

Chicago's First Women's Bank works to raise profiles for women-owned biz

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Marianne Markowitz

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Marianne Markowitz, CEO of First Women's Bank, is encouraging her small clients to think big.

The head of the Chicago-based bank that makes capital available to businesses with a strategic focus on the women's economy says that too often borrowers are shortchanging themselves when it comes to prospects for the growth of their business.

"When we were launching, back when we were raising capital, we noticed with many people that we would talk to, they would say, 'Oh you are starting an institution to support women. Well it must be a microlender,' and we were like . . . 'It is going to be a bank,' " Markowitz said in an interview.

That attitude extends even to business owners as well, according to Markowitz, who said women own 50% less equity in their enterprises than their male counterparts.

"We noted that so many people in their head, their vision of the women's economy is microenterprise," she said. "We try to treat our small businesses like they are middle market."

One of First Women's customers, Kate Vrijmoet, used a \$350,000 loan to help open a second location of her Necessary & Sufficient Coffee shop in the Printer's Row neighborhood.

"I knew I would need funding," Vrijmoet said. "As a woman in business, I was trying to get funding from the start, and it was not available to me. I had been rejected or downsized from so many different programs that I just did not think there was any hope."

Vrijmoet said that other banks rejected her outright or offered her funding well below what she was seeking. One bank even asked for her husband's financial information even though he was not involved in the business.

The average loan size at First Women's is \$1.2 million, Markowitz said.

Ahead of its opening in 2021, First Women's, which has 33 employees, raised nearly \$40 million in funding. It also receives support through its corporate mission partners — companies that deposit between \$1 million and \$10 million at the bank.

Early corporate partners included William Blair, Aon, United Airlines and the Western Golf Association. First Women's announced earlier this month that Ariel Investments, TransUnion and Lenders Cooperative also joined the roster.

"We knew we couldn't do this alone," Markowitz said. "We really built the bank around partnerships. These companies, they don't bank with community banks. They are making a very intentional move to bank with us to support the mission."

Just 37% of women in the United States say they are making real financial progress, 12 percentage points less than men, according to a survey by BMO, Chicago's second-largest bank by deposits. The gap in Chicago is even starker, with only 32% of women in the area reporting that they are making progress compared to 49% of men.

"Broadly, we know there is a disproportionate impact of rising costs of living on women. That kind of reflects on the systemic disparities and the economic inequity," Tina DeGustino, BMO's consumer strategy expert, said in an interview. "There is also the piece that they shoulder more family-related expenses, and that kind of leads to heightened financial insecurity."

BMO's survey also showed that 67% of women experience financial anxiety from keeping up with monthly bills, compared to 60% of men. In Chicago, those figures are 70% for women and 58% for men.

“Gender equity in many areas took a big step backwards as a result of the pandemic,” Markowitz said. “Certainly, women-owned businesses took a massive hit. We realized that not only do we have a duty to grow the women’s economy and support it, but to tell the story of it.”

Jessyca Dudley, founder and chief executive of philanthropy firm Bold Ventures, used First Women’s to get a mortgage on an office in Ravenswood for her three-year-old company.

“There was certainly no other bank that really understood what it meant to be a female business owner,” Dudley said “With the other banks I talked to, it was really about the (profit and loss) and the balance. For First Women’s, of course that’s important, but it was a lot more than that. It was a real thought about being a partner in the business as it is growing.”

By Mark Weinraub

Mark Weinraub is a banking and finance reporter for Crain’s Chicago Business. He joined Crain’s in 2023 from Reuters, where he spent the bulk of his career writing about commodities, agriculture, Chicago’s futures exchanges, government and other industries. Weinraub also previously worked in the agency’s Washington and New York bureaus. He is a graduate of Northwestern’s Medill School of Journalism.