



COVID-19 ANALYSIS

AUGUST 2020 // INFORMATION FROM ECONOMIC
EMPOWERMENT AND ENTREPRENEURSHIP TEAM,
CREATED BY KATRINA FREI-HERRMANN



VITAL VOICES
GLOBAL PARTNERSHIP

Impact of COVID-19 on WOMEN-OWNED BUSINESSES

As a result of the COVID-19 pandemic in 2020, the Economic Empowerment & Entrepreneurship team at Vital Voices launched a two-phase survey to capture the impact of the pandemic on women-owned businesses that Vital Voices serves throughout the world. Overall, the second survey, used in this report, had 128 respondents from 63 countries, including participants from all four of its programs: the Fortune - U.S. Dept. of State Global Women's Mentoring Partnership, the Global Ambassadors Program, the VV GROW Fellowship, and the WE Empower UN SDG Challenge. In these collected responses, the team evaluated the critical decisions women entrepreneurs faced during this time and the data has informed programmatic and departmental changes since March 2020.

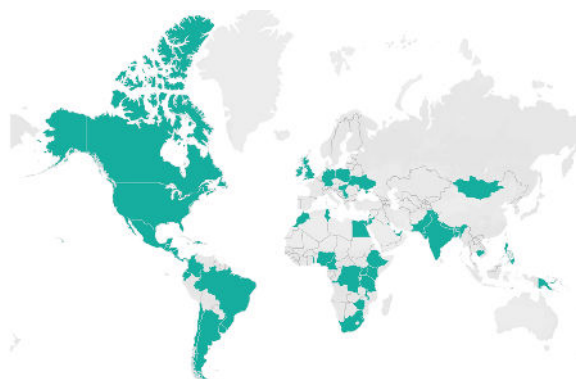


Figure 1: Global map highlighting locations of survey respondents

The survey asked participants to reflect on changes to their business operations and plans, as well as describing anticipated actions in the future. On a macroeconomic level, consumer expenditures are expected to decrease by one-third in 2020 and the global GDP is anticipated to decline by 6% according to the [OECD](#). Women-owned businesses have faced significant setbacks in the pandemic, including large reductions in sales. Overall, 92% of respondents reported a decline in sales since January as seen in Figure 2. These declines in sales can be attributed to multiple factors such as reductions in consumer spending, safety issues, lockdown orders, and gaps in the supply chain.

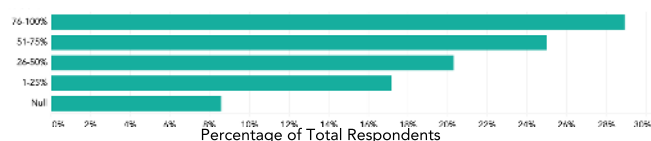


Figure 2: Severity of decline in sales for women-owned businesses

Due to a drastic decline in sales for nearly all respondents, many faced hard decisions to keep their business afloat. 63% reduced business expenses. In addition, 33% laid off staff, 35% reduced operation hours, and 39% reduced staffing hours, demonstrated in Figure 3. Figure 3 also highlights the percentage of respondents that had to take action within each subset of changes. Respondents experienced and selected multiple changes at once.

Changes Made to Business

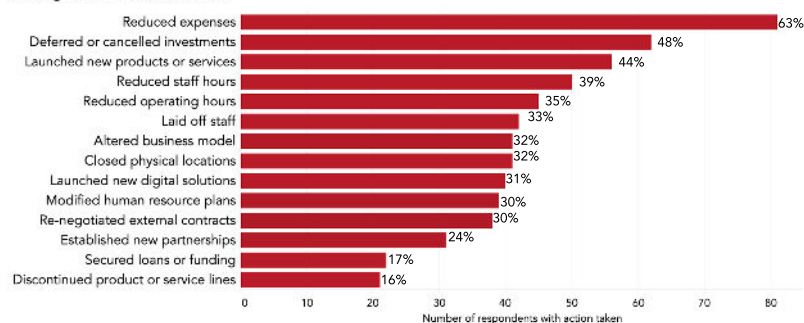


Figure 3: Changes made to women-owned businesses from January to June 2020

Showcasing innovative leadership across sectors, Vital Voices Economic Empowerment & Entrepreneurship (Econ) program alumnae demonstrated rapid problem-solving skills and action in response to the economic fallout from the pandemic. Nearly 44% launched new products or services. Responding to a rapid growth in online consumer demand, 33% of respondents launched new digital solutions. Vital Voices' survey findings hold constant across the field. A [WeConnect International's](#) survey of 590 global women business owners dated April 2020 shows that 87% of respondents have been negatively impacted from COVID-19. Vital Voices similarly found that 94% of women-owned businesses were negatively impacted by COVID-19, as seen in Figure 4. In WeConnect's report, it was also stated that 90% of women business owners faces a decline in sales during the pandemic, which strengthens this report's findings of 91% of women-owned businesses experienced a decline in sales, as represented in Figure 2. A cross examination of Vital Voices' data and WeConnect's data upholds the validity of both data sets for accurately capturing the challenges that women business leaders are currently facing.

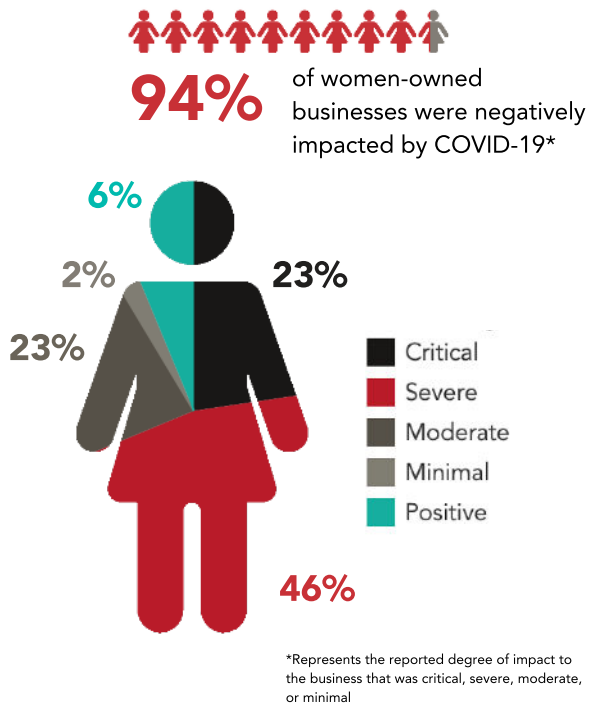


Figure 4: Impact of COVID-19 on Women-Owned Businesses

Of the 128 survey respondents, 22 respondents reported receiving some form of financial support during the pandemic (17%). Of those 22 respondents, 16 were GROW participants or alumnae and reported the amount of financial support given to be, in total, \$11,821,150 in USD commercial and \$31,594,319 in USD PPP (purchasing power parities). 7 other Econ program participants responded and reported a collective amount of \$326,465 in USD commercial and \$549,882 in USD PPP. Given all of these reported amounts, it can be deduced that the total for the 22 respondents of financial assistance equaled \$12,145,615 in USD commercial and \$32,144,201 in USD PPP. This means, on average, each participant received \$1,461,000 for USD PPP or \$552,073 for USD commercial in additional financial assistance during the pandemic between January and June 2020. Of the Econ alumnae who received financial assistance, the breakdown of types of assistance can be viewed in Figure 5. As shown, the largest sector of assistance came in the form of loans.

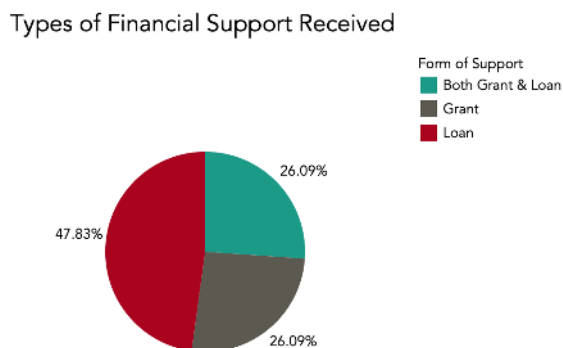


Figure 5: Types of financial support received by women business owners between January and June 2020

Continuing to explore the additional financial aspect of it, Figure 6 demonstrates the sources of financial support for women business owners. While only 22 respondents reported receiving additional financial assistance during this time, many other women applied for financing and were denied. An average of 27% of respondents applied for financial assistance, but did not receive any. Reasons for this denial included: lack of commercial credit available in the country, tax debt, too small of a company for the loan requirements, did not meet minimum sales requirement in 2019 to qualify in 2020, and financial support closed in country.

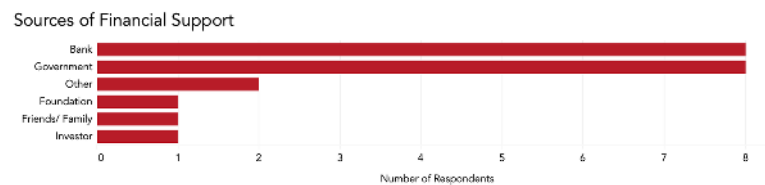


Figure 6: Sources of financial support from 22 respondents

Beyond financial constraints, women were asked to reflect on challenges and opportunities they faced during this time. Common challenges women reported were as followed: loss of community relations and in-person interactions, difficult relationships with clients, low and disrupted cash flows, travel restrictions and lockdowns, transitioning to online, relationship with and morale of employees, and restricted supply of materials. These reported challenges align directly again with WeConnect's report, as mentioned on page 2. While women faced many challenges, numerous opportunities were also verbalized. These common opportunities include: finding more cost efficient methods to carry out business, the possibility and execution of online events, sales of products and memberships online, new funding opportunities, expanding product offerings to include health products and essential household items, new delivery capabilities, and the formation of strategic alliances. It is apparent that most of the challenges faced dealt with the financial and revenue generation side of the business, while the opportunities lay in product delivery, development, and general innovation. As businesses begin to look to the future, survey respondents were also asked to identify which actions they plan to take with their business in the next three months. Figure 7 demonstrates which actions they anticipate taking between June 2020 and September 2020. Most responses address the opportunities and challenges shared above, relating to either cost reduction or reimagining products and services.

Action to be Taken by Businesses

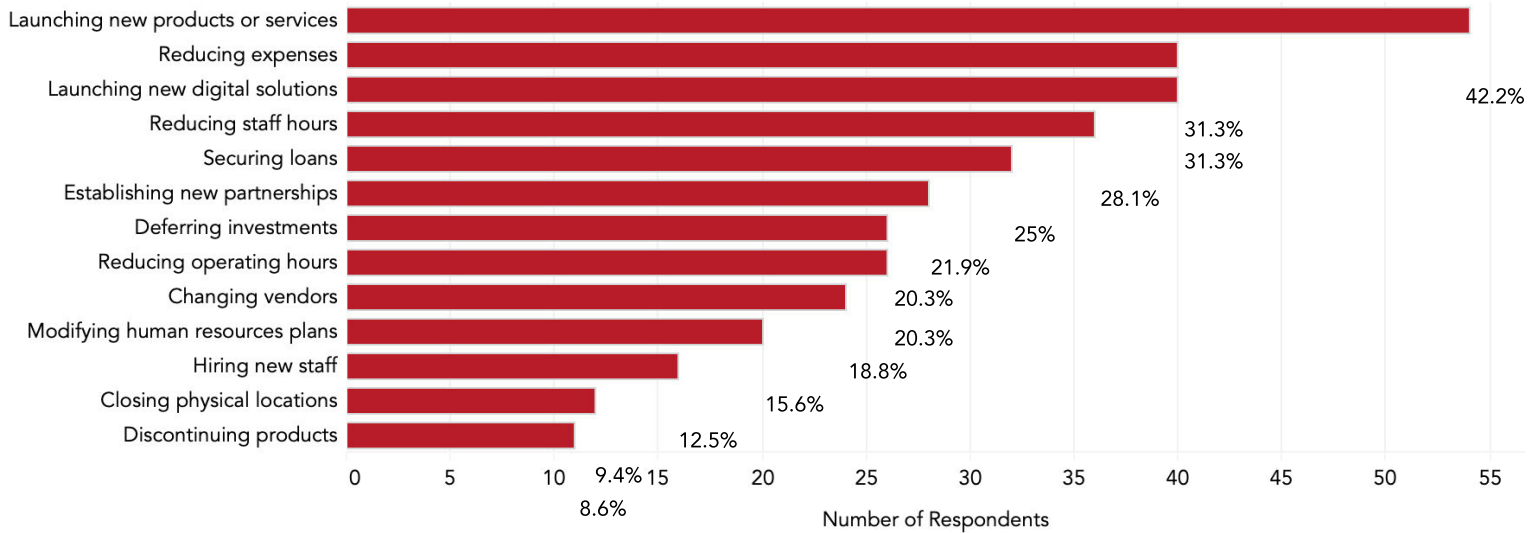


Figure 7: Anticipated changes to business design and structure for women-owned businesses between June and September 2020

Figure 7 demonstrates the types of actions women business owners anticipate, but due to the unprecedented times, many of these changes are unfamiliar to even the most serial of entrepreneurs. Through survey responses, it is evident that women hope for the most support in new aspects to the business such as launching new digital solutions, establishing new partnerships, and/ or launching new products. Stakeholders in the women’s entrepreneurship field can best support business owners through supporting innovative solutions. Figure 8 reveals how approximately one-third of respondents desired support in new digital solutions and establishing new partnerships. A further 30% seek support in launching new products.

Support Needed for Businesses

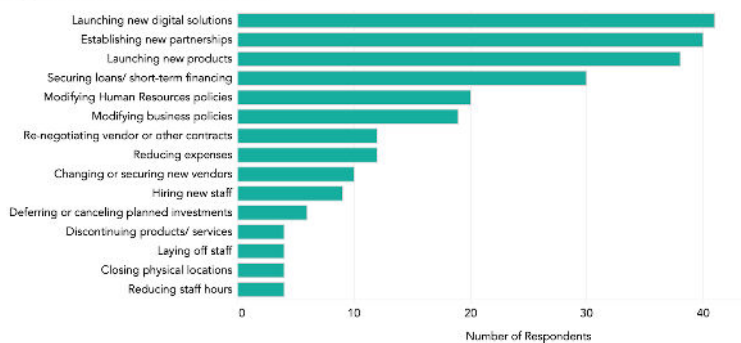


Figure 8: Desired areas for support from women business owners

While Figure 8 focuses on the needs of women business owners generically throughout different industries, Vital Voices (VV) as an organization also sought to understand how to best leverage its strengths and resources. Survey respondents were asked to reflect on how they hoped VV might support them.

Women in the network requested the following support, as shown in Figure 9:

- Opportunities to connect with other alumna, either in a similar region or sector
- Sharing of information regarding funding opportunities, such as long-term grants and loans
- Sharing of information resources regarding market trends in both region and sector
- Receiving additional mentoring opportunities

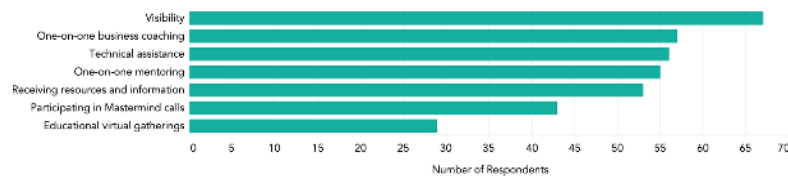


Figure 9: Desired support from Vital Voices by Econ Alumnae

The largest areas of requested support were: visibility (52.3%), one-on-one business coaching (44.5%), technical assistance (43.8%), and one-on-one mentoring (43.0%). With all of these areas of desired support in mind, the Economic Empowerment & Entrepreneurship team rapidly responded by organizing mentorship pairings, the launching of a weekly Econ newsletter, organizing accessible and innovative webinars, and setting up and facilitating frequent community building Mastermind calls. Between March and July, the team reached a total of 339 distinct women in the network. The remainder of the report will highlight those calls, initiatives, and supportive efforts of Vital Voices to amplify the voices of women around the world.



Visibility

55% of survey respondents indicated they wanted Vital Voices to provide opportunities for visibility through amplifying their stories on podcasts, social media, partnering platforms, and newsletters. Introduced in early April, the weekly "Econ Network Newsletter" highlights opportunities as well as the efforts and needs of alumnae. Additionally, Econ alumnae and their products and services have been featured in the VV Network Newsletter, which goes out biweekly to over 15,000 network members. Over 23 Econ alumnae's businesses were featured in the network newsletter from April to August.

Virtual Mentorship & Coaching

One-on-one mentorship and business coaching supports women entrepreneurs by providing individualized guidance. Over 45% of the alumnae indicated that they wanted these one-on-one opportunities and in response, 105 mentorship pairings were made in the initial stage of the pandemic, with an additional 83 pairings made at the end of July. Over and above our network of former Global Ambassador mentors, 1 out of every 3 alumnae offered to become a mentor for other women in the network, keeping the community strong and leveraging the substantial subject matter expertise of the network to benefit others.

Virtual Network Engagement

In May, the Economic Empowerment & Entrepreneurship team set up a series of Mastermind Calls, providing facilitated conversations in groups of up to 9 alumnae from around the world to problem solve current business challenges together. 11 groups have been connecting every 2-3 weeks for these conversations directed by a Vital Voices Econ staff member. Encouraged to form connections, many women have continued these relationships outside of the calls. An estimated 45 Mastermind Calls were held between the months of May and July, serving 76 alumnae, and have helped to provide a valuable sense of community through the pandemic. In addition, VV GROW has been hosting additional Sister Circle network calls and the Fortune and Global Ambassadors Programs set up recurring calls with a number of cohorts where alumnae share personal challenges, collectively brainstorm, and offer advice to others.



Norm Bunnak GAP Charlotte 2017

Norm pivoted her business, Village Works, into a mask making company in Cambodia. Named People's Mask, it "is an initiative to demonstrate what Fair Trade [is], creating opportunities for economically disadvantaged producers while protecting the welfare of consumers through Fair Pricing." For each mask bought, one is donated. Learn more [here](#).



Danielle Sharaf Fortune 2017 & WE Empower 2020

Danielle runs Switch, a mobile solutions company that produces content rich SMS in Pakistan. As the only woman CEO in the VAS industry, Danielle transitioned her SMS services to delivering crucial COVID-19 updates to rural communities throughout Pakistan. Learn more [here](#).



Wendy Leong VV GROW 2018

Wendy developed a GPS-based contract tracing app for Malaysia and the Philippines. The app links to the cloud and updates health advisors and the community about high risk COVID-19 areas. Individuals self identify their COVID-19 symptoms. Learn more [here](#).

THANK YOU TO OUR PARTNERS

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