

# CHALLENGES FACING WOMEN ENTREPRENEURS

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## Abstract

In recent years, the number of women-owned businesses has grown tremendously and is proving to be a successful segment of the business world. Yet, even though women entrepreneurs are making great progress, balancing work and family life is still a challenge. The SBI program can help ease this strain by doing proper counseling. Female entrepreneurs also tend to sacrifice more in terms of time, emotional energy, and physical energy, especially at the startup of a business. These sacrifices and commitments of course, can have a great impact on family roles.

## Introduction

An entrepreneur is set apart by a drive to see an idea turn into a profitable reality and taking the risk of possible failure. The female entrepreneur with a family must have a high level of commitment in order for her venture to get its feet off the ground and become successful. If she is not committed, the venture is doomed to fail.

Women have long struggled to integrate themselves into the male-dominated business world and the SBI Director can help this transition. Women still earn about 25 percent less than men for doing the same job, but women entrepreneurs are making their mark. According to the Center for Women's Business Research, there are 10.1 million women-owned businesses in the United States, which generate \$2.3 trillion in annual revenue. Also, one out of every seven employed people in the United States is employed by a woman-owned business, and women are starting businesses at nearly twice the rate of men.

However, others believe that the difficulties are gender-neutral, and "men and women alike are struggling to keep their businesses afloat or are sitting on the sidelines waiting for economic conditions to improve" (Sherman, Dotcom Danger, par. 1-3). According to the Center for Women's Business

Research, “women-owned businesses are just as financially strong and creditworthy as the average U.S. firm, with similar performance on bill payment and similar levels of credit risk, and are just as likely to remain in business.”

Research has also found a fundamental difference in men and women’s career goals. In relation to what they value in a job or career, men responded that their number one priority is how much money they could make. Although women responded that money was also their top priority, it wasn’t a matter of how much they could make, but how secure their paycheck would be (Brem 5). Men and women tend to have different motivations, which have an impact on how they handle their careers.

### **The Role of the Family**

Women sometimes have difficulty breaking into the business world because of society’s definition of her role in the family. Decades ago, women stayed at home with the children while the husband worked in order to provide for the family. However, even the basic definition of a family has changed drastically in recent years. Gone are the days where nearly all families consist of a husband, wife, and children. With a divorce rate around 50% in the United States, many homes are now single parent households, and many young people are waiting longer to get married and to have children. Also, men are no longer assumed to be the breadwinners in a household. Oftentimes today, the woman is earning the larger income, or is the sole breadwinner. However, “even with the changes of attitude regarding ‘division of labor’ at home, women still handle more than 75 percent of household chores, from grocery shopping and cooking to driving children to school” (Casey 9).

### **Care of Elderly Family Members**

Another recent trend of today’s family is having elders to care for in the household. “Boomers now represent a U.S. market of some 36 million, or about 12% of the population, and as they move up the pyramid, the number of seniors is going to rise dramatically” (Zolli 61). According to the Administration on Aging, “there will be 70 million seniors in the United States by 2030. That’s more than twice the number in 1999.” Caring for elders tends to present more challenges than caring for

children. “While children are maturing and becoming more independent, needing progressively less care, seniors are regressing and becoming more dependent, which means an increased need for care” (Sherman, Balance Diet, par. 5-6).

Adding to this problem is that “care-giving for the aging parent is most often left for the daughter in the family to handle,” says Lorraine Luciani. “Caring for an aging parent is a big responsibility. Add in running your own business and the stress multiplies” (Sherman, Balance Diet, par. 7). In fact, “a 2004 study by the National Alliance for Caregiving and AARP found that women account for 71 percent of those devoting 40 or more hours a week to caring for aging relatives” (Casey 9). This boils down to added responsibility and greater anxiety for the women.

### **Financing**

Finances are an important element affecting women entrepreneurs and their families. The financial aspect of entrepreneurship can be a very enticing element to someone thinking about opening their own business. In fact, many people start their own ventures because they see the unlimited earning potential that comes with being an entrepreneur. As long as someone is working for someone else, there will always be a ceiling on earning potential, but if you are an entrepreneur, the possibilities are endless. Look at Oprah for example. This entrepreneur started out as a talk show host, and has since ventured into other areas of business, including her own book club and magazine, and she earns millions of dollars every year.

The flip side to that equation is that although there is unlimited earning potential, there is also the potential to earn nothing. Entrepreneurship is no guaranteed paycheck. Take Erin McCormick, founder of the non-profit organization Henry’s Hearts. Although she loves her job, she has not been earning much money. In her previous job, she was the primary breadwinner. Now she has not really drawn a salary in over a year. This means that she and her husband cannot pay for childcare, so they’ve had to rearrange their schedules and ask for help from family and friends. “Money stress is tough, and you have to develop a stomach for it and come up with some options” (McCormick 2). This goes back

to sacrifice. Her family isn't able to afford the luxuries that they used to enjoy. Instead, they are working with less money, which affects their daily life. This is an area that the SBI Director can be of help in the start-up phase of any new small business venture.

### **Time**

Time is another important element in the family life of an entrepreneur. Because starting and running a business can be so time-consuming, there is potential for the woman to spend so much time on the business that she is never at home with the family. Laurie McCartney started Babystyle, a company that sells maternity and baby items. When she sought advice from other working moms about balancing their businesses with their kids' needs, she was told to "keep a schedule, and focus on work when you're at work and the family when you're at home. It makes it easier, so you're always giving 100 percent to your kids when you're with them and 100 percent to your business when you're with it" (Torres 1). Scheduling is everything. Proper counseling by the SBI Director can lessen the problem for the female entrepreneur in trying to incorporate time management as part of the start-up plan.

Dana Buchman, founder and designer of fashions that carry her name, is the married mother of two girls. She knows that finding balance in her life is important to her family's success. "The designs are a direct and personal expression of me—wife, mother, businesswoman...my life is a balancing act," says Buchman, "and I think the same is true for my customers." She makes sure to spend half an hour of quiet time with her daughters every morning before heading to work. And she spends her evenings "playing that second game of Clue" with her daughters, just to squeeze in more quality time with them. "It's not the easiest life," she admits, "but it's an exciting life" (Weissman 30).

### **Personal Gratification**

Oftentimes, women start their own businesses for personal gratification. Erin McCormick started a nonprofit organization called Henry's Hearts to raise money and awareness for Marfan syndrome, a condition that affects her best friend's son Henry. "It's exhilarating to follow your heart. I love telling people what I'm doing... What we do helps brighten people's days and improves lives... I

especially love how this has changed Henry. He's no longer hiding a secret. Marfan is just a part of who he is." McCormick is able to find satisfaction in feeling that she is changing lives, and really making a big difference in the life of a young boy. She believes that the key is "taking the time to figure out how to follow *your* heart and make your life fit around that. It's not easy. In fact, it's very hard. But I'm happy. I can't wait to start the day. I feel that what I'm doing matters and that I'm setting a good example for my kids—and I'm getting to see them as much as I want! That's following my heart" (McCormick 1-2).

Even young, single women without children are finding personal gratification as entrepreneurs. "Keisha Marie Hall is passionate about investing in women and children," and has found satisfaction in both as an elementary school teacher and an Avon representative. Her "main focus is empowering women; helping them become dynamic and successful by recognizing their capabilities and strengths." She does this at her Avon parties. "I end up having these incredibly rich conversations with young women about the choices they face, who they are and what they want to become... I know makeup is not going to save the world, but I want to do anything I can to help these women make positive choices for their lives." She also finds that she is challenging herself in ways that she never thought she could and find it exciting. Hall now feels that she has to confidence "to step out and try anything. I have tons of dreams and visions for my life" ("Servant's" 27-28).

### **Direct Selling**

Many other young women are taking advantage of the opportunities that direct selling provides, such as through Avon. Liz Tuominen, a junior at Boston College, believes that selling Avon "has been a great opportunity to develop my own business around something I truly appreciate—beauty. The entrepreneurial experience has empowered me and taught me to set high goals for myself." MBA student Rona Kelisa Adams has also found great success as a young entrepreneur. After founding a successful, but time-consuming, non-profit organization, Adams needed a change and found it at Avon. "Being [an Avon] representative was exactly what I needed to get back on my feet. It included all of the

aspects of business that I loved, while also giving me that which I craved: the chance to work as I wanted, when I wanted...Not only have I been blessed with being a part of a great company, but I have steadily moved toward financial independence, made lifelong friends worldwide, and been given the boost of confidence I have always desired” (“Mark” 121-122).

### **Personal Life**

The most important element for a woman entrepreneur is the impact of her work on her family. Whether single or married, children or no children, starting up a business is going to affect her personal life. Moms, especially have an added challenge, because of time and emotional issues regarding their children. However, children appear to frequently be the reason for moms becoming entrepreneurs. According to the article “It’s a Mom’s World,” Cindy Schwartz left her job and opened her own business because her previous job was taking away too much time from her children. “I quit because I knew I would be my own boss,” said Schwartz. “My kids would never be without their mother on a sick day or a school holiday” (Torres 3).

Not all moms, however, are able to spend that much time with their children. Single mother Mona Scott is co-owner and president of Violator Management, a million-dollar management company. Her job demands that she be available 24/7/365, which does not give her much time with her 4-year-old son Justin. She gets help from her extended family, and Justin’s grandmother gets him ready in the mornings while Scott is at the gym. “Scott returns home to spend time with her son over breakfast before heading to the office for a workday that rarely ends before 11 p.m.” (Sherman, Balancing Diet, par. 3). Although the article does not go into the effect that the long hours have on her son, children tend to do better academically, socially, and emotionally when they have a parent that is actively involved in their life.

However, there are advantages to being an entrepreneurial mother. Children have the opportunity to learn valuable lessons by watching and participating in the business that mom runs. Olivia Mullin started her company shortly after her two daughters were born. Her daughters are now 11

and 14, and are “being groomed for the family business. Mullin is using her business to instill a solid work ethic and the idea that ‘the things that are most important are the things you worked the hardest for.’ Her oldest, for example, had a school trip, and Mullin paid half of it—with the provision that her daughter would work at the business on the weekends to earn the rest.” Mullin said that she wants her daughter to “understand what it means to spend [money] and how hard you have to work to earn it” (Torres 2).

Mullin is not the only mother teaching her children from the business. Cindy Schwartz has set “an example of self-employment for her kids. ‘I don’t think my kids will do traditional work,’ she says. ‘I also know I’m not the only example. My ex-husband runs his own business out of his home, and he’s extremely successful. My kids know you don’t have to be a doctor or lawyer—you can do something unusual’” (Torres 3). Children see the examples their parents set, showing that they can “think outside the box” and be successful.

Not all women become entrepreneurs because of their families. However, some women start their own businesses in plans of their future families. For example, a woman named Tanya was working full time at a large company in human resources. Although she didn’t have children yet, she started a direct selling business in anticipation of having children one day. “I knew I wanted to stay home when I had children but would need to continue working to bring in a professional income. I worked at my full-time job during the day and built my customer base and downline by holding parties in the evenings and on the weekends.” By the time she had a daughter two years later, her direct selling business was doing well enough to supply her with the needed income (Casey 11).

### **Changing Family Roles**

For many women starting their own businesses, there can be a great impact on the husband, and the change in family roles as a result of the new business. Two income families are becoming more and more common these days, so sometimes the husband has a difficult time trying to understand why his wife would want to leave her steady job and paycheck in order to work from home. Oftentimes, the

husband can be won over with some convincing, whether it is more time spent with the children, looking at how to cut expenses until the new business starts making money, or something else.

Other times though, the husband has a hard time coming around. According to an article by Liz Folger, a woman she spoke with said that “if a woman ever came up against a husband who would not let her start her home business—do it anyway. Doing something on your own is very liberating, and some men hate the fact that you aren’t depending on them 100% of the time. Don’t get into a power struggle with him, show him that you still love him and need him, and hopefully he will come around” (Folger 1).

Husbands can also be a great resource to a business just by supporting it. Trish Casey found that out when she started her at-home business. “Since her husband travels a bit, he is always carrying her business cards and newsletters to pass out. He feels proud about the fact that he is helping his wife’s business grow” (Folger 1). Word of mouth advertising can be the best way to drum up business for a new venture, so having a husband that encourages and promotes his wife’s new business can be invaluable. The venture can become a team effort.

So what are the long term effects of the entrepreneurial woman on the family? Studies have shown that “daughters of employed mothers have been found to have higher academic achievement, greater career success, more nontraditional career choices, and greater occupational commitment.” However, sons don’t seem to exhibit such positive results. “A few studies have found that sons of employed mothers in the middle class showed lower school performance and lower IQ scores during the grade school years.” In regards to nonacademic elements, “daughters of employed mothers have been found to be more independent, particularly in interaction with their peers in a school setting. Results for sons have been quite mixed and vary with social class [and preschool experience]” (Hoffman and Youngblade 5). Generally, it seems that the working mother usually has a positive impact on the daughter’s life, but there is mixed results in the son’s life. A key element in this equation can be the father. Having the father as a positive influence on his children’s lives can make a tremendous impact.

Having an entrepreneurial woman in the family is going to change the roles of all the family members. Some changes will be obvious, but others might be more subtle. If the woman is married, her husband's role could potentially involve increased responsibilities around the house if she previously stayed at home. This could include running more errands, cooking dinner, doing the laundry, or cleaning. However, if the husband doesn't make an effort to change his role, the wife could easily find herself overwhelmed. The stress of starting up a business, with the amount of time and energy devoted to the new venture, can quickly weigh the entrepreneur down if she doesn't feel supported by her husband. Of course it is more than just verbal support. It includes a listening ear, helping out more with household responsibilities, and encouragement. This can make a great impact on the family as a whole.

Another element to consider is whether the family has children. Any member of the family will find that his/her role is going to change when the woman goes into business for herself. If there are children in the family, they might find that they don't see Mom as much. They, too, will probably have increased responsibilities around the house, depending on how old they are. If Mom had previously stayed at home, she might no longer be able to pick the kids up from school, cook dinner every night, or read bedtime stories. However, the complete opposite could be true, especially if Mom was previously employed. The mother might have gone into business for herself in order to have a more flexible schedule and be able to see her children more and be more "hands on" with them. No matter which scenario, the dynamics of the family will change as a result of Mom starting her own business.

One thing that is very critical is communication, especially when children are involved. The new entrepreneur needs to sit down with the family and open the lines of communication about how things will be different around the household. Some children might transition to a working mother quite easily, but for others, it might be more difficult. Therefore, it is imperative that the mother be realistic about expectations, but also tries to ease any fears or concerns. The decision to start a new venture obviously would not be made unless there were advantages and the expectation that the benefits will outweigh the costs. This needs to be verbalized, especially if young children are in the family.

There is also an obvious advantage to an entrepreneurial mother. The business can be a great place to teach her children about the value of money, and to show them an alternative to the traditional workplace roles. Children can see that they do not necessarily have to go work for someone else when they get older. If they have an idea and the drive to see that idea into reality, they can be their own boss. They can also see the triumphs and failures of running your own business. Life lessons can be taught right in front of their eyes.

Roles will also change for the entrepreneur that doesn't have children. Interactions with family members and friends will change. Someone that might previously have enjoyed an active social life may find that she no longer has much time to socialize with the commitment of running her own business. She might see her friends less and her business more. This isn't always the case, but generally tends to be. However, family or friends can always be incorporated into the business, but entrepreneurs should be careful about mixing personal and business relationships.

### **View of Entrepreneur Women by Others**

So how is the woman entrepreneur viewed by others? The successful entrepreneur tends to be admired by society and looked up to. She is considered a leader and someone that other women can look to as a role model on their road to entrepreneurship. This admiration seems to increase if the entrepreneur is married, and especially if she has children. Because of the added family responsibilities, the entrepreneur is thought of as a champion in balancing her personal and professional life.

However, this might just be the picture on the outside. The successful Mom might be successful because she cuts her family out of the picture and focuses solely on the business. The children might end up resenting the mother and cry out for attention, feeling that they are unimportant and unloved because the mother is focusing her attention and efforts on her career instead of the family unit. On the flip side though, if the mother does have a good balance in her life of family and work, these potential problems will be minimized. Having an actively involved husband to help out in the process can be invaluable.

The single woman without children might be viewed differently. Although considered successful, society might start to consider why the entrepreneur doesn't have a family. Speculation may arise that she is too focused on her career and has no personal life, and that she pushes people away as she pushes herself to the top. These are stereotypes that might sometimes be true, but it is not always the case.

Oftentimes, the new business will be a success, and the woman might be the main provider in the family. If the husband was previously the breadwinner, this change in financial "power" can upset the balance between the couple. Sometimes the husband has no problem with no longer being the one who brings home the bigger paycheck. Traditionally, though, the husband is thought to be either the sole breadwinner, or at least the primary breadwinner, if the wife is bringing in supplemental income. Traditional society roles decades ago said that the husband was to go outside the home and work to provide for the family, and the wife was to stay at home and raise the children. In today's society, however, traditional roles are something of the past. Therefore, it is not uncommon for the wife to be the main financial provider. Even so, not all men are comfortable with this role reversal, and many have difficulties adjusting.

Above all, the basic rule is that every individual is different. What works for one entrepreneurial woman and her family might not work the same for another family. It is important to understand that each situation is different, and it is up to the individual to decide what she and her family can and cannot handle. It is imperative to do this before starting the venture; the woman needs to know what to expect and plan accordingly. Communication is the key in this process.

## **Conclusion**

In conclusion, everything boils down to balance. SBI can make a major difference in the success or failure of the woman entrepreneur. Planning from the very beginning is the key but that planning must come with proper counseling of the time constraints, family problems, role reversals, etc. The entrepreneurial woman, whatever her family situation, is going to have to find a workable balance

between business and family. Finding this balance is not always easy, but it is manageable. Thousands of women have their own personal success stories of how they made it work. The key is for each woman to accurately assess her situation, her goals, what she is willing to sacrifice, and what she is not willing to lose in order to make her dream a reality. It is about trade-offs. More time, resources, and energy spent on one thing (be it the business) means less time, resources, and energy spent on other things (such as the family). It is up to the entrepreneur to decide on the trade-offs in order to find that life balance. SBI can help the woman entrepreneur achieve this balance by dispensing knowledge not only about business aspects but private life aspects of business.

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