

Testimony of Rosemary Bratton
Executive Director, Wyoming Women's Business Center
US Senate Committee on Small Business and Entrepreneurship
September 20, 2007

Mr. Chairman and members of the Committee:

I appreciate the opportunity to appear before you today. The Wyoming Women's Business Center (WWBC) began in 1999 as a project of the Wyoming Coalition Against Domestic Violence and Sexual Assault (WCADVSA) while I was Executive Director of that organization. Since its inception the WWBC has been serving economically and socially disadvantaged women and continues in this work today as a separate 501(c)3 non-profit. As an alternative to, or in addition to, accepting positions in low-wage, dead-end jobs, the WWBC encourages entrepreneurs to create their own opportunities by starting small businesses.

I can honestly say that it was my vision and my personal experience that led to the creation of the WWBC. Long before I began my career in the field of working with survivors of domestic violence and sexual assault, I experienced first-hand the economic struggles that many Wyoming women endure and the success that can come from small business ownership. After a failed marriage and faced with caring for my three boys as a single parent with few resources, I started a cleaning service from my home in Story, Wyoming. Mopsy and Dusty, the Cleaning Company, no house too big, no pad too small, from floor to ceiling we cleaned it all. On some days I was Mopsy, other days I was Dusty and on many days I was both. In addition to Mopsy and Dusty to further increase our income I made and sold purses created from recycled jeans. The success of my small businesses enabled me to raise my children and earn a college degree. The experience began a commitment to work as an advocate for women who are socially and economically disadvantaged.

In Laramie, our offices are located on the University of Wyoming Campus and the Laramie Civic Center. Currently one outreach office is located in Cheyenne and another is planned to be located in the central part of the state. The target service area for the WWBC is the entire state of Wyoming. Currently there are three employees, the Executive Director, an Administrative Assistant and our Director of Client Services.

Wyoming has been described as a "small town with very long streets." The state's 98,000 square miles make it the 9th largest state in land area but its population of less than 550,000 is the lowest in the nation. More deer and antelope inhabit Wyoming than people, 92% of our state is considered rural. The state's open prairies, intimidating mountain ranges, and long empty roads combine to form a unique geography. Weather conditions can be extreme, with snowfall possible any month of the year. Winters are often long and harsh, with low temperatures, strong winds, and driving snow storms making travel difficult.

This combination of rural character, geographic obstacles and harsh climate creates economic distress for many Wyoming residents. Other than the minerals industry, economic opportunities with large industry are few. Albany, Fremont, Niobrara, Lincoln and Hot Springs counties, as well as the Wind River Indian Reservation qualify as Historically Underutilized Business Zones.

Wyoming's economy has been improving although the high-paying mineral industry employs primarily men. Work that is traditionally considered "women's work" (nursing, teaching, office work) is still undervalued with wages for these positions much lower in Wyoming than in other states. The gender-based disparity in Wyoming continues to be the highest in the nation, with the average Wyoming woman earning 57% to 67% of what a man earns for full-time, year-round work.

While Wyoming's vastness contributes to its natural beauty, it also creates isolation that keeps women business owners from meeting, networking and sharing information. WWBC programs bring women entrepreneurs together throughout the state by sponsoring roundtables located in six communities and participating in other economic related functions, small business expos and conferences.

WWBC's services and activities offered to Wyoming's women owned small businesses include:

- **WWBC's Microloan Program** started in 2000 and provides access to capital through loans for business start-up or expansion to those who are unable to secure financing through traditional means. The majority of the WWBC's loan capitalization is from the US Small Business Administration's Microloan program, which makes loans to intermediary relenders, who in turn make smaller loans locally. Most loans are for amounts ranging from \$500 to \$10,000 although the WWBC can approve loans up to \$35,000. Any interest, application fees or late fees are reinvested into the loan program.
- **Individual Development Account (IDA) Program** was started in 2004 by the WWBC. It matches the savings of people with low incomes to encourage them to save towards acquiring specific types of assets, including purchasing or repairing a home, business capitalization or expansion and higher education. The WWBC matches participants' savings at a rate of 1:1 up to \$2,000.
- **Works of Wyoming (WOW)** services include skill-based education and mentoring to help artists and craftspeople achieve mastery of their art, entrepreneurial education and mentoring that empowers women to establish their own art-based and often home based business. As funding allows WOW will promote retail outlets and an online marketplace to position products in niche markets. Any revenues above expenses generated by these sales will be reinvested in the program.
- **Business technical assistance, training, and counseling** are offered to women on a variety of business topics. The goal of these programs is to assist clients to develop their capacity for business planning and management, and ultimately

make their businesses more successful. These programs were started in 1999 when the WWBC was still a project of the WCAVSA and provide the foundation for all of the WWBC's other programs. Minimal fees may be charged to offset the expenses incurred in providing some of these services.

- **Networking opportunities** include roundtables as previously mentioned where participants learn from invited speakers as well as from each other on a wide range of business topics including marketing, business insurance, financing and banking relationships, accounting, time management and organizational skills, employment issues, bankruptcy laws, legal considerations of business structure, business research and business planning. Through the roundtable format, the WWBC encourages more experienced business owners to mentor those with less experience.
- **Personal financial management training and counseling** provides information on various personal financial topics including budgeting, understanding credit, and basic financial products. The program's purpose is to assist women to solidify the personal financial foundation upon which they build their businesses.
- **Internet training** is offered on our website www.wyomingwomen.org. We have partnered with Hewlett Packard for online operations and management, finance, communications, marketing and technology management. This training program is interactive incorporating audio and video. In addition WWBC has purchased an extensive QuickBooks and Microsoft Office training module through Custom Guide. This online training module allows the user to work at their own pace while WWBC can track each person's progress and time spent on the chapters of each training program.

Collaboration is essential to the WWBC's mission. We work in partnership with the Small Business Administration's District Office located in Casper, WY, Wyoming's Small Business Development Center, the Wyoming Business Council, the University of Wyoming, Wyoming State Division of Vocational Rehabilitation, Wyoming Workforce Services and the Wyoming Coalition Against Domestic Violence and Sexual Assault. The WWBC also partners with statewide banks and other financial institutions for support for networking events including space, food and financial contributions for roundtables and conferences. The Wyoming State Legislature through the Wyoming Business Council has generously supported the WWBC during the last eight years and has committed \$209,000 to support the WWBC in the coming year.

There is a strong need for rural/frontier Women Business Centers. The WWBC is not only vitally necessary to the economy of Wyoming, but also appeals to personal interests by helping women forge better lives for themselves and their children in the state with the highest gender wage gap in the nation.



Liz Bunya
Synergy Café
319 Bocage Dr
Cheyenne, WY 82009
(307)778-3838
<http://www.synergycafe.com/>

Liz envisioned a unique tea / coffee house. **Synergy Café** was created with business counseling from WWBC and our Microloan Program partnered with a local financial institution. **Synergy** just opened a 2nd location in Cheyenne.

Joan Taylor
Rolling Hills Services
21 N. Coyote Road
Rolling Hills, WY 82637
(307)436-5335

Joan began her rural trash service as a means to provide employment for her disabled daughter. **Rolling Hills Services** has grown to over 300 customers. Today Joan employs seniors, single mothers, and disabled individuals. Joan has utilized WWBC's Counseling and Microloan services.



Suzi Richards
Worland Pet Nanny
1680 Rd. 13
Worland, WY 82401
(307)347-4549
<http://www.worlandpetnanny.com/>

Pets in Worland know they are in good hands when their families call **The Pet Nanny**. Suzi offers many special services to her four legged clients. Business counseling and a Women & Co Equity Award through WWBC has helped Suzi expand her business.

Peggy Harnish
RubyJuice
255 Shoshoni St.
Cheyenne, WY 82009
(307)634-3022

Peggy needed capital to purchase the initial inventory to open her business. WWBC provided counseling to determine break even points. **RubyJuice** opened its doors with a WWBC Microloan and continues to employ over ten people in Cheyenne.



Lucinda Terzieff
Lucinda's Artisan Gallery
1425 Leopard St
Sheridan, WY 82801
(307)674-2595

Lucinda has been making custom hammocks for many years. 2005 brought many positive changes in her life including buying a home with WWBC IDA funds and opening **Lucinda's Artisan Gallery** in Sheridan. Lucinda used a WWBC Microloan to

purchase fixtures for her new gallery. Lucinda brings works from artists throughout the Rocky Mtn. Region and the world into her gallery.

Marla Skelton
112 N. Absaroka
Powell, WY 82435
(307)754-9205

Marla has been using natural products in **Cowlick & Hooves Health and Beauty Salon** for many years. Marla has utilized many of the WWBC services including the IDA program. Marla used her IDA matching funds to bring a new natural product line to her salon. Marla and her husband have been able to purchase their home using the knowledge they gained from the WWBC Personal Financial Mgmt training program. Marla is expanding into the health food business as soon as her new location is completed.



**Wyoming Women's Business Center's Experience
with
SBA's Office of Women Business Ownership**

In 1999, the Small Business Administration's Office of Women's Business Ownership awarded a five year grant to the Wyoming Coalition Against Domestic Violence and Sexual Assault (WCADVSA) to create the Wyoming Women's Business Center Project. From the inception of the WWBC our goal was to eventually separate from the WCADVSA. Although we were a project of the WCADVSA for seven years, we operated as a distinct entity with separate accounting, separate grant writing, separate fund raising and separate physical locations. Our last application as a WCADVSA project with OWBO was for a sustainability grant for the 2004-2005 fiscal year. On October 1, 2006 the WWBC officially separated from the WCADVSA with our application as a non-profit corporation to the state of Wyoming. With a committed active board of directors in place, we applied in February of 2007 for our 501(c)3 non-profit determination. Having been told by the Internal Revenue Service not to expect our determination letter for eight to twelve months, we were prepared to continue providing basic services through additional fundraising, grant writing and with our state funding. Then, in March of 2007 we received our determination letter and were in a position to apply as a new Women's Business Center with OWBO for the FY 07/08 funding.

Throughout this process we were communicating with SBA's District Office in Casper, WY and the Office of Women's Business Ownership in Washington, D.C. With the separation from the WCADVSA we were no longer eligible for sustainability funding but were assured, not promised, from OWBO staff that we would be in a favorable position when we applied as a new center whether that was for current year funding or future funding. Although I have never actually seen the rule or statute, we were told that the SBA couldn't have the sustainability funding follow the WWBC as it would be considered pass through funding from one non-profit to another and that is illegal. And, of course, with the new legislation, graduated established centers receive funding priority. Even though in reality we are an established center, according to OWBO we are no longer eligible for sustainability funding. This funding priority is different from my understanding of OWBO's funding priorities in the past where new centers were in a more favorable position. Also, in the past priority was given to centers in states where there wasn't a SBA funded Women's Business Center. I was told by OWBO staff in Washington, D.C. in August that this is no longer true.

We submitted our grant application to Grants.Gov on May 22, 2007. To date I have heard nothing official about the status of our grant. In August when I was preparing our budget for FY 07/08, I called the OWBO Office in Washington, D.C. and asked about our grant. I was then told that Wyoming was not funded. At that time the grant review process was described to me and that it was conducted by an independent committee and that funding was based on a point system. When I inquired about a priority being given for states without a SBA funded WBC, I was told that such a factor was no longer a consideration. I was left to believe that our grant did not rise to the top six based on the point system. I discussed with a staff member from our SBA District Office in Casper, our liaison with OWBO, about how helpful it would be to know where our proposal was weak. Last week, our liaison emailed the OWBO in Washington, D.C. and asked that question. The response was that Wyoming's grant was incomplete, that we had not submitted the technical proposal to grants.gov. After numerous phone conversations with grants.gov and much research on their part, it was determined that our complete grant proposal was received by grants.gov, reviewed, validated then submitted to the OWBO where it was retrieved. During this process I was in touch with both Senator Enzi's and Senator Snowe's offices who made inquiries to OWBO about Wyoming's grant. Subsequently, I was invited by the committee to testify today.

I am writing this on Monday afternoon. I learned this morning that the D.C. OWBO staff emailed our Wyoming liaison to say that they had found our grant application and that it was complete and would be evaluated by a panel ASAP. In a later conversation between the liaison and staff in Washington, D.C. it was explained that if our proposal was strong with points higher than the six new centers scheduled to receive funding that one of them would be eliminated from funding and the WWBC included. This is very troubling to me for several reasons. What would have happened if I had not contacted members of this Committee? While I realize that it is more likely that we will not be funded, what happens to the Women's Business Center who attended the mandatory post award meeting last week and now is defunded? Were there other applications that were "lost"? What level of tenacity is required to get honest answers from OWBO?

There have been other challenges with OWBO through the years. I will highlight a few for your information:

- Edmis II: This new reporting system was an unfunded mandate from OWBO. Software programs had to be reconfigured and reports written to comply with the new reporting mandate. This process was wrought with complications, misinformation and continual changes.
- Online WBC: Each center was required to write articles and monitor the "new online WBC community". This program was up and running less than one year. We spent a considerable amount of time preparing our articles and scheduling our staff only to have it discontinued before it was our month to post and monitor. This time could have been more effectively used to counsel our clients.
- 641s, client intake forms, over the internet: OWBO refuses to allow 641s to be counted when they are received over the internet because they do not have an original signature. In the age of computer use, SBA needs to catch-up and allow these clients to be counted in our work efforts. Currently we have to copy the 641

and mail it to the client for the signature. This outdated system should be changed.

- Computerized counseling information: OWBO refuses to allow the use of computerized counseling information instead we are required to have paper copies of counseling records kept in each client's file.
- Reimbursement requests: Requests will sit on desks for several weeks before being processed or rejected.
- Loss of reports and reimbursement requests: We had to institute an expensive practice of sending our written documentation by a carrier using electronic signature verification to ensure that our information had been received. Many times we were told that the information had not been received and while we could prove that it was received we continued to make additional copies of all reports to send again.

You might be wondering why with all these problems we would want to apply again for OWBO funding. We did carefully consider the frustrations that we have experienced before applying. We have enjoyed a truly positive working relationship with the SBA in Casper, the Association of Women's Business Centers, and the SBA/Microenterprise Development Branch. We have secured Wyoming State General funding for the required matching dollars for both OWBO and the Microloan program. Of course there is always the hope that OWBO will provide us with consistency and respect and there was been a sense of pride and accomplishment when we were funded by OWBO. But the most important consideration is the increased services we can provide for women entrepreneurs in Wyoming. We could hire staff to make Works of Wyoming a strong studio/incubator and provide needed staff to offer services in other parts of our state.

For me personally, I want a woman cleaning houses and making purses in rural/frontier Wyoming to know that there is a Women's Business Center that values her work and will provide her with encouragement, counseling, financial resources, networking and mentoring with other women.

Thank you.