

# WEC INTERNATIONAL

## THE IMPACT OF COVID-19 ON WOMEN BUSINESS OWNERS

**Women are Resilient in Response to Challenges** 

### Third Quarter Results

Date of Survey: July to September 2020 Comparisons shown (vs. Q2) April to June

# **ABOUT THE RESPONDENTS**

99.1% Of respondents are at least 51% owned, managed and controlled by

one or more women. (vs. 97% in Q2) **Total Respondents: 320** 

Human

Resources

2.5%

Food Services

2.2%

Wholesale

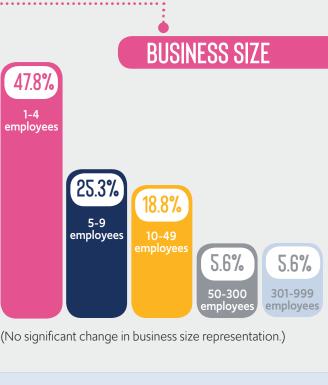
14.9% 19.4% (12%)24.2% (12%)**BUSINESS LOCATION** (vs. Q2)

Manufacturing Service 6.5% (No significant change in industry sector representation.)

**INDUSTRY SECTOR** 

IMPACT ON BUSINESS FROM COVID-19

Education



40%

34%

#### Quarter 3 Quarter 2 Losing customers as face-to-face business goes digital.

Increased anxiety about the situation has reduced my productivity/time spent on business. 26.9% Increased care demands (children, elderly, other loved ones) have reduced the time I spend on my business.

Can't move inventory that is sitting idle due to decreased demand.

15.9%

Inability to source raw materials and inputs for my products due to supply chains disruptions. 15.6%

19.7%

20%

25%

25%

Employees can't work causing delays in meeting client needs. 14% Not sure where to go for advice and guidance.

Need to shift to digital business and not sure where to start.

16%

13%

30.9% Have seen a decrease in Of respondents Of respondents have been impacted **NEGATIVELY** by

COVID-19 from July-September 2020. (vs. 82% in Q2) 19.4%

Of respondents have been impacted POSITIVELY by COVID-19 from

July-September 2020. (vs. 12% in Q2)

#### employee morale, while 4.4% have noted an increase in morale.

8.4%

**IMPACT ON EMPLOYEES** 

(vs. 38% and 6% respectively in Q2)

17.2% Of respondents

indicated they have

laid off employees and

12.5% have furloughed

employees.

(vs. 20% and 20%

respectively in Q2)

13.1% Of respondents said

22.5%

have decreased their

employees' hours due

to the decrease in their

revenue and 15.6%

due to family care responsibilities. (vs. 34% and 16% respectively in Q2)

technology and 11.6% due to lack of Internet access. (vs. 15% and 16% respectively in Q2)

5.6%

their employees

are unable to work

remotely due to lack of

TECHNOLOG\

have increased social media to accommodate the health and safety of their families and employees. (vs. 72% in Q2)

30.3%

Anticipate revenues

to further decrease

between January-

of those anticipate

will stop completely. (vs. 58%, 33% and 20%

March 2021. 8%

Of women business owners

videoconferencing and 62.5%

have increased the use of

#### 60.9% 13.4%

IMPACT ON SALES OR REVENUE (July-September 2020)

decrease in sales or revenue from July-September 2020.

(vs. 84% in Q2)

Of women

have seen a

significant

business owners

**NEW FINANCIAL CHALLENGES** Cancellation of contracts or booked revenue Delay in payments for products or services already rendered

11.6% 31% - 50% decrease in sales/revenue (20%) 51% - 70% decrease in sales/revenue (20%) Sales/revenue have stopped completely (17%) 13.4% 11% - 30% decrease in sales/revenue (15%) **3.4%** 1%-10% decrease in sales/revenue (5%) (vs. Q2):

I have to access my savings

Can't pay employees

I have to seek new sources of capital

Can't cover operational costs such as rent

Need capital and don't know where to go

Delay in pledged contracts or revenue

Margins are thinning and can't meet existing budget

% decrease in sales/revenue (vs. Q2):

15.9%

10.6% 71% - 99% decrease in sales/revenue (23%)

11.6%

10.6%

3.4%

decreases of more than half and 3.4% of those anticipate sales

respectively in Q2) (48%) (36%)25.6% 27.8% (34%) (33%)

(31%)

25.9%

Need tax relief

through delayed

payments and

19.4% through

canceled payments. (vs. 34% in Q2)

13.1%

Are in need of

government-

funded healthcare

for COVID-19.

17.5% (28%)

(25%)

(24%)

(19%)

(19%)

15.6%

15.9%

16.6%

16.3%

11.3% (24%)

36.6%

Of respondents

are in need of support with their

employee wages.

(vs. 51% in Q2)

20.3%

Of respondents

are in need of

extensions of credit

8.4%

14.4% (24%)

#### Inability to apply/receive loans, investment or other capital Buyers extending payment terms Increased cost of inputs (products or services)

(No change)

(No change)

with the crisis. (Higher)

social distancing. (Lower)

**NEEDS BASED ON IMMEDIATE CONCERN** Adjusting products or services to remain relevant in response to economic changes. (No change) Securing immediate funding to remain operational.

Funding for your organization to remain fiscally stable.

Adjusting delivery of products or services at a time of

Directly responding to or supporting customers, suppliers and other critical business partners dealing

Lack of access to necessary inputs (products or services)

(No change) THE BRIGHT SIDE: WOMEN ARE ADAPTING

Are identifying and

cutting unnecessary

expenses

(62%)

Responding to immediate potential or actual health needs of employees. (No change) Adjusting internal operations during social distancing. or penalty waivers from banks. (vs. 27% in Q2)

OPTIMIZE OR REFOCUS THEIR BUSINESSES Have shifted to a digital business

model

(43%)

(vs. 18% in Q2)

Are creating a new

business line in

(42%)

16.6%

(24%)

Found that clients want

to finish projects more

quickly and 5.9% want

to sign contracts more

quickly

(8% and 5%)



Have seen an increase in demand in products/ services (10%)

35.6%

Identified

global needs

(41%)

15.6%

Don't give up. Find ways to keep reinventing yourself and joining

efforts with other businesswomen.

16.6%

Listen to the market, be versatile, and adapt determination are our with determination and optimism. Be disciplined in your achieving your goals.

#### **HOW YOU CAN HELP** How can WEConnect International and its member buyers support women-owned businesses in the next 1-3 months?

58.8% Increased contract opportunities. (67%) Increased business opportunities with other women-owned businesses. (66%) 44.1%

Increased networking opportunities with other women business owners. (52%) 36.6% Increased access to finance. (41%)

Increased access to investment. (31%)

21.9% Increased meet the member virtual events. (29%) 29.7**%** 

Increased mentorship. (27%) 30%

Accelerate finalization of contracts with member buyers. (14%)

Increased training on COVID-19 survival strategies. (19%)

Increased business training. (27%) 25.9%

Improve the terms of existing contracts with member buyers. (11%) 10% \* Bolded data changes represent variations higher than five percent between Q2 and Q3.

WEConnect International is conducting quarterly surveys over the course of one year to understand the scope and nature of the impact of COVID-19 on women business owners and their companies worldwide. The results of the survey have been selfreported by women business owners within the WEConnect International network and partner organizations. www.WEConnectInternational.org ©WEConnect International 2020