Advancing Prosperity and Opportunity for Latina and Women Entrepreneurs in California:

A policy roadmap grounded in data and community voice

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The Latino Policy and Politics Institute at UCLA acknowledges the Gabrielino Tongva peoples as the traditional land caretakers of Tovaangar (the Los Angeles basin and So. Channel Islands). As a land grant institution, we pay our respects to the Honuukvetam (Ancestors), 'Ahiihirom (Elders), and 'Eyoohiinkem (our relatives relations) past, present, and emerging.

About LPPI

The UCLA Latino Policy and Politics Institute addresses the most critical domestic policy challenges facing Latinos and other communities of color through research, advocacy, mobilization, and leadership development to expand genuine opportunity for all Americans.

Disclaimer

About this Toolkit

This toolkit offers actionable, community-informed recommendations to address structural inequities facing Latina and women entrepreneurs in California. The toolkit is grounded in UCLA LPPI research from The Economic Recovery & Entrepreneurship Project (TEREP), including a 2023 survey of women business owners, as well as insights from UCLA LPPI's Latina and Black Women Entrepreneurs Policy Forum held in February 2025 in Sacramento. The toolkit highlights barriers identified by entrepreneurs and elevates strategies they proposed to advance equitable economic opportunity in four areas: access to capital, disaster resilience, workforce development, and mentorship.

Access to Capital

1 How Do Latina and Women Entrepreneurs Finance Growth?

What the research says

In UCLA LPPI's 2023 survey of California women business owners, the women we heard from cited insufficient funding as the top barrier to finance growth, followed by unaffordable interest rates, and poor credit.[1] Latinas experience capital barriers differently: insufficient funding was still the leading challenge (70%), but the largest disparity between Latina, white women, and all women was poor credit scores (48%, 18%, and 36%, respectively)[2]. Latinas also relied more heavily on personal savings rather than institutional capital compared to white women or women overall (63%, 57% and 59%, respectively)[3].

Peer Voices

Barriers

- Distrust of financial institutions tied to past predatory experiences and reluctance to take on debt: "I don't trust the traditional banking system because of predatory lending practices. It's hard to navigate the capital system, especially for people of color who've been abused by it. There's always the fear of debt, especially the fear of owing something you don't have."
- Complex and jargon-heavy applications, and confusing eligibility criteria discourage participation.
- Language barriers and lack of bilingual resources limit access: "If you don't speak the language, people won't understand you. You just shut down because you don't get what they're saying, especially when they throw acronyms at you."
- Lack of guidance, peers, and mentors to help navigate complex applications.

What's Working

- Community Development Financial Institutions (CDFIs) are critical infrastructure. Entrepreneurs see CDFIs as "game changers" because they provide culturally competent outreach, relatable staff, and loans based on growth potential rather than strict credit criteria. However, participants noted a shortage of CDFIs in rural areas.
- Microloans and small zero-interest loans help entrepreneurs build credit and confidence. As participants shared, "Having access to small loans is great because it builds confidence. It makes you feel like someone believes in you." Even small grants can be transformative: "For some, $500 for a printer can make a huge difference, while others looking to scale need thousands or even millions."

Top Actions for Policymakers

- Require transparent, standardized, statewide demographic reporting on all government funding and procurement applications, to clarify who is

applying for and receiving support and the extent to which women-owned businesses are being reached.
- Coordinate across agencies: The Governor's Office of Business and Economic Development, the Small Business Administration, and state entities that conduct procurement should align their demographic data collection and reporting procedures.
- Evaluate and ensure accountability directing the Joint Legislative Audit Committee (JLAC) to request demographic reporting data and evaluate progress toward procurement goals.
- Invest in narrative change campaigns that highlight and share success stories of women-owned businesses to build trust, reduce fear of rejection from banking, and encourage more entrepreneurs to seek funding.

Spotlight On...

Prospera's Levantando Nuestras Voces (Raising Our Voices) is a coalition of Latina entrepreneurs and community organizations led by Prospera + Latino Community Foundation creating spaces for women to raise their voices and advocate for equitable access to resources. Through storytelling campaigns, community forums, and peer-to-peer support, Levantando Nuestras Voces amplifies women's experiences, builds trust in institutions, and shifts narratives about the economic power of Latina-owned small businesses.

Is Your Business Ready?

- ☐ Do you know your current credit score?
- ☐ Have you explored CDFI or microloan options?
- ☐ Do you have bilingual financial coaching available?
- ☐ Do you have a mentor or peer to guide you through applications?

Your Next Steps?

If you were to apply for a loan tomorrow, what part of the process would feel most intimidating? Identify one community resource this month that could help you navigate what feels most intimidating.

Building Disaster Resilience

2 Are Latinas and Women Business Owners Planning for the Future?

What the research says

Women-owned businesses, particularly those owned by women of color, often operate as microbusinesses or sole proprietorships,[4] and are concentrated in undervalued service industries with tight profit margins, such as personal care or housekeeping.[5] These structural vulnerabilities make it harder to withstand economic shocks, such as those after climate disasters. In UCLA LPPI's 2023 survey of California women entrepreneurs, nearly 26% of women respondents reported that climate change had already created observable impact on their firm's revenues, costs,

investments, or worker safety. Looking ahead, just over half (51%) anticipated future impacts on their business operations.[6] These vulnerabilities are reflected in what women business owners themselves report to mitigate disaster risk. About 77% of women business owners reported having at least one of three important disaster preparedness safeguards in place: insurance, facility proofing, or a backup generator to mitigate disasters. Yet only 8% had all three protections, leaving most businesses exposed to major risks. Among home-based businesses, 44% said they lacked disaster insurance altogether.[7] The 2025 Altadena wildfires show the consequences of limited resources for disaster planning. In Altadena, 55% of microbusinesses inside the wildfire perimeter were destroyed, underscoring how disasters can erase entire local economies overnight.[8]

Peer Voices

Barriers

- Existing systems are not equipped to support small businesses during crises: The LA fires highlighted the need for more proactive disaster preparedness plans and reminded entrepreneurs of the COVID-19. Entrepreneurs emphasized their respective local leaders did not have an action plan they could "plug and play," and participants expressed wanting more proactive, business-friendly planning.
- Disaster recovery relief is too loan-heavy: Business owners voiced frustration over the lack of grant-based recovery resources and concerns that loan options only create further debt for circumstances beyond their control.
- Limited outreach and support for small businesses post-disasters: Small business owners often do not receive tailored outreach or application assistance. As a result, access to grants and relief programs frequently depends on insider knowledge or personal networks, leaving many excluded.

What's Working

- Industry-specific aid models work well: The Restaurant Relief Fund provided immediate small business aid although participants also flagged that these programs could feel exclusive because not every small business could benefit.
- Federal tax credits provided some relief: IRS Employee Retention Credit supported payroll continuity because it directly helped businesses keep paying workers during disasters, addressing one of the biggest challenges raised by participants: how to take care of employees when revenues collapse. (Group 2 Breakout Notes, 2025).
- Community-led responses filled gaps when formal aid lagged: Participants shared that informal mutual aid networks among trusted community small business owners helped each other rebuild or share resources and were more effective than waiting for government aid.
- Participants share that CDFIs offer promising infrastructure for post-disaster support.

Top Actions for Policymakers

- Broaden the definition of "state of emergency" to include pandemics, civil unrest, and regulatory shifts.
- California Code under the Emergency Services Act declares a "state of emergency" when conditions require state assistance. Currently, this language does not include pandemics, civil unrest, or other economic disruptions.
- Policymakers should coordinate with CalEPA, the Natural Resources Agency, and GO-Biz to update emergency response protocols with a broader definition that includes economic uncertainty, ensuring rapid, equitable responses.
- Establish rapid response navigators at trusted community-based organizations that can simplify grant and loan processes to improve accessibility.

- Integrate outreach and additional reporting into disaster aid programs to ensure clearer guidance and visibility of existing disaster relief programs.

Is Your Business Ready?

- [ ] Do you have disaster insurance coverage?
- [ ] Do you have access to backup power (generator, battery)?
- [ ] Do you know the local relief programs available to you?
- [ ] Do you have a plan for employee safety and continuity?

Your Next Steps?

If a fire or pandemic hits tomorrow, what's the main support your business needs first? Identify one community resource that could help you navigate it.

Workforce Development & Training

3 What Support Do Entrepreneurs Need to Build Their Teams?

What the research says

Women-owned businesses are a cornerstone of California's economy, accounting for about 44% of all small businesses in the state.[9] However, most women-owned businesses, particularly those owned by women of color, often operate as microbusinesses or sole proprietorships without staff. Nationally, more than 90% of women-owned businesses are non-employers,[10] and in California, self-employed Black and Latina women are disproportionately concentrated in undervalued service industries such as personal care and housekeeping.[11] Service-sector concentration leaves Latina and Black women vulnerable as these business structures typically have lower profit margins and limited access to safety net programs like unemployment and disability insurance, making it difficult for entrepreneurs to grow, pay for staff and offer competitive wages.

Peer Voices

Barriers

- Difficulty paying competitive wages limits retention and growth: Limited access to capital makes it hard to hire workers and offer competitive wages, leaving them at a disadvantage in retaining staff.
- Financial and legal precarity creates instability for small firms: Small entrepreneurs are operating at tight profit margins and are highly vulnerable to lawsuits that can wipe out savings. As one small business owner shared, "Even a single legal action can wipe out their savings and jeopardize operations."
- Weak employment pipelines hinder recruitment: Persistent labor shortages and limited recruitment pipelines make it difficult to hire and retain skilled workers, especially in under-resourced communities.

What's Working

- Inclusive hiring practices expand opportunity: Workforce development initiatives that intentionally include underrepresented groups are showing promise in helping businesses recruit and retain talent.
- Partnerships with education systems ease workforce gaps: Community colleges are tailoring training programs to meet employer needs, making it easier for entrepreneurs to find qualified workers.

Top Actions for Policymakers

- Pilot Educational Programs that teach entrepreneurs how to navigate the legal process with the help of attorneys and provide them with a list of pro bono firms they can reach out to for assistance
- Pilot Small Business 'Train the Trainer' Programs where entrepreneurs can learn from one another how they tackled legal barriers.
- Invest in models that remove structural barriers for women entrepreneurs by providing supports such as childcare that enable participation in training and certification programs. These investments allow entrepreneurs to expand and sustain their businesses while building a stronger workforce.

Is Your Business Ready?

- ☐ Do you provide skill-based pathways for employees instead of degree requirements?
- ☐ Do you know which tax credits your business qualifies for?
- ☐ Do you have access to legal counsel for compliance and risk prevention?

Spotlight On...

Removing Barriers for Women Entrepreneurs: The BBOP Center in San Bernardino is an entrepreneurial hub designed specifically for women of color to build, grow, and scale profitable businesses with the goal of achieving financial stability. The center operates on a membership model that provides training, office space, shared workspaces, access to state-of-the-art technology, and an on-site childcare center.

Your Next Steps?

What is the biggest barrier to hiring or retaining workers in your business today? Identify one community resource that could help you solve this barrier.

Expanding Networks and Mentorship

4 Who's in Your Business Network?

What the research says

In UCLA LPPI's 2023 survey of California women entrepreneurs, 45% of all women respondents and nearly half of Latinas (48%) reported they do not belong to any business association, underscoring limited access to peer networks and mentorship. This isolation also reduces opportunities to learn about grants, capital, and policy spaces to scale their businesses. This lack of visibility may also contribute to greater reliance on personal savings over institutional funding, as reported by 63% of Latinas.[12]

Peer Voices

Barriers

- Networking gaps reduce scaling potential and resilience: Entrepreneurs stressed that access to grants and funding often depends on insider knowledge or personal networks. As participants reflected, awareness determines access, leaving many women-owned businesses excluded from resources needed to grow and scale, and keep the doors open during crises.
- Underrepresentation in decision-making spaces limits influence: Especially at the national level, women entrepreneurs remain absent from critical policy and funding tables.
- Fragmented networks weaken support: Many participants pointed to divisions within communities and the absence of spaces that reflect intersecting identities.
- Cultural stigma discourages seeking help: “Money wounds” and shame around asking for support prevent women from building strong networks.

What’s Working

- Community-based mentorship: Participants shared that they secured loans or benefited from programming because another small business owner familiar with the process guided them through it.
- Narrative change through research and storytelling builds visibility: Pairing data with lived experience helps shift perceptions and expand access to networks.

Top Actions for Policymakers

- Invest in mentorship and networking models that intentionally connect experienced women entrepreneurs with emerging entrepreneurs, while ensuring these spaces are culturally competent and inclusive of intersecting identities.
- Expand Public Private Partnerships with corporations willing to provide small businesses with workshops to scale their businesses.

Is Your Business Ready?

- ☐ Do you belong to a local or statewide business association?
- ☐ Do you have a peer mentor or mentee relationship?
- ☐ Do you know what grant, or partnership programs are available to your sector?
- ☐ Do you participate in cooperative or community-based economic networks?

Your Next Steps?

Who is in your corner when you face business challenges, and who do you wish was there? Identify one new connection you’ll pursue this year.

Endnotes

1 Miriam Torres Sanchez, Yina Marin, Citlali Tejeda, Vivian Vanessa Cruz, and Silvia R. González. 2025. “Business as Usual: Latina Entrepreneurs in California Navigating the Postpandemic Economy,” UCLA Latino Policy and Politics Institute, August 27, available online.

2 Ibid.

3 Ibid.

4 U.S. Census Bureau’s Annual Business Survey (ABS) Characteristics of Businesses Table, 2017-2021. Available online.

5 Citlali Tejeda. 2025. “12 Facts about Self-Employed Women in California,” UCLA Latino Policy and Politics Institute, March 24, available online.

6 Miriam Torres Sanchez, Yina Marin, Citlali Tejeda, Vivian Vanessa Cruz, and Silvia R. González. 2025. “Business as Usual: Latina Entrepreneurs in California Navigating the Postpandemic Economy,” UCLA Latino Policy and Politics Institute, August 27, available online.

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8 LPPI. Who & Where: The Local Business Landscape Before the Altadena and Palisades Wildfires. Forthcoming, 2025.

9 U.S. Small Business Administration, 2025. 2025 Small Business Profile: California (June), available online.

10 U.S. Small Business Administration, 2021. Small Business Facts: Women-Owned Employer Businesses (August), available online.

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12 Miriam Torres Sanchez, Yina Marin, Citlali Tejeda, Vivian Vanessa Cruz, and Silvia R. González. 2025. “Business as Usual: Latina Entrepreneurs in California Navigating the Postpandemic Economy,” UCLA Latino Policy and Politics Institute, August 27, available online.

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