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MILWAUK

Business thrives for black women

Wisconsin ranks third for survival and growth

By TANNETTE JOHNSON-ELIE
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If you're an African-American woman entrepreneur, Wisconsin is a good place to start a business; in fact, the third best in the nation.

Wisconsin ranks among the top states in survival and employment growth of firms owned by African-American women in a national study released last week. For three years — 1997 to 2000 — researchers tracked the status of women-owned businesses.

When the study started, there were 2,216 black women-owned firms in Wisconsin.

"It's just being persistent and working hard," said Carolyn Walker, who owns Great Impressions, a seven-year-old business located at 5330 W. Burleigh St. "It's putting the customer first and enjoying what I do."

She started her printing firm in the basement of her home in 1998 after learning binding, press and plate work while working for a local quick-print company. She built her business mainly by going door to door to solicit sales. With assistance from family and friends, her company steadily grew.

Last December, she moved into the new Burleigh Enterprise Center after receiving technical and financial assistance from the Wisconsin Women's Business Initiative Corp. Today, her



TOM LYNN

Carolyn Walker, owner of Great Impressions, a layout, design and print company, says persistence and hard work have made her business successful.



Please see **WOMEN, 2D**

Businesses owned by black women fare well in Wisconsin, study says

WOMEN, From 1D

firm employs four full-time workers and a part-time driver, all women.

More than three-quarters (78%) of businesses owned by African-American women in Wisconsin that were in existence in 1997 were still in operation three years later, compared with a 68% survival rate for businesses owned by black women nationally, and a 75% rate for all women-owned employer establishments, according to the newly released study.

(An employer establishment is defined as a company that has paid employees other than the owner.)

The study of 923,000 woman-owned businesses was conducted by the National Women's Business Council in conjunction with the U.S. Census Bureau and is one of the few that examines the survival rates for firms owned by African-American women.

"Certainly, Wisconsin is well above average for African-American women," said Julie Weeks, executive director of the National Women's Business Council, a federal council based in Washington, D.C.

For employment growth for African-American women, Wisconsin was beat out only by Nebraska and Minnesota, which was No. 1.

"Women of color are doing just as well or better than women of color nationally. Certainly in Wisconsin, something is going right," Weeks said.

Wendy K. Baumann, president of the Wisconsin Women's Business Initiative Corp., of Milwaukee, says black wom-

BRIEFLY

■ 78% of businesses owned by African-American women in Wisconsin that were in existence in 1997 were **still in operation** three years later.

■ That compares with a **68% survival** rate for businesses owned by black women **nationally**, and a **75% rate** for all women-owned employer establishments, according to findings from a newly released study conducted by the **National Women's Business Council** in conjunction with the U.S. Census Bureau.

■ That compares to a survival rate of **75%** for white women-owned firms in Wisconsin, **72%** for Native-American women-owned firms, and **67%** for firms owned by Hispanic women.

en have become more savvy about tapping into programs and services that assist small, minority- and women-owned businesses.

Others found the results hard to believe.

"With Milwaukee being one of the most segregated cities in the country, the statistics are startling," says Kathy Gailard, who is African-American and one of three principals of Mosaic Communications, a newly-launched Milwaukee public relations agency. "I don't feel that the state has been progressive in catering to minority women."

Regardless of race, Wisconsin ranked in the middle when it came to the survival of minority women-owned businesses overall.

Hispanic women in Wisconsin fared the worst, with a

business survival rate of 67%, which is below all other ethnic groups in the state, the study shows.

Maria Monreal-Cameron, president and chief executive officer of the Hispanic Chamber of Commerce of Wisconsin, said the major issue for Hispanic women in business is the cultural focus on family and their reluctance to seek bank financing when they need capital.

"They tend to be conservative. They don't like to see large debt looming," she says. "They're very cautious. Because of cultural nuances, they tend to prioritize their family obligations over business."

In terms of employment growth, black women-owned businesses saw a robust 34.9% increase between 1997 and 2000, followed by Asian-American women-owned businesses, with an increase of 22.1%.

Three African-American sisters in Milwaukee have kept their business alive after seven years of financial hardship. They started in 1997, when the survey launched and moved into a bigger facility last year.

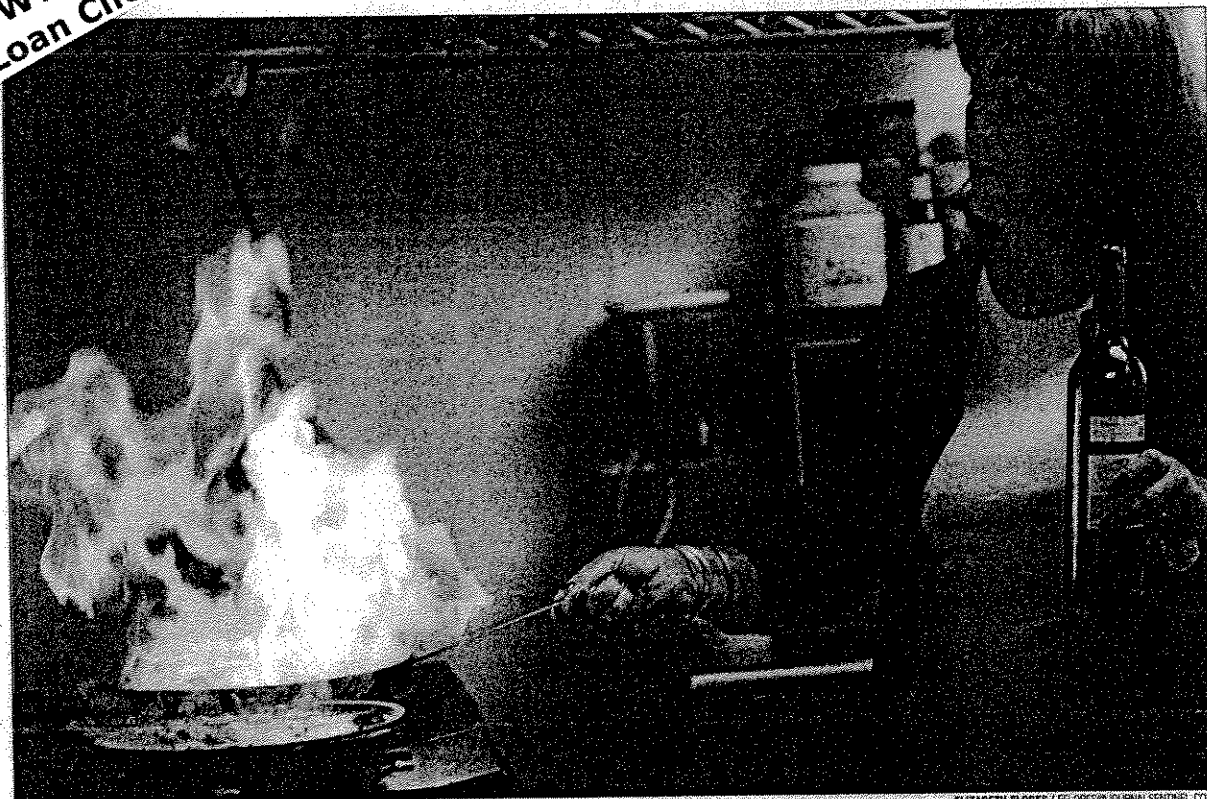
They own and operate SB Fitness Complex at 8940 N. 85th St., the only such black-owned business in the city. The expansion was financed with a \$300,000 loan from Legacy Bank, backed by the U.S. Small Business Administration. SB Fitness has four full-time employees.

"You have to do whatever you have to to make your business successful," said Joyce Davis, who operates the business with her sisters, Elnora Wilson and Barbara Carter-O'Neal. "Sometimes we work 15-16 hour days."



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VENTURES



ELIZABETH FLORES / E.FLORES@JOURNALSENTINEL.COM

Elena Salas fires up some paella at Don Quijote, her south side restaurant. A loan from the Wisconsin Women's Business Initiative Corp. helped her reopen the restaurant.

Small loans and big returns

State group spreading word on micro lending for women, minorities



By PAUL GORES
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Linda Stelplug had the skills to be a quilt-maker, but not the \$10,000 needed to buy a crucial piece of equipment — the long-arm sewing machine that neatly stitches the three layers of a quilt together.

While paging through a book about financial help for female entrepreneurs, the West Allis woman read about the Wisconsin Women's Business Initiative Corp. (WWBIC). The corporation not only provides small loans to get businesses up and running, but also offers training so that borrowers have the know-how to succeed.

When Stelplug contacted the non-profit organization, she received training and a

loan for \$11,500. She said she now is supporting herself, in part, by running a profitable quilting business. For that, she gives credit to the Women's Business Initiative.

"I wouldn't be where I am without them," said Stelplug.

The 17-year history of WWBIC has hundreds of stories like Stelplug's. One aim of the organization — known as a micro lender because its loans of \$100 to \$50,000 are too small and often too risky for most banks — is to help Wisconsin women, minorities and low-income entrepreneurs become self-supporting business people, said President Wendy K. Baumann.

And when it comes to micro enterprise loans, what works in Wisconsin works worldwide as well, Baumann added.

WWBIC wants to highlight

that point this Friday, when it hosts a visit in Milwaukee from an international agency that runs a similar program in the Philippines. The local group has invited foundations, corporations and some wealthy individuals to hear a presentation from the economic development corporation Opportunity International.

The hope is that the capital suppliers — who loan micro lenders the money that they, in turn, lend to entrepreneurs — will consider supporting the international effort as well, Baumann said.

"We lend small amounts of money and we get it paid back. And our loans literally are hundreds of dollars up to \$50,000," Baumann said. "That framework worldwide might

"People will say, 'That makes sense. They are lending low-income people money, and these low-income people are paying it back.'"

Wendy K. Baumann
WWBIC president

Salas, who is noted for her paella, has nothing but praise for the "very knowledgeable" people of the WWBIC.

Please see **MICRO, 4D**

State group spreading word on micro lending

MICRO, From 1D

be tens of dollars up to hundreds of dollars, such as in Latin America, Africa or India, where \$100 is really a lot of money."

One woman in India, for instance, used a micro loan to set up a business in which she and her family combed, dried and packaged coconut fiber, according to Opportunity International. The fiber is sold for silver polishing and for brushes.

Friday's program in Milwaukee also will feature Milwaukeeans whose lives have been transformed by the training and micro loans.

"By doing events like this, people will say, 'That makes sense. They are lending low-income people money, and these low-income people are paying it back,'" Baumann said.

Because the target entrepreneurs usually have little collateral and lack a track record in business, the micro loans are considered riskier than conventional loans and carry a higher interest rate. The current rates range from 7.5% to 11.5%, Baumann said.

That is more than the interest rates the Women's Business Initiative pays to obtain money to lend. The difference goes to a reserve to cover loans that could default and to cover operating expenses.

Most of the money WWBIC

WHO BORROWED?

WWBIC micro loans by business type

Service:	41%
Food service:	27%
Retail:	10%
Transportation:	6%
Manufacturing:	5%
Residential facilities:	5%
Other:	6%

Source: Wisconsin Women's Business Initiative Corp.

has lent to entrepreneurs has been borrowed from the federal Small Business Administration, she said.

Since 1987, WWBIC has lent about \$6.5 million across the state, directly financed more than 570 businesses and assisted in the creation of 1,680 jobs statewide. In 2003, it made \$1.54 million in direct loans.

Elena Salas of Milwaukee said the corporation helped her reopen her Spanish restaurant, Don Quijote, at 704 S. 2nd St., last fall after her lease on the city's east side was not renewed.

She borrowed \$39,000 for the bar and other equipment necessary to re-establish her eatery.

"They are high, high professional people," she said of those at the Women's Business Initiative. "They are very knowledgeable and they want to help."