

Womenomics: COVID-19’s Impact on Goldman Sachs 10,000 Women Alumni in Brazil

COVID-19 disrupted the world, ushering the sharpest global recession in recent history and upending personal and professional lives. Checking in with our global cohort of women who participated in the Goldman Sachs 10,000 Women (10KW) and 10,000 Small Businesses (10KSB) programs¹, we found that nearly all program graduates had experienced difficulty running their businesses. The foremost challenge was financial, but a close second was related to the unique role of women as caregivers with responsibility for running families and businesses. Women entrepreneurs are also overrepresented in the industries most adversely impacted by COVID-19. Still, our alumni adapted, pivoting their business models and adopting digital tools to succeed in this new environment. The evidence from the COVID-19 experience is clear: women business leaders are resilient. But in order to thrive, they need all the help they can get. See the full Goldman Sachs Asset Management report at: *Womenomics: COVID-19’s Impact on Goldman Sachs 10,000 Women and 10,000 Small Businesses Alumni*.

Women entrepreneurs in Brazil have been hit harder than many of their global counterparts. Three key setbacks to keep track of in this population are 1) the disadvantages from prolonged severe COVID-19 outbreaks may lead to scarring effects, 2) the relatively greater burden from caregiving responsibilities may diminish future women’s entrepreneurial potential, and 3) lower adoption rates of digital tools create more untapped potential.

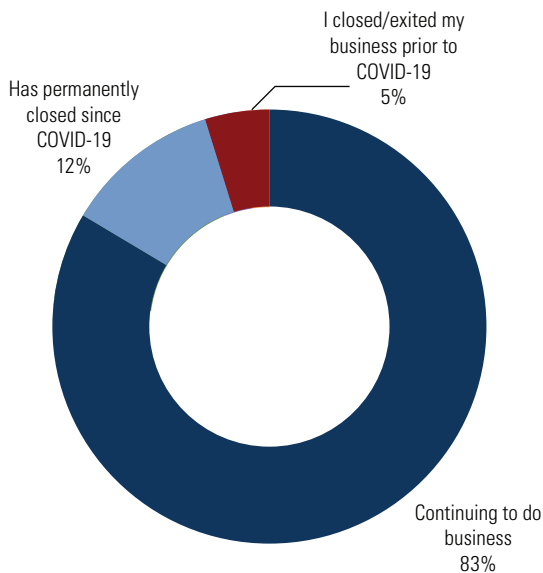
Deep scarring effects: Brazil’s fast spread of COVID-19 has resulted in surging case growth across the largest country in South America. Virus waves have put significant pressure on the country’s healthcare infrastructure and continued outbreaks could potentially lead to deep scarring effects for women entrepreneurs. However, despite the unprecedented challenges presented by COVID-19, 83% of Brazilian 10KW businesses continued to do business, with 66% reporting declines in revenue.

Caregiving challenges: Over two-thirds of the 10KW alumni in Brazil are primary caregivers in addition to being business leaders, and 53% reported a greater focus on family commitments as a result of COVID-19. More than a quarter of the women reported that the increased focus on family impacted their ability to manage their business. While 86% of the women felt that the performance of their business is more likely to be impacted by factors beyond their control, 71% of women still feel confident about the future of their business and their capabilities as a leader. With help to ease familial commitments, women leaders can be further empowered.

Digital possibilities: In response to COVID-19, 76% of Brazilian alumni pivoted or changed their business model, 6 percentage points (pp) more than their global counterparts. Nearly 60% reported that the shift in digital solutions and working patterns has made leading a business easier or more accessible as they can harness the potential efficiency and/or productivity gains from technological innovation. When comparing digital usage prior to and following COVID-19, automation and online sales both increased by ~50%, while artificial intelligence increased over 100%. This showcases the potential of increased technology adoption to further improve business prospects even beyond the pandemic.

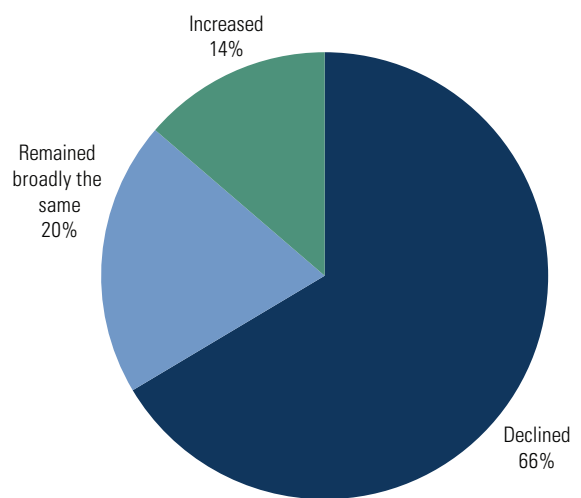
The majority of 10KW Brazil businesses are operating, despite significant revenue impacts

Businesses still in Business²



COVID-19 Impact on Revenues

Revenue experience relative to pre-COVID-19 (% , March 2021)



53% Decrease in number of people employed



40% Unchanged in number of people employed



5% Increase in number of people employed

Source: Goldman Sachs Office of Corporate Engagement and Goldman Sachs Asset Management. As of March 2021. Data reflects current business experience relative to pre-COVID-19. Views represent those of survey respondents. Based on 146 respondents.

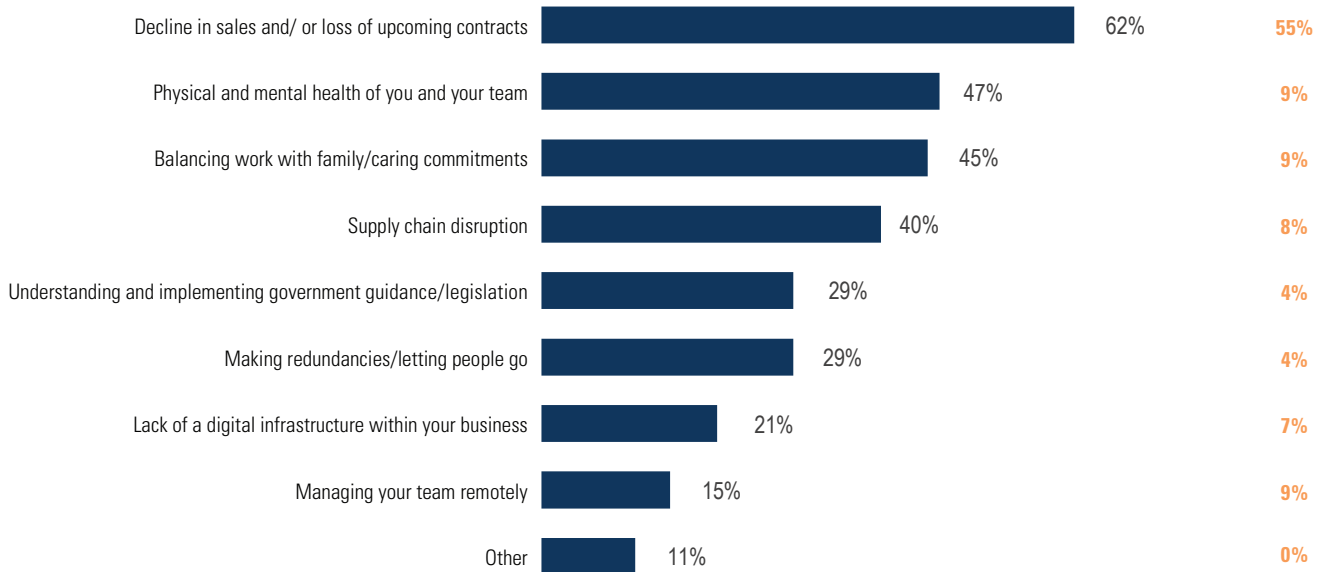
¹ Based on the 2021 Goldman Sachs Women in Entrepreneurship: Global Alumni Survey data from women graduates of the 10,000 Small Businesses and 10,000 Women programs. The survey aimed to explore the impact of COVID-19 on women entrepreneurs and their experiences and priorities as business leaders.

² Business status as of March 2021.

COVID-19 challenges have compounded the existing hurdles that female entrepreneurs face

What have been the key challenges your business has faced as a result of COVID-19?

The number one challenge?

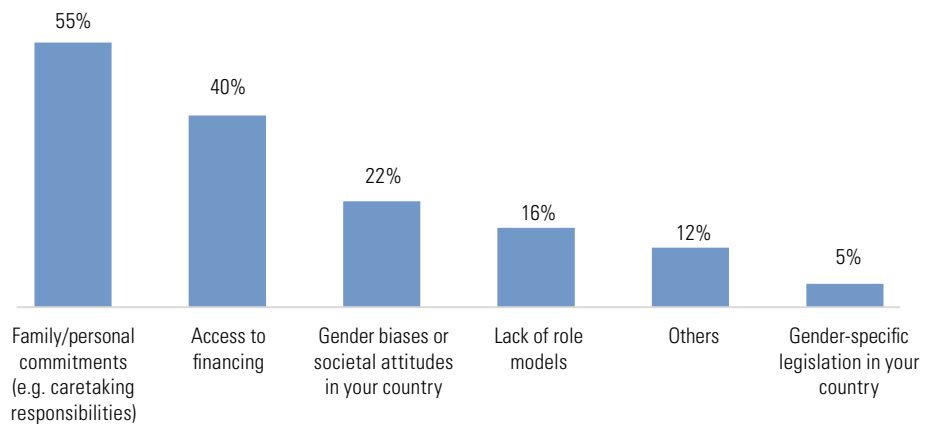


Challenges In the Spotlight...

Regional Findings

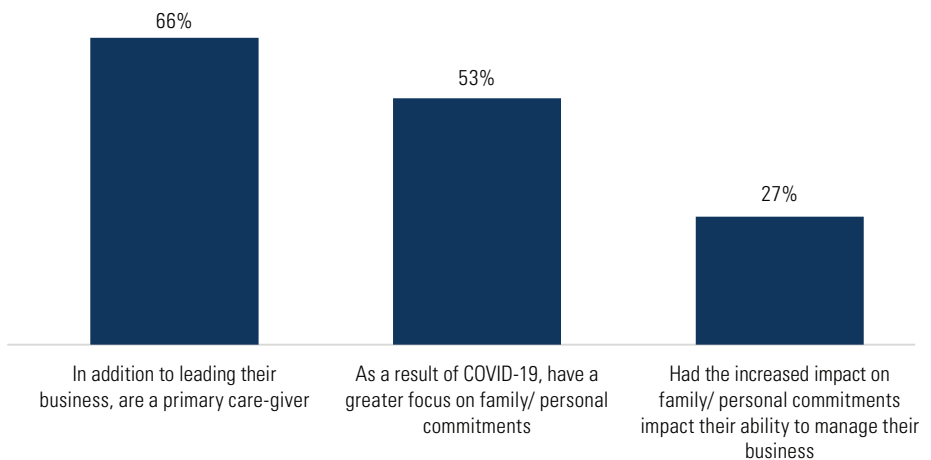
66% say that as a woman entrepreneur they feel the challenges of running a small business have increased as a result of COVID-19

1. Most challenging aspects of running a small business as a woman entrepreneur...



2. Impact of caregiving during the COVID-19 pandemic...

86% feel that as a woman entrepreneur the performance of their business is more likely to be impacted by factors beyond their control

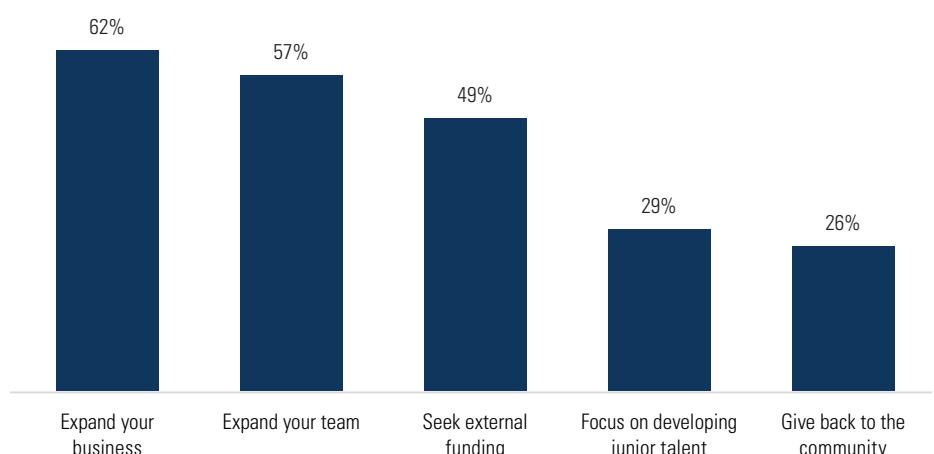


3. As a consequence of reduced confidence, women entrepreneurs are less likely to...

71% report that they feel confident about the future of their business, although

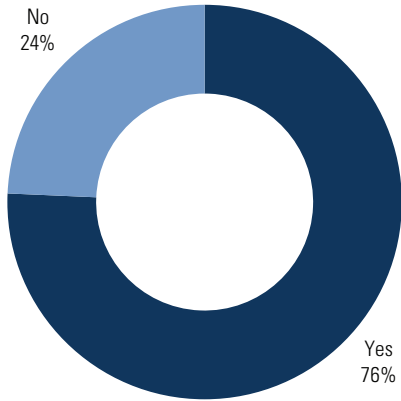
45% feel less confident about the future of their business than before COVID-19, and

23% feel less confident as a business leader as a result of COVID-19

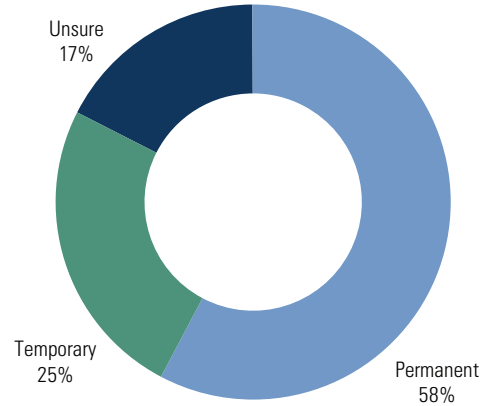


Women entrepreneurs have adapted in the face of COVID-19 by tilting toward digital capabilities

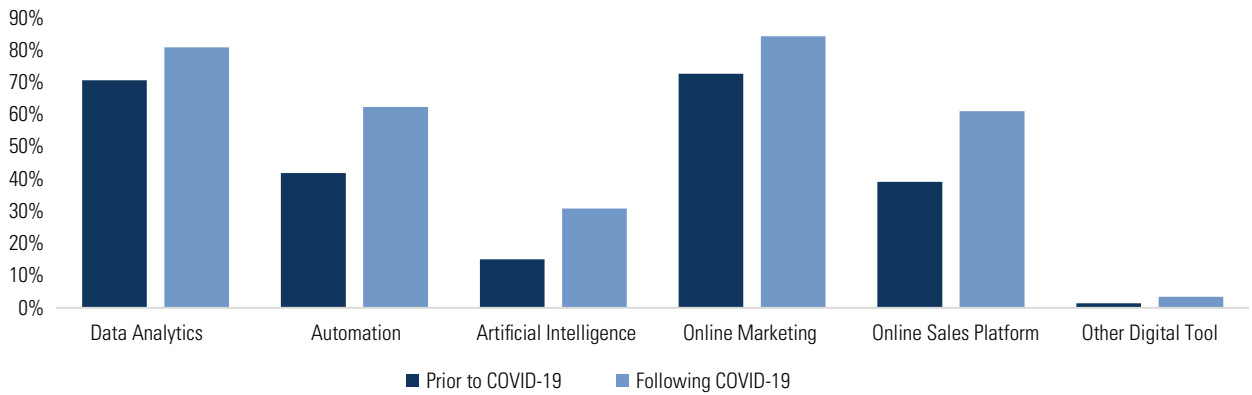
In response to COVID-19, have you pivoted or changed your business model?



Do you envision these changes to be...



Percent who used digital tools



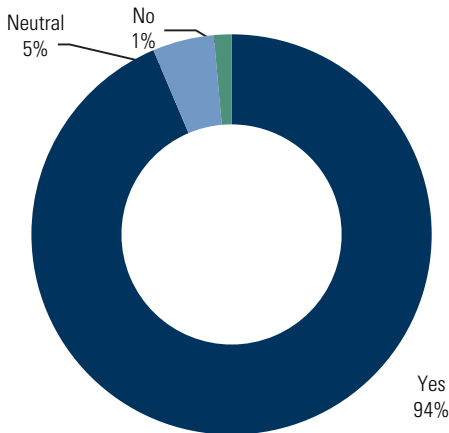
68% intend to invest more in training for employees to ensure they can harness the potential efficiency and/or productivity gains from technological innovation

58% say that the shift in digital solutions and working patterns has made leading a business easier or more accessible as a women entrepreneur

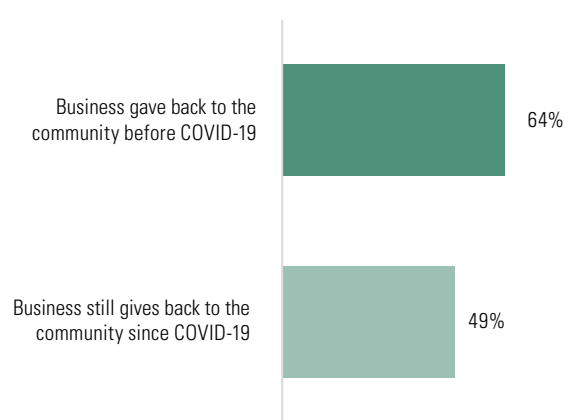
48% say technological proficiency is more of a core priority when recruiting new employees

"Purpose beyond profit" has been a pervasive theme

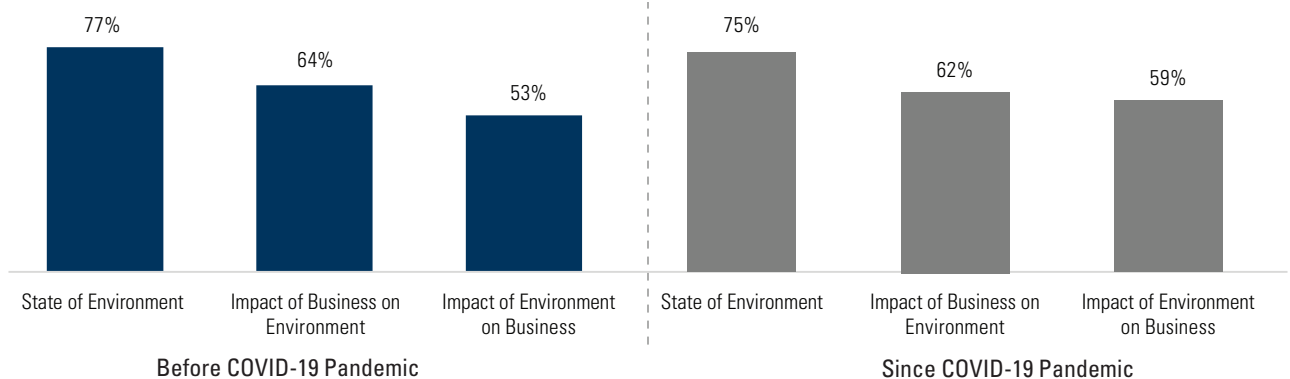
Do you think that it is important for your business to have a 'purpose beyond profit'?



Respondents whose...



Percent of 10KW businesses concerned about the environment and the interaction between their businesses and the environment



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