

Sacramento Bets On Women To Help Lead The Tech Economy



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I write about the past, present, and future of citizen empowerment [FULL BIO](#) ✓

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If you have been following this column, no doubt you will have heard what I have come to call the "business argument for diversity." I've made that argument most often in the context of Latino entrepreneurship, paraphrasing Mitch Kapur, the Silicon Valley technologist-turned investor who has funded a number of Latino-led startups. Investing in Latino entrepreneurs is not just a nice thing to do. It's also a *smart* thing to do, because Latino entrepreneurs, as Mitch says, can help us "see around corners" in the new multicultural marketplace that others cannot see.

I thought about Mitch a couple of weeks ago when Remy Arteaga, a [leader in entrepreneurship](#), wrote to tell me about a new accelerator for women entrepreneurs in Sacramento. As it turns out, I had already heard about the organization but had not quite figured out what to write. The accelerator, [FourthWave](#), which originated in LA, is celebrating its first cohort in Sacramento tonight, and there are at least three things I'd like say.

The business case for women

First -- you guessed it -- is the *business* argument. In my talks with people who are inside the organization or close to it, the Mitch Kapur take on diversity might apply in this world as well. But it's not just about "seeing around corners" in new markets. The leaders of FourthWave point to research by the Kauffman Foundation that shows how "women-led private technology companies are more capital-efficient, achieve 35 percent higher return on investment, and, when venture-backed, bring in 12 percent higher revenue than male-owned tech companies," according to a writer for [BusinessWeek](#). I've heard this before, and other data, and it's becoming part of a larger narrative about the positive impact that women entrepreneurs might have on the US economy. But the flip side of that narrative is that women entrepreneurs -- like *Latino* entrepreneurs -- are struggling to get the support they need, especially the early capital that's required to launch a new technology venture.

According to a [2014 report by the National Women's Business Council](#),

“ Male founders were more than three times as likely as female founders to access equity financing through angels or VCs (14.4% versus 3.6%). Men were also more likely than women to tap networks of close friends (9.2% versus 1.8%) and business acquaintances (13.5% versus 5.4%). More than half of each (51.3% of men and 55.4% of women) used bank financing as a source of capital for their Inc. 5000 firm.

FourthWave aims to close the access-to-capital gap for women, just like organizations such as the Stanford Latino Entrepreneurship Initiative -- an organization I've written about several times -- aim to close the gap for Latinos. It's a mission based on an opportunity/problem/solution analysis. There's opportunity, for sure, but there are a set of challenges that must first be addressed.

April 30, 2017
"Community
Dinner" Our
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2017 Cohort!

FourthWave

The business case for Sacramento

Yet there's a little bit more to FourthWave story. It actually began in 2014, in LA, where founder Nancy Perlman was working for Mayor Eric Garcetti. In partnership with the mayor's Tech Council, Perlman launched the first iteration of the accelerator called Elevate. Among several key items in the mission statement was the commitment to encourage *other* cities to adopt the idea of city-supported women's entrepreneurship. The first taker: Sacramento, where a number of women leaders in the tech and design community -- including Melanie Weir, Tracy Saville, and Cheryl Beninga -- were ready to swing into action.

From where I sit, this is interesting. As I have written before, Sacramento is emerging as new tech hub, in part because of the city's commitment -- and by that, I mean money and mentoring. FourthWave Sacramento is funded by a city grant, and is supported more broadly by a public/private ecosystem that's coming into place. The ecosystem is becoming more and more visible through the leadership of Mayor Darrell Steinberg, Barry Broome (CEO of the Greater Sacramento Economic Council). More important, the ecosystem is becoming visible through the leadership of women, including Maria MacGunigal (CIO for the city of Sacramento), Margaret McKenzie (advisory board member at Astia, a Silicon Valley non-profit), Gina Lujan (founder of Hacker Lab Sacramento), Kim Kaselionis (managing partner at Breakaway Funding), and Sheri Atwood, CEO of SupportPay, which has been one of the city's big technology case studies since it decided to [move its operations in 2016 from the Bay Area to Sacramento](#). The ecosystem, I believe, has helped to identify an impressive first cohort of Sacramento-area women entrepreneurs with new companies in healthtech, edtech, and other verticals where Sacramento might in fact have a regional advantage for talent.

But Sacramento has something else going for it: as the capital of the nation's largest economy, it might influence other cities that are looking to reimagine themselves with public/private partnerships, and to reimagine themselves with woman power. FourthWave draws inspiration from other city-based accelerators like Boulder Colorado's [MergeLane](#). It's something that can probably happen throughout the US -- accelerating the economy with woman power, one city at a time. FourthWave and Sacramento are betting on that. I'm not usually a betting man, but I'm betting on woman power, too.

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FourthWave



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