall, 78% of respondents identified one or more future service needs, with marketing and financial support at the top of the list. Recurring topics identified in the “other” category included HR, strategic planning, and business expansion/growth. A greater percentage (36%) of Spanish-speaking clients indicated a need for e-Commerce support compared to English speakers.





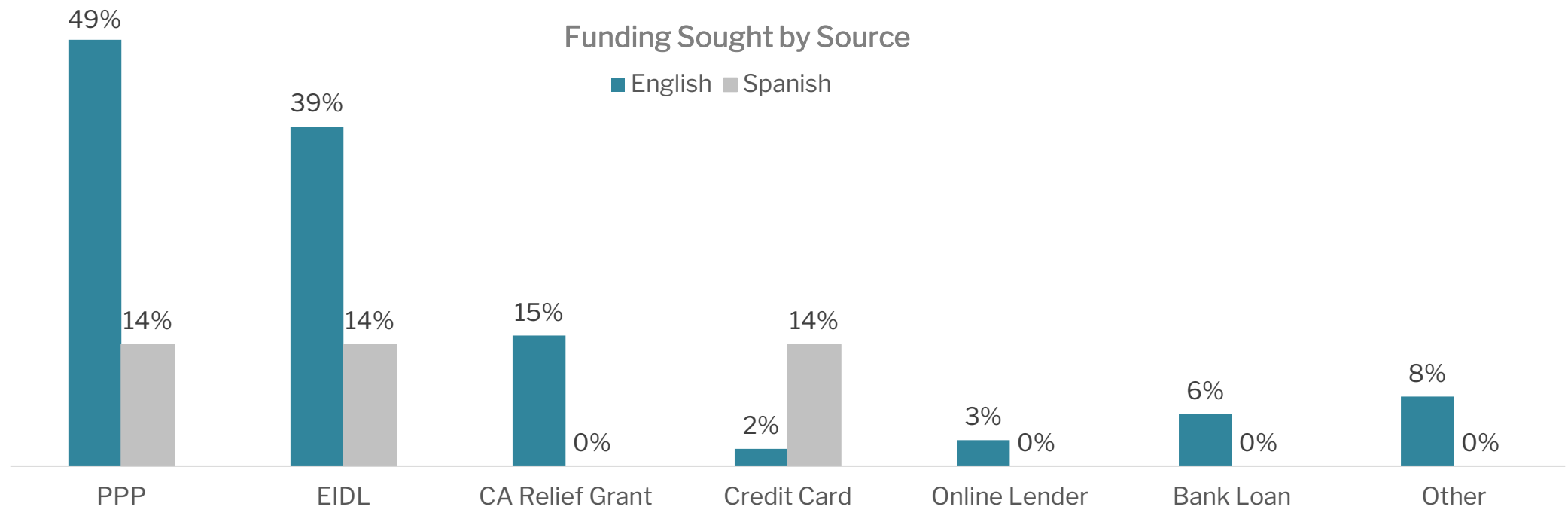
"I've always had the spirit of an entrepreneur, but not the technical knowledge to support my business's growth. WEV has provided me with the tools I needed to take a fun idea I'm passionate about and make it a viable business. WEV is like a business degree but condensed into a few weeks and specifically created for entrepreneurs."

-Catalina Estevez, Cat Therapy

ACCESS TO CAPITAL

Of the 97% of respondents that sought some form of business capital **from sources other than WEV** in 2020, 61% were successful with nearly \$4 million in total funding received. However, less than half said they would accept a loan with reasonable terms to start or grow their business, with aversion to debt and no perceived need for capital as the primary reasons cited.

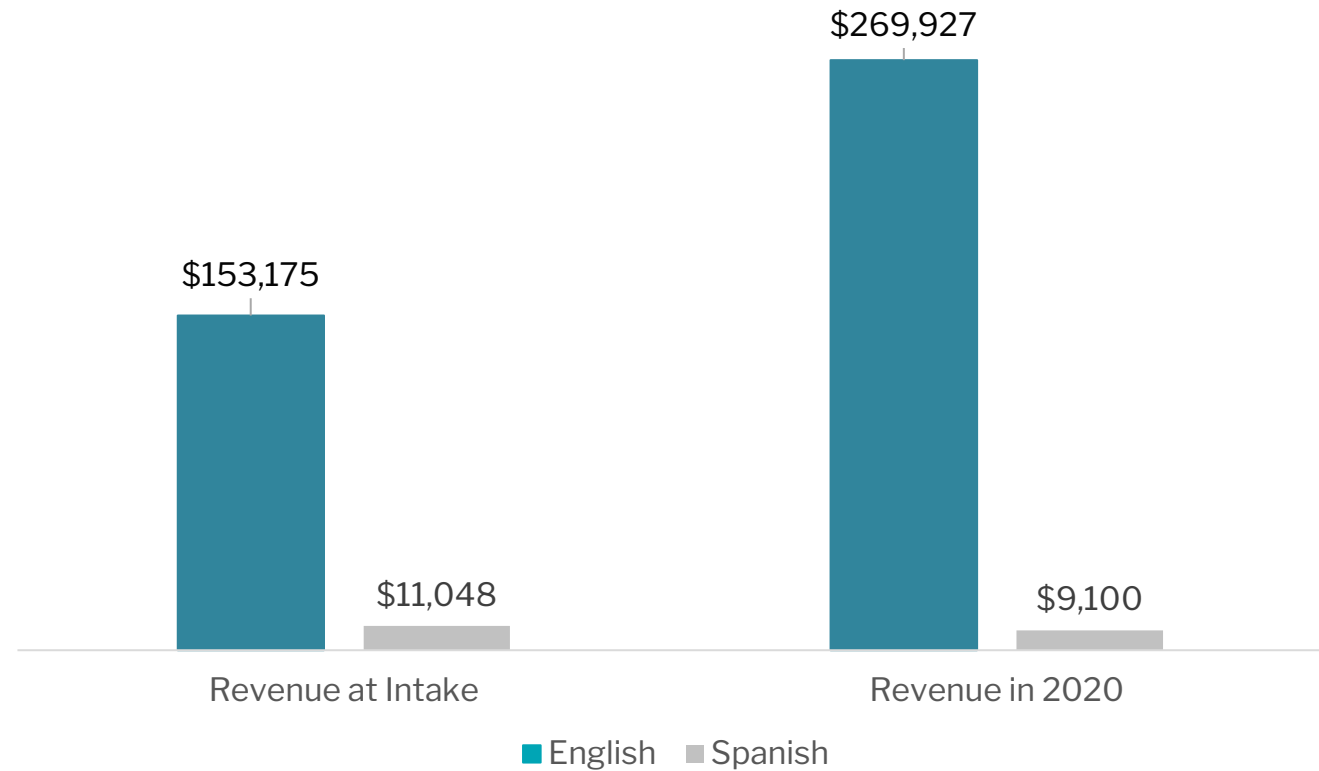
It is important to note that only 45% of Spanish-speaking respondents sought capital from any source besides WEV in 2020 and none were successful in securing capital.



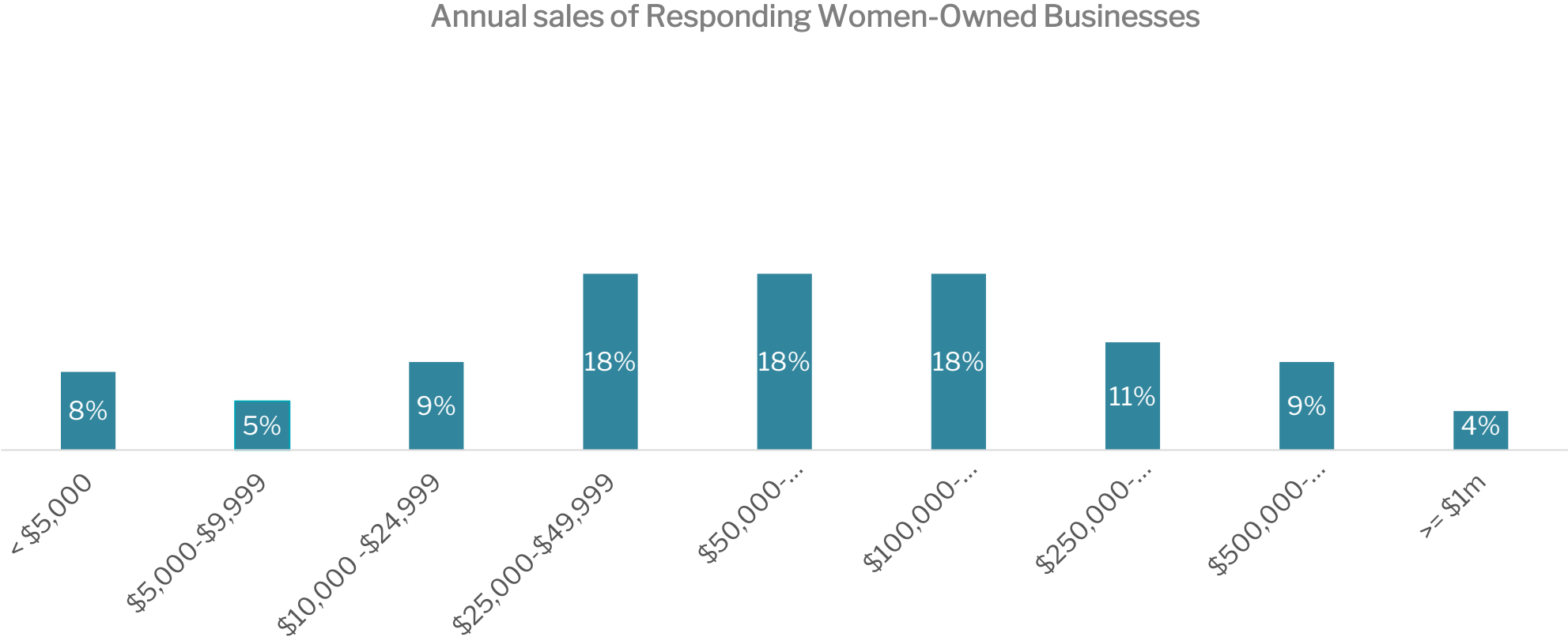
BUSINESS OUTCOMES

83% of all responding business owners increased their annual revenue in 2020, with an average increase of 75% in gross sales.

However, average sales for Spanish-speaking business owners were significantly lower overall and dropped by 18% between intake and 2020.



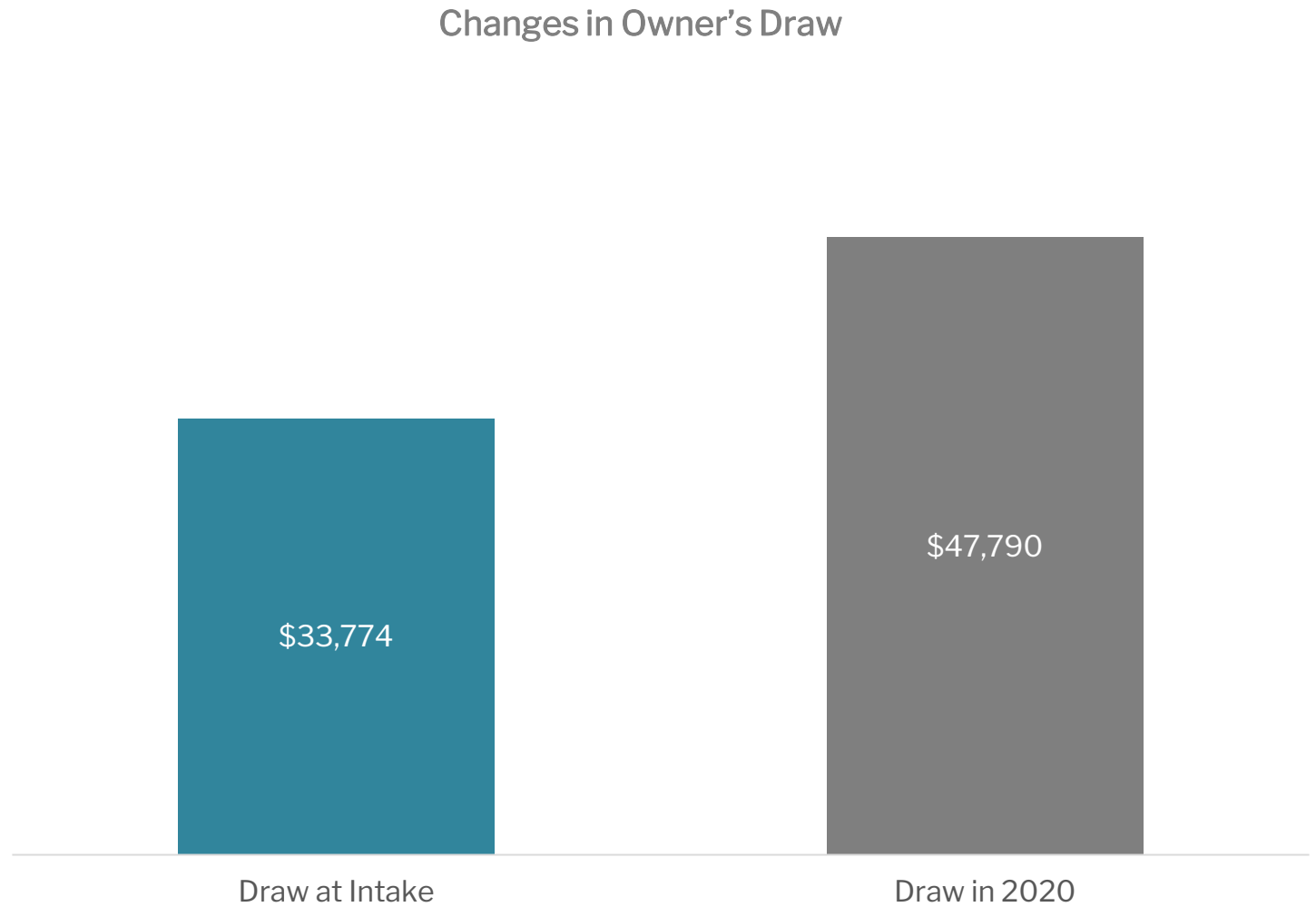
Most of responding women-owned businesses (WOBs) generated between \$25,000-\$250,000 in annual sales in 2020 with median sales of \$80,000. The number of businesses with sales of \$1 million or more rose from 1% in 2019 to 4% in 2020. For comparison, only 2% of WOBs generate more than \$1m in annual sales according to the US Census Bureau.



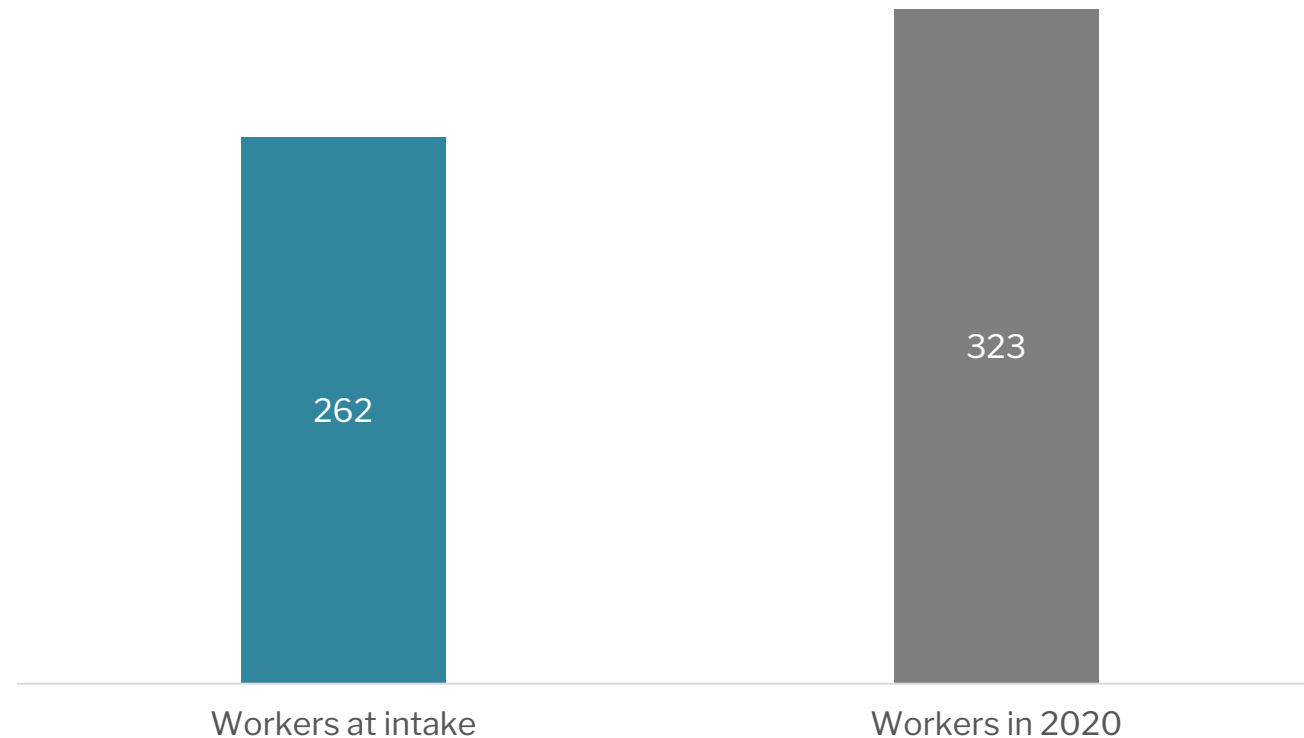
Overall, 55% of responding business owners reported profitability in 2020 and 77% took an owner's draw.

Nearly 80% increased their owner's draw in 2020 and 44% reported their draw as the primary source of their household income.

However, none of the Spanish-speaking respondents reported taking an owner's draw from their business in 2020.



Changes in Employment



Overall, businesses with employees increased from 38% to 43% in 2020, and workers per business including the owner doubled from 2 to 4.

Nearly half of responding businesses had created one or more jobs between intake and survey.

However, only 14% of Spanish-speaking business owners reported having employees, compared to 44% of English-speaking business owners.

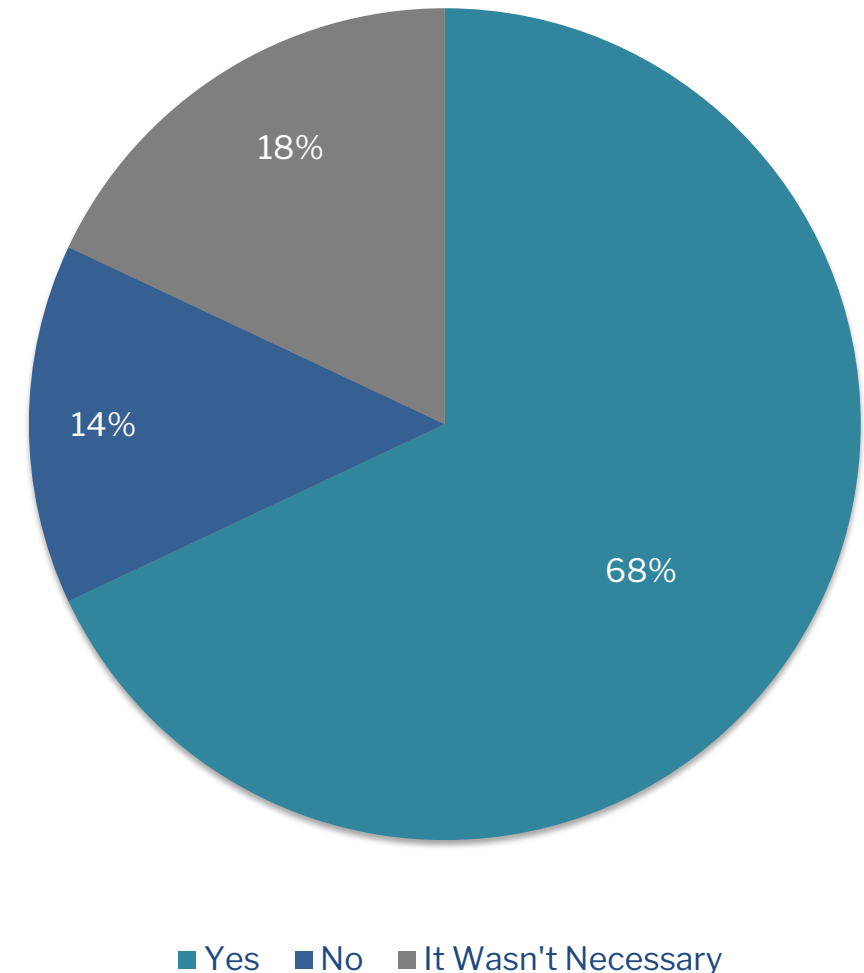
IMPACTS OF COVID-19

Despite the pandemic, most responding business owners believed they were able to successfully adapt. Business performance metrics support this perception.

However, a larger percentage (25%) of Spanish-speaking respondents reported not being able to adapt.

On a personal note, clients reported friends and family and exercise as the two primary strategies used to deal with the stresses created by the pandemic.

Able to Successfully Adapt to the Pandemic?





"We want to thank Women's Economic Ventures for the great help they gave us in receiving a loan. We were in a very difficult situation, as we were affected, like everyone else, by the COVID- 19 pandemic. Our personal and business payments were stopped because of COVID- 19. Thanks to WEV, we were able to make those payments. We are very grateful for the opportunity that was given to us and that is being given to businesses like us."

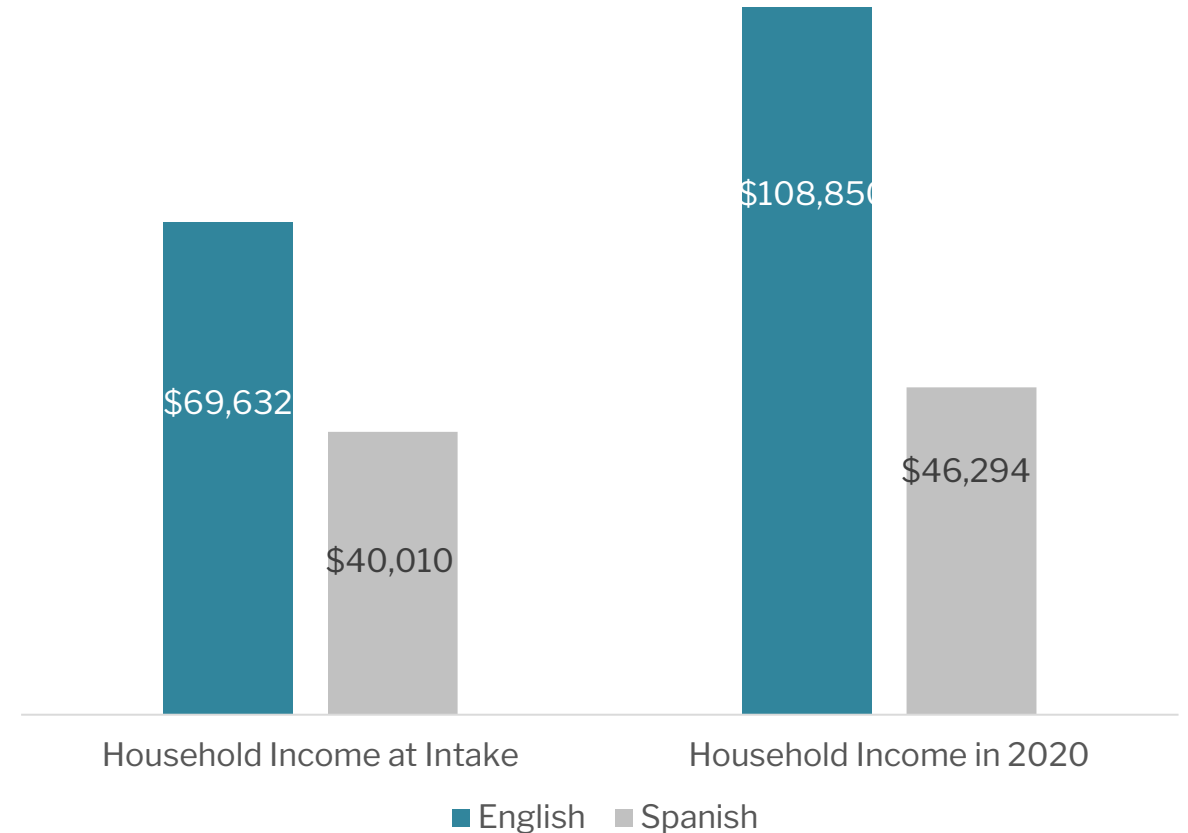
--Fernando and Maria Navarro, Fernando's Churros

FINANCIAL HEALTH

Over two thirds of all respondents reported an increase in household income with an average increase of 53%.

For the first time since WEV began conducting the outcomes survey nearly 20 years ago, clients' average annual household income exceeded \$100,000.

While annual household income increased for Spanish-speaking respondents as well, gains were significantly lower than those of English-speaking clients.

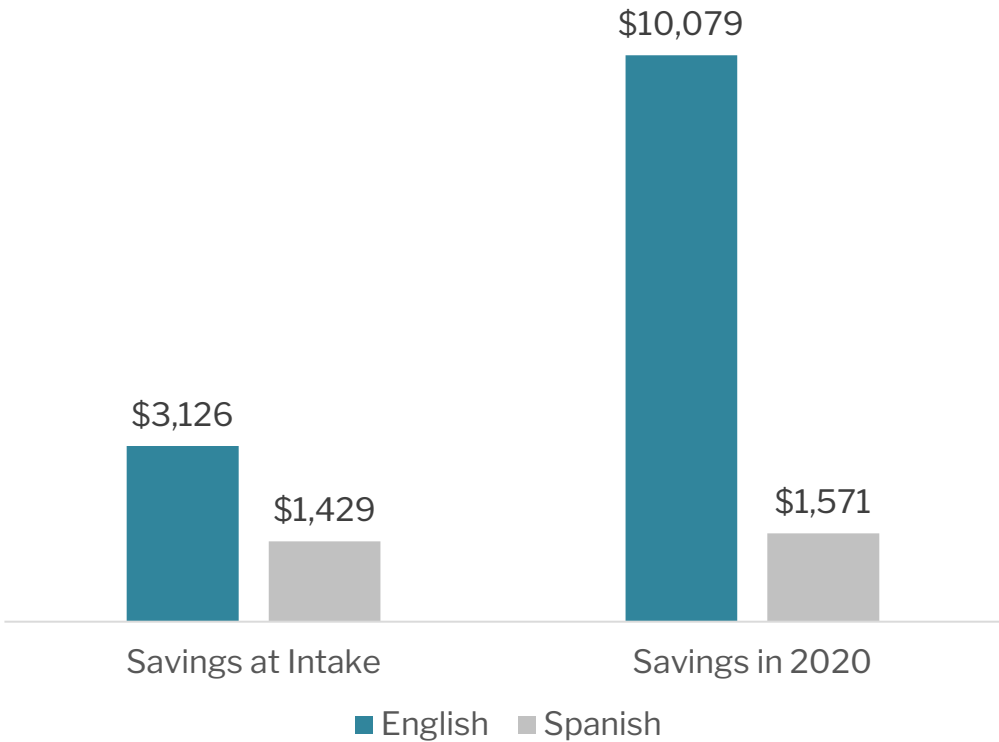


46% of clients were able to put money into savings (not including retirement) in 2020 and the average annual savings of clients more than doubled between intake and survey.

However, savings amounts for Spanish-speaking clients were significantly lower than those of English-speaking clients.

49% of clients reported taking steps to improve their financial health in 2020 such as creating a personal budget and paying off loans or credit cards.

100% of clients who were in poverty* at intake had moved out of poverty in 2020, and unemployment** among clients had dropped from 11% at intake to 9% in 2020.



*annual household income below the federal poverty threshold (\$26,200 for a household of 4 in 2020).

**clients who are neither self-employed or employed by someone else



“The constant pivot of the pandemic re-sparked my creativity, motivation, and dedication to my business. Although our brick-and-mortar studio has been closed for over a year, we’ve offered classes every single day of the pandemic. Virtual and outdoor yoga will forever be part of our business model. I’m grateful for WEV’s support and its timely webinars that helped me apply for the EIDL advance and the PPP loan. Without receiving the advance and loan, my business may not have survived”.

-Jill Agonias, Divinitree Yoga

CONCLUSION

Despite an extraordinarily challenging year, most WEV-assisted businesses performed better in 2020 compared to 2019 – continuing to be resilient and flexible in the face of economic uncertainty. Personal financial health and literacy also improved, confirming that WEV's added emphasis on financial literacy programming is a critical offering we must continue.

WEV's Spanish-speaking clients consistently reported lower outcomes than our English speakers, highlighting a continued need for targeted services for this segment of our overall client base. e-Commerce support and funding are particularly important needs for this group.

Most clients are still debt-averse and WEV must continue to explore ways of removing barriers for them to access the capital they need to grow their businesses. Clients also need ongoing support with finances and marketing.

In general, WEV's programs are effectively meeting clients' needs and helping to start and expand small businesses in our region. However, while we celebrate their success, we must recognize and diligently work to address the gaps and needs that still exist – particularly for limited-English entrepreneurs.