

# Karen Barbour

---

## Turning Adversity into Success

From a very young age, Karen Barbour learned the importance of determination and hard work, which she now puts into practice everyday as the President of The Barbour Group, a Maryland-based surety bond agency. Formed in 2002, The Barbour Group has amassed roughly \$4 million in revenue each year, for the past three years, and has over two hundred clients.

But her path to The Barbour Group was a winding one filled with experiences that helped to shape Barbour's intrinsic desire to advocate for those without a voice and to represent the under-represented.

Born in Baltimore, Maryland in the 1960's, Barbour recalls being very shy and always staying close to her mother.

"I think if I could have hugged my mother's leg every place that we went, I would have been glued to her, and that would have been fine with me," Barbour recalls.

Barbour also remembers not doing well early on in school and having a very difficult time with her teachers and classmates. Being taller than the other children and not fitting in, she would often be misunderstood by the teachers and sent home with reprimands.

"It wasn't that I wasn't smart, I just hated school, and didn't see the point," she explains, "...there weren't a lot of options being presented to young girls for their futures at that time. I remember being asked what I wanted to be when I grew up, 'a secretary? a nurse?,' while my brothers were being asked if they wanted to become doctors or lawyers. I wanted to be the President of the United States and back then I didn't see the point of doing well in school if all I could be was a secretary or a mom."

Barbour recalls special trips with her mother where they would go to the library to get books about powerful women in history. Madam Curie was a specific favorite of theirs as she shared

their Polish heritage.

"I think my mom was teaching me gender history before it was even around, and it really impacted me."

When Barbour was eleven years old, she was playing in the backyard when she heard a loud noise from the front of the house. That noise was her mother being hit by a car and Barbour's life would never be the same. While undergoing major surgeries to rectify the damage of the car accident, doctors discovered that Barbour's mother was in the advance stages of cancer, and she died shortly thereafter.

After her mother's death, Barbour's father fell into a deep depression and within a year, her older brother passed away as well at the age of 16.

"My father was a World War II veteran, but I think he experienced more tragedy at home than at Normandy."

With her mother, close aunt, and brother all dying in rapid succession, and her oldest brother away at college, Barbour found herself in the position of having to take care of her father, the household responsibilities, and also help out in the family grocery store, at the young age of twelve.

"It was hard, but it made me feel good to see that I had done something productive," Barbour describes, "after my mom passed, I didn't feel right being still in the house. If I wasn't working, it wasn't okay. Also, I think I had the fighter mentality of my grandmothers' who emigrated from Poland as third class citizens. I guess I have that 'gene' that helps you live through anything. After the loss of her beloved mother, Barbour had a change of heart at school and she exerted herself and became a very dedicated student.

"I thought to myself, 'Enough is enough. I've been playing this game too long.'"



With her change in performance, Barbour was moved to the advance groups in her classes and was accepted into a private high school where she went on to get (mostly) A's and to graduate with honors.

During her time in college Barbour continued to take care of her father and the household, while working part-time in the family grocery store, working part-time at another job, and traveling to classes five miles each way on a bicycle.

Barbour's intention to attend law school after graduation was put on hold as she was wait-listed for admittance at University of Baltimore. While waiting to hear back from the university and substitute teaching to support herself, Barbour heard from a friend who offered her a ticket that he could no longer use to travel to Africa. Barbour accepted the offer and while traveling in Africa, felt a huge weight fall off of her shoulders.

"When I was in Africa, the stress poured off of me and for the first time I felt stress-free."

Barbour promptly called the University of Baltimore and withdrew her application. While in Africa, Barbour met the man that would become her husband and together they returned to the US.

Barbour's path to surety bond management began while working as an Underwriter at a large insurance company. While at this company she learned the inner workings of the insurance business, the finance and accounting of risk analysis, and how to work with the contractor clients.

"I was looking at accounts that were being built all over the country and I loved it! You got to know the clients, all about their history of past performance, their credit and financials, and so you could make decisions about what you felt they were capable of, in order to get them to the next level."

It was while working at this company that Barbour also learned how powerful and impactful surety bonding can be.

"I remember one day walking home from work and seeing a demonstration in front of The Belvedere Hotel. The demonstration was about the Minority Business Enterprise (MBE) goals being increased to include women as minorities. I stopped to listen because I wanted to hear the response from the Black population in attendance. Their major concern was that the White women would be a front for their White husbands in order

to circumvent the rules and receive MBE benefits. I could definitely see that the Blacks were fighting hard enough for the 'meat' that they got, and thought that it would be great if there was some kind of program to help minorities - from a bonding standpoint. When I went to work the next day, everyone was discussing the rally because some of the surety's general contractor clients were not happy about the MBE goals getting increased. I'll never forget the response...they said, 'Well, we're going to have to just advise our clients to bond the minorities, but they won't be able to bond, so then our clients can get a waiver.' I thought to myself 'so much for the civil rights movement, what about the opportunity movement?' It was then that I realized that I could not help empower anyone within that organization and so I left." Barbour went to work for another company that was dedicated to working with small businesses, but she never forgot what happened after that rally.

"I thought that if they could paint a brush like that and wipe out people's lively-hood or their chance of succeeding, then this bonding industry is very powerful, extremely powerful, and it can be a barrier for many people."

After working for eleven years as an Underwriter, Barbour became a Bond Producer, recalling that on her first day she was handed the Yellow Pages and told to make at least ten calls per day.

"I thought I would be introduced to the agency's clients so that I could build up a referral base," Barbour recalls. Instead, she became known as the "bond girl" and had to contend with initially being given contracts that were impossible to underwrite.

"I got out of the 'bond girl' mentality really quickly and I did that by focusing all on production. I was hardly in the office and I just produced. I was putting on nine new accounts each month and that forced the other producers to have to recognize that I was one of them."

After fighting to be recognized as an equal and rising to become one of her company's top producers, Barbour soon realized that ownership opportunities were slim at her agency. She decided to transition to another agency where those opportunities would be more readily available, or so she thought.

"I had been working there for several years and I remember asking when I might be

considered for ownership or what path I needed to follow in order to achieve that, but I never got a response.”

After two of her male colleagues received promotions to ownership status, she reached out to the agency to find out about the benchmarks for ownership one last time. When she arrived at the meeting, instead of discussing the benchmarks, Barbour was blindsided by unfounded accusations about her lack of people-skills.

Barbour recounts, “I was forty years old with two small daughters, a failing marriage, and I was giving over 100% to this company. I thought, ‘You know what, I don’t need this’, and I left the company to start my own agency.”

Though Barbour made the decision to branch out on her own after this incident, she began considering the choice when her goals to make a legislative impact on the direction and future of small business and small business owners became limited by her employer’s desires and goals.

“I participate in several trade organizations and would attend many industry conferences and meetings. I kept noticing the representative for the Army Corps of Engineers trying to reach out to contractors and find out what they wanted from the Army. He wasn’t having much success and I asked him if he ever thought of having the contractors gather in one location with the Army in order to open up the dialogue. I said, ‘I have an idea, let’s form a coalition and call it the General Counsel for Construction with the Army Corps of Engineers’ and he loved the idea and implemented it immediately.”

This was a huge achievement for Barbour and she served as the liaison to the coalition for two years, making significant impacts in the way contractors submit bids to the Army and enabling small contractors to be more effective with their bidding. But Barbour came under attack for her participation in the coalition and even had her employment threatened due to her involvement.

This was a turning point in Barbour’s career. She realized that her aspirations to influence policy would be difficult, if not impossible, to fulfill while working for someone other than herself.

“I thought to myself, ‘I don’t see myself as doing less of this in my life, I see myself as doing more of this in my life and I need to be in a

position where people can’t call up my boss and threaten my employment.’”

When Barbour started her own agency, many of her existing clients gladly came over with her.

“I brought with me about sixty to sixty-five of my clients, as well as, ten corporate surety markets. I had a plan and I was ready to hit the ground running.”

Unfortunately, the timing of the start of Barbour’s company coincided with the down-turn in government contracts as most federal monies were being re-directed into Homeland Security after the events of 9/11.

“It was a down year,” Barbour explains, “but I have always made a profit since I have been in business.”

Once formed, The Barbour Group quickly dedicated themselves to small and mid-sized businesses so that Barbour could spend more time being politically active. “I wanted to show my clients that ‘I’ll give you the bid, performance and payment bonds that you need to grow your company, but I’m going to put strategies in place to help small business, from a legislative standpoint, to not only help your playing field but to show that I truly care about my industry and what I am doing.’”

In 2006, Barbour was instrumental in the writing and passing of a Maryland Bill allowing private individuals to provide surety bonds to small business contractors, if they couldn’t get a corporate bond. Though the passing of this bill was a great success for small business contractors, its implementation was stalled and then essentially negated by the lack of support from various state agencies. Even after emergency regulations were passed in 2007, for the first time in 12 years, by the then Governor Martin O’Malley, it was years later that the new regulations were found in bid solicitations. After this disappointing start, Barbour decided to step back from much of her legislative activities to focus on her own business development and has recently brought in a public relations firm to help market her agency, as well as a lobbyist.

Barbour is scaling up and forming relationships with national firms to help build her brand, “I was recently awarded the Ernst & Young Entrepreneurial Winning Women Award and was appointed by the Governor as Co-Chair of his Commission on Small Business.”

In addition to the many other trade associations that Barbour participates in, she is also a strong contributor to the Muscular Dystrophy Association and has taken part in many "Lock Up" events and has co-hosted a "Party for the Cure" each year, for the past three years, raising steadily increasing donation amounts with a total of over one hundred thousand dollars raised.

Barbour attributes her success to the ongoing support of her family and key mentors who have given her guidance and encouraged her to step out on her own, but most of all she speaks of her mother.

"My mom was a wonderful mother and that empowers me still." Barbour says, "We have such a limited time on this earth and we're going to be dead forever. I just want to go for it. I didn't wake up until I was forty-three years old and I wish I could have had sprung to life at the age of thirty-three, but I am building momentum quickly..."

Barbour's message to those who are just graduating and ready to step out into the world:

"If you want to be an entrepreneur - do it now. Don't get sucked up by some corporate structure that you can't find your way out of until your forty. If you feel the least twinge of being an entrepreneur, you should do it. Adversity can really give you discipline and discipline can give you empowerment. You can be anything you want to be, so use the adversity to make something good happen. Don't get stuck there, apply yourself and work hard, work hard, work hard. And always look for that open door because an open door will always lead to another door. Don't just stand there, thinking about what may be on the other side and

be apprehensive about it and what's behind those doors; if you do that you won't get anywhere in life. You don't have to be afraid."

Barbour has certainly lead a life that has seen more than its fair share of adversity, but instead of letting it hold her back, she has turned that adversity into her own motivation to succeed. That success has not only influenced Barbour and her company, but it has made monumental changes in the lives of each of the small business contractors that Barbour has stood up for, spoken out to protect, and ensured that those with the power to "paint away lively-hoods" are working to help and not hurt.

Karen Barbour, a powerful woman in history, a powerful woman who's made history.

© July 2011 Gordon J. Bernhardt. All rights reserved. Reprinted by permission.

— By Gordon J. Bernhardt, CPA, PFS, CFP®, AIF®

*About Gordon J. Bernhardt*

*President and founder of Bernhardt Wealth Management and author of Profiles in Success: Inspiration from Executive Leaders in the Washington D.C. Area, Gordon provides financial planning and wealth management services to affluent individuals, families and business-owners throughout the Washington, DC area. Since establishing his firm in 1994, he and his team have been focused on providing high-quality service and independent financial advice to help clients make informed decisions about their money. For more information, visit [www.BernhardtWealth.com](http://www.BernhardtWealth.com) and [Gordon's Blog](#).*