**IMMEDIATE PRESS RELEASE**

**World Business Angels Investment Forum**

**13 October 2020**

**Pandemic Impact on Women Entrepreneurship**World Business Angels Investment Forum (WBAF) Research Institute announced key-findings of a global survey that included business owners from more than 77 countries and across multiple industries. WBAF, an affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI), has submitted comprehensive policy recommendations to the G20 leadership in order to alert policymakers about the urgent needs of startups, as revealed by the survey.

• How do you feel about your government's post-pandemic recovery plan?

• How would you rate your government's response to the pandemic?

• How would you prioritize health and education?

• Has internet access or speed been a challenge for you during this pandemic?

• What is your preference for returning to school plans for children in your family or in your community?

• Has childcare been a challenge during this pandemic for your family or in your community?

• How long can your business last without additional funding?

• Would you be willing to invest in the digital transformation of your business?

• How would you rate the conditions for women entrepreneurship since the onset of the pandemic?

• Has the pandemic affected your personal standard of living?

• Have you closed a business since the onset of the pandemic?

• Which of the following factors has created the most difficulties for women entrepreneurship?

(WBAF) The world is on the verge of a great disruption sparked by the COVID-19 pandemic. For the first time since the Great Depression of 1929, every country, every society and every economy in the world has seen the impact on health, employment, finance, trade and business. Every report we see—from the World Bank, IMF, OECD, WEF, and NASDAQ—forecasts wide-ranging effects of this great disruption.

The latest IMF Global Financial Stability Report projects high market volatility, a collapse in risk asset prices, a reversal of portfolios, and a deterioration of market liquidity. These global financial conditions clearly have a greater effect on the entrepreneurship ecosystem than they would in non-pandemic times.

The World Bank predicts that the global GDP will shrink by 5.2% in 2020, the worst scenario since World War II, and nearly triple the contraction experienced during the 2009 recession. A recent OECD report also predicts massive global unemployment rates. The same report also expects that, starting in Q4 of 2020, recovery will be slow, and in many regions, returning to pre-COVID-19 levels will take 2 years.

Like other institutions, the World Economic Forum identified a number of key risks: 500 million people falling into poverty, a 3% drop in world output, an anticipated fall in global trade of up to 32%, and an estimated 40% drop in FDI. The report forecasts that bankruptcies will skyrocket, that many industries will fail, and that structural unemployment levels will be elevated for years to come.

A NASDAQ survey indicated that startup investors expect there will be a significant impact on investing activities and that this pandemic-induced environment will last between 1 and 2 years.

WBAF Research Insitute conducted a global survey among our members which included business owners from more than 77 countries and across multiple industries. It was designed to gather opinions regarding the impact on several domains such as economic, business, social and overall quality of life during this pandemic. The Key findings from our recent 2020 WBAF Women Entrepreneurship Survey can be summarized as follows:

* The top challenges faced were financial at 69.65%, demand at 39.30% and workforce related at 24.51%
* 67.76% of respondents have changed or are planning to change their business model as a result of the pandemic. Of these, 36.19 % changed it over the past 3 months, whereas 22.5% were in the process of changing it and 7% were planning to change it within the next 3-12 months
* 32.68% felt they could last more than 12 months without additional funding, whereas 20.62 % less than 3 months
* The factors identified as causing most difficulties for women entrepreneurship were financial inclusion at 58.75%, digital fluency/literacy at 32.68% and health at 16.73%
* 14.77% closed a business since the onset of the pandemic and 5.04% were thinking about closing it within the next 3-12 months
* 17.11% of respondents surveyed thought about opening a new business within next 3 months, 13.76% within the next 6 months and 12.75% within the next 12 months
* 63.42% did not apply for additional funding during the pandemic and all other did apply, however only 15.95% were successful
* Majority of our respondents 47.62% identified their business as a startup, 35.16 % as SMEs and only 17.22% as a scale-up
* The most affected industries were finance & financial services 13.46% support & logistics 11.15%, education 10.77%
* Fascinating to note that 93% of our respondents identified digital transformation as very important for the post pandemic economy and that 84.05% would be willing invest in the digital transformation of their business.
* Digital fluency also was considered as essential by 91.05% of business owners and 72.76% would consider investing in a digital tech business

***Additional*** *I****nsights***
Additional Insights from our WBAF Women Entrepreneurship survey highlighted that most women entrepreneurs owned owned two or more businesses. Majority of our respondents had owned their business for more than 24 months when the pandemic started. Most respondents identified their mindset as millennial before and after the pandemic and 30.86% report-ed a conversion to millennial due to the pandemic.

53.06% respondents felt that the conditions for women entrepreneurship were worse during the pandemic. However, despite the challenges identified, 70.43% of respondents did not consider closing their business at the time of the survey, although 4.28% were thinking about closing it within the next 3 months.

It was interesting to note how business owners would consider allocating any additional funding that might be received; majority of respondents selecting business development, marketing, business infrastructure or staff compensation as top priorities.

It is worth noting that 40.47% of business owners surveyed reported a posi-tive impact on their business, particularly due to higher demand and due to experiencing fewer regulatory burdens. 12.94% of respondents reported an increase in short term investments during this time.

The overwhelming majority of respondents would like support with either funding, business development, marketing or professional courses/coaching or all of these combined.

From a social impact perspective, 22.04% of residents rated their govern-ments response to the pandemic as very poor, 23.27% as poor and 29.8% as good. 47.76% were either very dissatisfied, somewhat dissatisfied or dissatis-fied with the post-pandemic recovery plan.

46.12% of women entrepreneurs reported that childcare was a challenge dur-ing this pandemic, and about 48.57% had experienced challenges with inter-net access or speed. Out of those that experienced internet issues, the domain most affected was their ability to conduct business at 51.43%.

Most importantly, 44.49% felt their personal standard of living was affected significantly and 25.31% moderately and 15.92% minimally, with financial difficulties ranked as the highest cause at 38.37%.

**A comparative analysis from Prof. Singh**
Prof. Inderjit Singh, a former Singaporean Parliament Member for 20 years and founder of one of the world’s first unicorns, chairs the WBAF’s Global Startup Committee. Prof. Singh says, *‘’In addition to our WBAF survey report, we would like to share a summary of insights gained from a few global surveys that offer a complementary and comprehensive view from a geographic or industry impact perspective. Our WBAF survey report findings was consistent with these other major surveys conducted by international organizations over the past few months.*

*Like our WBAF survey, these organizations also aimed to collect data in order to gain a better understanding of the investor, business and consumer senti-ments and challenges encountered during the pandemic, as well as their opin-ion on the post-pandemic economic environment. Some of the surveys fo-cused only on one segment within the entrepreneurial ecosystem while oth-ers attempted to get a more comprehensive snapshot.*

*These studies showed that the pandemic price paid by women is far greater than for their male counterparts. Women held about 60% of jobs that have been lost during this pandemic. Many women were forced to leave their jobs due to child care issues. Across the world, the Covid-19 impact was marked by rising domestic and workplace violence, higher burden of care responsibil-ities, disproportionate lack of access to funding or digital tools, as well as pre-cariousness of jobs.*

*Women Entrepreneurs also felt that increased home care demands reduced their ability to focus on their business operations, reduced their sales, reduced their ability to generate revenue and had more difficulty adapting to a highly digitalized environment. For example, the gender gap for access to mobile in-ternet is 23% which causes a reduced ability to work remotely or access digi-tal markets. A few of the studies also revealed a more severe impact on opera-tions and a more significant decrease in sales for woman-led businesses com-pared to men led businesses. One of the recent OECD reports focused specifi-cally on SMEs showing a more severe impact globally on both the supply and demand side, partly due to the overrepresentation of these businesses in the most affected industries and partly due to their vulnerability in cash reserves’’.*

**Towards a hyperconnected digital world**

Baybars Altuntas, a former Senior Advisor to the London Stock Exchange Group, now chairs the World Business Angels Investment Forum. Altuntas says, *‘As an affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI), the World Business Angels Investment Forum (WBAF) is committed to collaborating globally to empower the economic development of the world by fostering innovative financial instruments for startups, scaleups, innovators, entrepreneurs and SMEs and to promoting gender equality and women’s participation in all sectors of the world economy.*

*We are convinced that we will be able to present a better road map of post-pandemic times for startups, scaleups, entrepreneurs, SMEs and investors if a greater emphasis is placed on knowledge, which is central to the transition debate to a ‘new normal’. We believe that simply keeping physical distance, washing hands, and staying at home is not enough to solve the challenging problems that entrepreneurs and the young generation will face after COVID-19 itself ceases to be a problem. We need better policies that are developed in the light of knowledge that can only come from the entrepreneurship and investment ecosystem.*

*I am extremely grateful to the WBAF Global Startup Committee for their massive efforts to gather data for this important report. I also wish to thank all the entrepreneurs and investors who contributed to the Committee’s efforts by taking time to complete the survey.*

*As Executive Chairman of the World Business Angels Investment Forum, I encourage G20 leaders, policymakers, academics, global thinkers, entrepreneurs and investors to consider developing a new way of thinking – the ‘new multilateralism’, where all stakeholders take joint responsibility for the global common good, breaking down borders and barriers and improving collaboration so as to capitalise on the momentum unleashed today for a future ‘hyperconnected world’.*

*COVID-19 has showed us how the world’s citizens are interconnected. If a single virus was able to shut down the world economy in 8 weeks, it can also manage the start of a more digitally connected world.*

*I believe that, by working together across borders, with a common vision, and with these smart dynamics in mind, we are well placed to bring about positive change in the global economy and to pave the way for new generations to turn the COVID-19 crisis to an opportunity for the social, cultural, humanitarian and economic development of the world.’’*

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**About the World Business Angels investment Forum (WBAF)**

As an affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI), the World Business Angels Investment Forum (WBAF) is committed to collaborating globally to empower the economic development of the world by fostering innovative financial instruments for startups, scaleups, innovators, entrepreneurs and SMEs and to promoting gender equality and women’s participation in all sectors of the world economy. WBAF invites you to join our global efforts to ease access to finance, promote financial inclusion, and create more jobs and social justice.

[www.wbaforum.org](http://www.wbaforum.org)

**About GPFI**

The Global Partnership for Financial Inclusion (GPFI) is an inclusive platform for all G20 countries, interested non-G20 countries, and relevant stakeholders to carry forward work on financial inclusion, including implementation of the G20 Financial Inclusion Action Plan endorsed at the G20 Summit in Seoul. Queen Maxima of the Netherlands is the Honorary Patron of the GPFI.

[www.gpfi.org](http://www.gpfi.org)

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