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New Crowdfunding law creates access for women/underserved entrepreneurs

Oakland, CA - On May 16, Title III of the JOBS Act comes into effect, the landmark federal crowdfunding exemption allowing businesses to raise money through online platforms from both accredited and non-accredited investors. This change provides greater access to capital for entrepreneurs, especially women, minorities, and others who have not succeeded in finding money from more traditional sources.

“When I first started looking for capital, it seemed like every investor was only interested in tech start-ups with sexy exit strategies,” says Lynn Johnson, an Oakland-based entrepreneur and “I am building a business that is about compassion and connection and community. I am not afraid of slow growth and am in this for the long haul. I hope my daughter will take over the business one day.”

Johnson and her wife, writer/blogger Allison Kenny, are the co-founders of Go Girls! Camp, a summer day camp for young girls to learn and practice social/emotional skills through the arts. “As an artist and a woman of color, I was never encouraged to go out and make any real money. I was supposed to be a starving artist. But, I’m not into that. I am more interested in growing a thriving and socially responsible business. Now, I can get the capital I need from the people who support our mission.”

Jessica Nowlan, also of Oakland and Founder and CEO of Create Shoppe, an online platform that allows customers to design handmade gifts that are created by Artisan Crafters, is also optimistic about investment crowdfunding because it expands her options for who can invest in her business. “When you are building a business, they always tell you to reach out to your friends and family for help. But, I grew up poor. My friends and family were poor and I didn’t go to college so I didn’t have the networks. That wasn’t working for me.”

Nowlan launched her first business in 2010. “I had no money, no savings, and bad credit. I was living in subsidized housing and receiving public assistance, but I was determined to make it work. I had read so many stories about bootstrapping and entrepreneurs that made it and I was determined. I tried to go for loans, went through programs to access capital, and even asked friends and family, but I was either denied or told to be realistic and get a real job. I was depressed and felt like a failure. Without capital, I knew I couldn’t fund my dreams.”

Both Johnson and Nowlan are now prepared to raise \$100,000 on the WeFunder platform starting on May 16 and they give a lot of credit to their work with Jenny Kassan, a Fremont-based attorney, consultant and recent appointee to the Securities and Exchange Commission's (SEC) Small Business Advisory Committee, who worked diligently to help pass this legislation in 2012. "Fewer than .01% of entrepreneurs raise money from venture capitalists and yet that is the only narrative we hear about," says Kassan. "There are so many amazing entrepreneurs out there who are building businesses designed for social and environmental impact, not just financial return. And, many of these entrepreneurs are women."

Kassan believes, "Investing in these kind of entrepreneurs is so important because they are really the backbone of our economy. Unlike the overvalued unicorns that get so much attention, small mission-driven businesses invest back into their own communities and create local jobs and wealth."

"When you grow up a girl in poverty, you are not taught to fail," states Nowlan. "Instead you are taught that succeeding comes from playing it safe. There is a certain level of entitlement in that "just go do it" attitude that entrepreneurs need to have to succeed. Not everyone has a net. Getting this access to capital means that we can now participate in that process of trying and failing and trying again. That might be the most important part."

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Lynn Johnson
Photo Credit: Matt Mimiaga



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Jenny Kassan