



Pandemic Impact on Women Entrepreneurship

A Global Survey
by
WBAF Research Institute

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G20 Global Partnership for Financial Inclusion (GPFI)
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World Business Angels Investment Forum
An affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI)

World Business Angels Investment Forum (WBAF)

An affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI), the World Business Angels Investment Forum (WBAF) aims to ease access to finance for businesses from start-up to scale-up, with the ultimate goal of generating more jobs and more social justice worldwide. It is committed to collaborating, globally to empower world economic development by creating innovative financial instruments for innovators, start-ups, and SMEs. The Forum interacts with leaders in all areas of society, first and foremost in business and political spheres, to help assess needs and establish goals, bearing in mind that the public interest is of paramount importance. WBAF engages a wide range of institutions, both public and private, local and international, commercial and academic to help shape the global agenda.

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G20 Global Partnership for Financial Inclusion (GPFI)

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

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WBAF 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.

Foreword

I am extremely grateful to the WBAF Research Institute 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 shown 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.

We 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.

Sincerely,



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1. Introduction

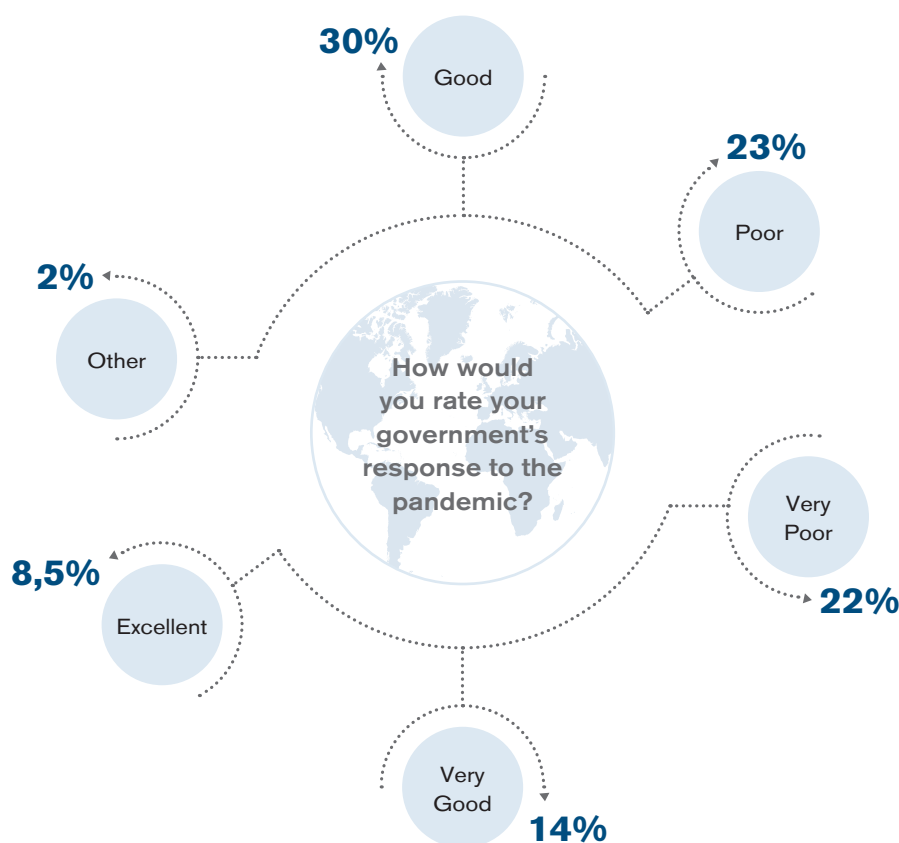
The world is on the verge of a great disruption sparked by the COVID-19 pandemic. For the first time since the Great Depression of 1929, every country, every society and every economy in the world has seen the impact on health, employment, finance, trade and business. Every report we see—from the World 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 1 and 2 years.

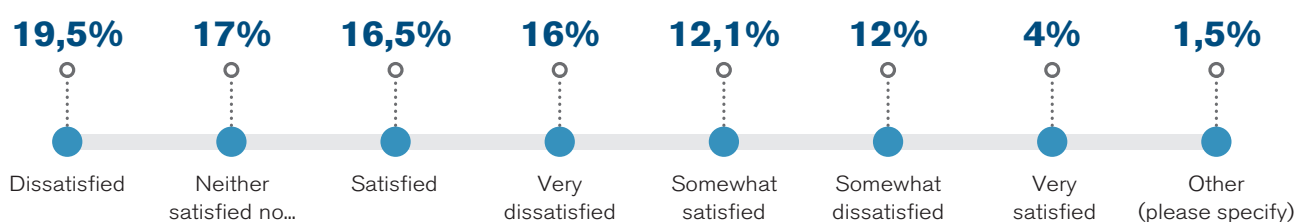


2. Key findings

WBAF 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

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



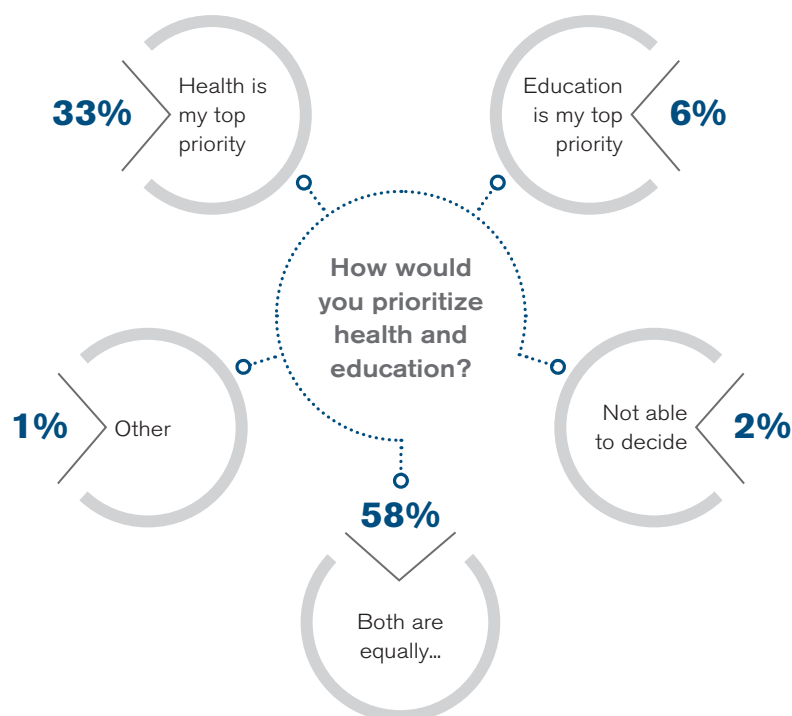
3. Comparative Analysis

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 were 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 sentiments and challenges encountered during the pandemic, as well as their opinion on the post-pandemic economic environment. Some of the surveys focused only on one segment within the entrepreneurial ecosystem while others attempted to get a more comprehensive snapshot.

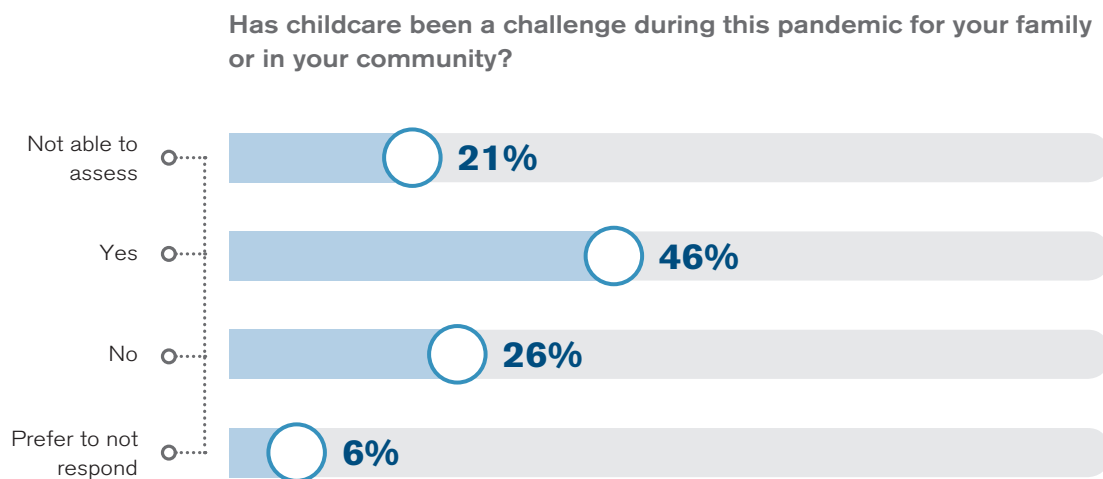
These studies showed that the pandemic price paid by women is far greater than for their male counterparts. Women held about 60% of jobs that have been lost during this pandemic. Many women were forced to leave their jobs due to child care issues. Across the world, the Covid-19 impact was marked by rising domestic and workplace violence, higher burden of care responsibilities, disproportionate lack of access to funding or digital tools, as well as precariousness 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 internet is 23% which causes a reduced ability to work remotely or access digital markets. A few of the studies also revealed a more severe impact on operations and a more significant decrease in sales for woman-led businesses compared to men led businesses. One of the recent OECD reports focused specifically 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.



4. Additional Insights

Additional insights from our WBAF Women Entrepreneurship survey highlighted that most women entrepreneurs 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% reported 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 positive 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 governments 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 dissatisfied with the post-pandemic recovery plan. 46.12% of women entrepreneurs reported that childcare was a challenge during this pandemic, and about 48.57% had experienced challenges with internet 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%.

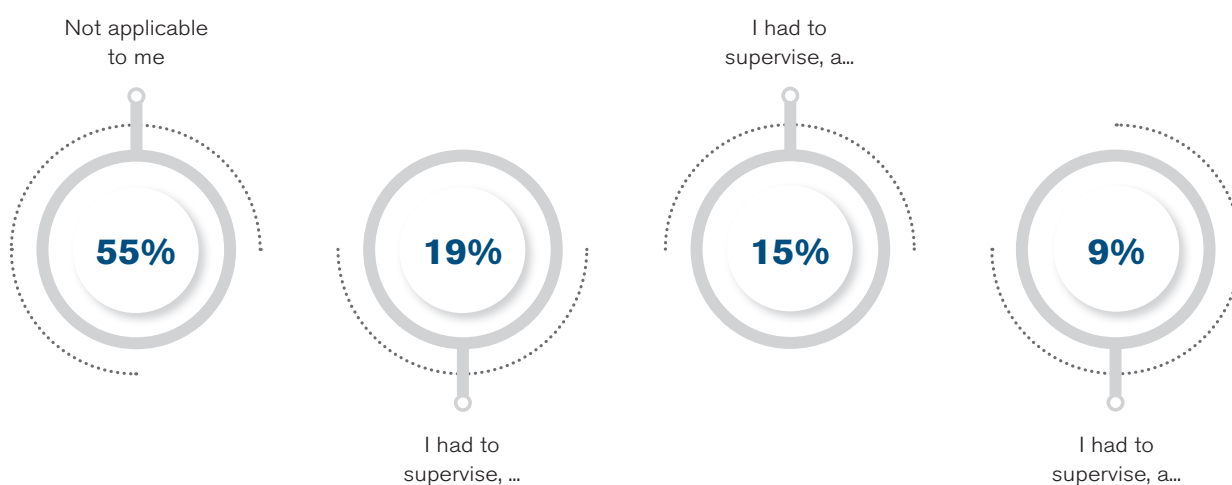


5. Policy recommendations

The World Business Angels Investment Forum invites all governments and municipalities to consider developing smart policies to convert cities to smart cities, ease access to the internet, develop better bandwidths for faster internet connections, ease access to healthcare and financial services. Governments must invest in the digital infrastructure of their communities such as internet speed, fintech, healthcare and smart cities as a response to COVID-19.

These all will lead to a better digital transformation of communities, better healthcare systems, more financial inclusion and more equal opportunities in education.

If you have had to supervise your child's education during the pandemic please indicate if and how this has impacted your business?



5.1. Developing smart cities

We believe that COVID-19 demands that every municipality or government must consider converting their cities to smart cities. City authorities can make the data gathered from their own monitoring systems available on an open-source platform. Municipal and private companies could then analyse the data. Facial scanning for body temperature, but without revealing identity, could improve infection control at railway stations, airports, and at events where many people come together, such as concerts.

5.2. Providing computers

We invite all governments to provide PCs, laptops, or tablets for families who are unable to afford such items, because online education will be the new post-pandemic educational model. It is important to note that, even in the U.S., the lack of a laptop or desktop computer on which to complete schoolwork is another barrier to full participation in remote learning. Among children aged 3-18, 17% live in households without a laptop or desktop computer. At least 11 million students have no technology tool at all for online learning, and among those that do, a single device may need to be shared with siblings. Lack of access to a computer increases vulnerability for lower-income students.

5.3. Increasing financial inclusion

There are around 2 billion unbanked people in the world today. Access to finance and access to public support are almost impossible for the unbanked. Since a new paradigm for educational systems is on the way, we should accelerate the financial inclusion of these people so they can benefit from the digital transformation. Otherwise, they risk missing out on the opportunities that will present themselves in the post-pandemic era, such as online education, access to finance, access to online healthcare services.

5.4. Access to healthcare

Access to comprehensive, quality healthcare services is important for promoting and maintaining health, preventing and managing disease, reducing unnecessary disability and premature death, and achieving health equity for everyone. This healthcare topic comprises 3 components: insurance coverage, health services, and timeliness of care. When considering access to healthcare, it is important to include oral health and access to prescription drugs as well.

Post-pandemic efforts will need to focus on deploying a primary care workforce that is better distributed geographically and that is trained to provide culturally competent care to diverse populations. Monitoring the increasing use of telehealth as an emerging method of delivering healthcare should be studied carefully, since thousands in the healthcare industry have lost their lives to COVID-19 or have been severely affected by it.

5.5. Increasing citizens' creativity for the social good

Creative citizenship will be more important than ever in post-pandemic times. Policymakers should consider innovative ways of creating an environment for citizens where they can develop a promising way of thinking about the countless ways in which individuals and groups contribute valuable ideas and services and goods to communities with a common interest. We believe that freedom of speech, human rights and gender equality are three important components of creating a healthy environment for citizens, which in turn opens the way for creative thinking.

We believe the world of post-pandemic times will need more support from citizens with creative ideas if we are to turn the COVID-19 pandemic into long-term social good.

5.6. Internet bandwidth

The worldwide digital population as of April 2020 was almost 4.57 billion people, encompassing 59% of the world's population. After COVID-19, a world without internet is unimaginable, and the internet will be a pillar of post-pandemic times. Internet bandwidth will be the key driver of the quality of online education, online healthcare services and financial inclusion. We therefore invite policymakers to invest in bolstering bandwidths, which will address several items on the WBAF's current to-do list. Without good connectivity, it will not be possible to develop smart cities, provide better education, increase financial inclusion, ease access to healthcare services or increase citizens' creativity.

5.7. Developing co-investment funds with impact investors

In post-pandemic times, we will increasingly use three important terms when discussing early- and post-early stage equity and capital markets: responsible finance, impact investment, and digital access to finance.

With the world now in the throes of a deep recession, one thing is clear: helping countries recover from COVID-19 will require billions of dollars to revive jobs and value chains, tackle systemic inequalities and promote a greener reconstruction. This will present significant opportunities for investors to innovate and finance projects that contribute to sustainable and inclusive long-term growth. Responsible finance and impact investors will be the driving force of this new investment ecosystem. Public and private partnerships (PPP) will be an a key path to recovery and reconstruction.

WBAF invites all governments to consider converting public finance to smart finance for the social good so that we can recover from COVID-19 in co-operation with responsible finance from impact investors and develop, together with them, co-investment funds from startup to scaleup to exit. World economies will need more responsible finance and more impact investors in post-pandemic times.

On the other hand, startups, entrepreneurs, scaleups, MSMEs and SMEs will have to discover innovative ways to reach angel investors and to pitch and close deals digitally. Pitching, closing deals, and monitoring investments digitally all the way to exit will be the new normal of the startup economy. We will see more online demo days, online meetings for due diligence, online signing of deal terms, and online follow-ups after the deal is closed.

WBAF estimates that every home of a startup after COVID-19 will turn to an incubation centre or a co-working space that is connected digitally to entrepreneurship and investment ecosystems.

5.8. Promoting a culture of ethics for the global business environment, and world economies during the COVID-19 pandemic

Many business policies and practices that were generally considered standard prior to COVID-19 will undoubtedly be amended in line with new appropriate transaction procedures.

Unfortunately, during times of turmoil, greedy parties often abuse financial and commercial systems, taking unfair advantage of people's inherent fear of changing their long-held habits or their lack of familiarity with different methodologies.

The COVID-19 pandemic is a unique calamity that continues to produce devastating social and economic global impact. Clearly, the ongoing threat to human lives and public health is more daunting than the evolving depressed economic conditions.

Health challenges and the loss of life are urgent priorities that surpass the current economic losses. Safeguarding personal well-being must take precedence over pursuing a return to economic prosperity.

WBAF urges political decision-makers to mitigate the spread of the disease by implementing practical measures that make it safe for people to leave their homes – before executing rescue plans for the economy or hastily opening borders and businesses.

To combat potentially fraudulent behaviours even post Covid-19, WBAF has identified three key areas for urgent action:

- **Moral Values**

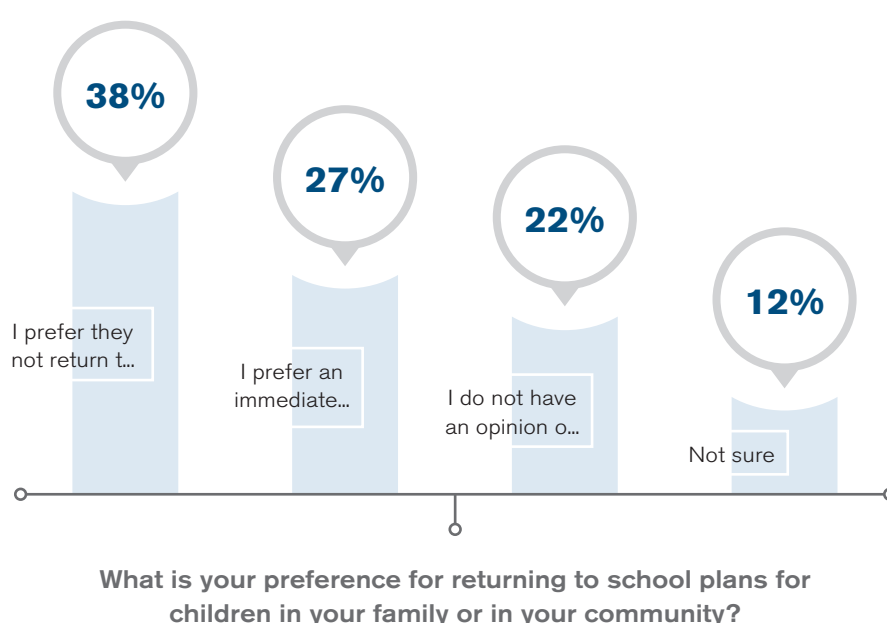
Pursue the highest standards of ethics, integrity, transparency, and accountability with regard to Business2Government services, Business2Business transactions, and Business2Customer dealings.

- **Digitalization**

Embrace advancements in technology that facilitate the use of e-services for private and public sectors and all interactions with stakeholders in the business cycle ecosystem.

- **Reforms**

Lobby decision-makers for anti-corruption measures that will protect customers from fraudulent activities, and for policies and procedures that will encourage equal commercial opportunities for honest competition based on price, quality and service.



6. Conclusions

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.

Resources

- <https://www.imf.org/en/Publications/GFSR/Issues/2020/04/14/global-financial-stability-report-april-2020>
- <https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>
- <http://www.oecd.org/economic-outlook/june-2020/>
- <https://www.weforum.org/reports/covid-19-risks-outlook-a-preliminary-mapping-and-its-implications>https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/attractiveness/ey-europe-attractiveness-survey-2020-v3.pdf<https://www2.deloitte.com/us/en/insights/focus/human-capital-trends.html?id=us:2el:3pr:di43244;eng:cons:051820><https://www.pwc.com/us/en/library/covid-19/pwc-covid-19-cfo-pulse-survey-global.html><https://www.smefinanceforum.org/post/member-pulse-survey-3-on-the-impact-of-covid-19-june><https://www2.deloitte.com/us/en/insights/focus/human-capital-trends/2020/covid-19-and-the-future-of-work.html>
- <https://www.mckinsey.com/featured-insights/future-of-work/from-surviving-to-thriving-reimagining-the-post-covid-19-return>

Research Leadership

Prof Dr Inderjit Singh President, WBAF Research Institute World Business Angels Investment Forum

Professor Singh serves as Chairman of NTUitive, the Innovation Company of the Nanyang Technological University, Singapore. He is the Chief Executive Officer of Solstar International Pte Ltd, a multinational company from Singapore. Prof. Singh was the founding President of the Singapore Chapter of The Indus Entrepreneurs, a network of entrepreneurs and professionals founded in 1992 in Silicon Valley, California. From 1995 to 2012, he was the Deputy Chairman of Action Community for Entrepreneurs (ACE), a Singapore national committee involved in Entrepreneurship Policy and Advocacy. Previously, Prof. Singh founded United Test and Assembly Centre Limited, or UTAC, a Singapore-based semiconductor test and assembly company, and served as UTAC's President and Chief Executive Officer. UTAC was a Unicorn 3 years after Inderjit started the company. Before founding UTAC, Prof. Singh served at Texas Instruments Singapore (known as Micron Semiconductor Asia since 1999) for 13 years, holding the post of Director of Assembly and Test Operations for the Memory Division from 1996 to 1998. Prof. Singh also served as a Member of Parliament (MP) in Singapore, from 1996 to 2015 and was the Chairman of the Singapore Government Parliamentary Committee for Finance, Trade and Industry for a duration of his term as an MP. Prof. Singh serves as a Member of the Board of the Nanyang Technological University (NTU) and in the past served as a board member in several Statutory and Public Bodies, including the Urban Redevelopment Authority, the Standards, Productivity and Innovation Board and Spring Singapore. He is an active angel investor and also holds directorship positions and investments in a number of start-up companies. Prof. Singh holds a degree in Electronics Engineering from the Nanyang Technological University, Singapore; an MBA from the University of Strathclyde, United Kingdom; and a Honorary Doctorate from the Amity University, India.

Dr Ingrid Vasiliu-Feltes Secretary General, WBAF Research Institute World Business Angels Investment Forum

Dr. Ingrid Vasiliu-Feltes MD MBA has extensive experience as a founder, executive, consultant or speaker. She is currently serving as Country Director for WBAF USA and as a faculty member of the WBAF Business School, Entrepreneurship Department. Prior to her current role, she held several leadership positions within the academic, corporate and not-for-profit healthcare arena. Her consulting engagements have included healthcare systems, VC funds, angel investment funds, not for profit entities and corporations. After completing her post-graduate residency and fellowship training at Columbia University College of Physicians and Surgeons in 2003, she earned her Executive Masters of Business Administration degree in 2011 from the University of Miami Herbert Business School. Dr. Vasiliu-Feltes is a board member and advisor to several companies and currently serves as the Chief Ethics Officer for the Government Blockchain Association, an international not for profit organization with 90 chapters worldwide. Dr. Vasiliu-Feltes is also a member of numerous prestigious professional organizations and holds several certifications, such as Artificial Intelligence and Business Strategy from MIT Sloan, Blockchain Technology and Business Innovation from MIT Sloan, Finance from Harvard Business School, Negotiation from Harvard Law School, Innovation and Entrepreneurship from Stanford Graduate School of Business, Certified Professional in Healthcare Risk Management, Fellow of the American College of Healthcare Executives, Patient Safety Officer by the International Board Federation of Safety Managers, Master Black Belt in Lean and Six Sigma Management, Professional in Healthcare Quality by the National Association of Healthcare Quality, Manager for Quality and Organizational Excellence, by the American Society for Quality, and Certified Risk Management Professional by the American Society for Healthcare Risk Management.



For your interventions

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