

EXCHANGES AT GOLDMAN SACHS PODCAST WITH MARGARET ANADU AND SMALL BUSINESS OWNERS

JAKE SIEWERT

This is Exchanges the Goldman Sachs, where we discuss developments currently shaping markets industries in the global economy. I'm Jake. See what global head of corporate communications here at the firm.

Today we're going to be talking all about small businesses. First we have for Margaret, and I do head of our urban investment group about Goldman Sachs recent announcement to commit \$250 million for emergency loans to small business as well as a \$25 million in grants to Community Development Financial Institutions and other mission-driven lenders.

Then we'll hear directly from three small business entrepreneurs themselves or graduate of the Goldman Sachs *10,000 Small Businesses* problems on how has personally had an impact on their businesses and their lives. But first, Margaret. Margaret. Welcome to the program.

MARGARET ANADU

Thanks for having me.

JAKE SIEWERT

So give us the big picture first. What's been the impact so far of the epidemic on small businesses here in the United States?

MARGARET ANADU

Sure. I think, you know, I don't think this will surprise anyone. It has been significant. You know, we were actually able to survey, you know, huge amounts of our 10,000 Small Businesses scholars and we've got to over 1500 of them and the feedback was clear. 96% of them had been impacted. Over half of them felt if the situation did not change, they wouldn't be open in three months. And then two thirds of them were having a lot of uncertainty even figuring out how to navigate what was available from the federal government.

And so if you think about why that level of distress? Why that level of impact. Small businesses, especially our mainstream neighborhood businesses -- they rely on customers and that cash flow and being open every day. And so when you're closed, you're not generating revenue. Two, you're having issues with your employees who simply cannot be at work, given all the foreclosures.

And so if you take those issues on top of just the timing of it. This is not something that we were talking about a few months ago. This is not something that small business owners were prepared for. And so just the onset of it and having to make some of the most difficult decisions a small business owner will ever have to make -- whether they're going to be open, whether they're going to have to lay off a significant amount of their workforce. Those are those are decisions that are difficult in the best of times, even with preparation and so having to figure it out in the middle of a global pandemic, as you can imagine is really, really, really difficult.

And then just on top of that, of course, this is a health crisis. So these same small business owners are dealing with health issues in their own families, the health issues of their employees. And so when you put all that together on these businesses, it's causing a lot of anxiety, a lot of frustration, and it's widespread.

JAKE SIEWERT

So Congress passed in the President signed into law, big federal stimulus package. What's been the takeaway from that so far in terms of small business?

MARGARET ANADU

So the federal stimulus bill that was just passed had a pretty key provision to support small businesses. That's the paycheck protection program that we're all hearing about in the press. Congress appropriated \$349 billion to this program and had two primary goals: one get cash assistance to these businesses to cover their operating expenses, but two do it in a way that actually incentivizes them to maintain their employees and keep them on the payroll. Or if they've already had to make that heartbreaking decision to lay employees off, it actually gives them the ability to rehire them.

The loan itself is meant to be streamlined. It is not a full business underwriting and simply sizes the loan based on 2.5 times average monthly payroll. Then once the loan is funded, borrowers who use the funds to maintain and cover other eligible operating expenses, benefit from a significant portion or sometimes all of the loan forgiven. So it's

incredibly attractive from that standpoint because it's getting businesses that cash they need fast and if they use it to keep their employees, they don't need to pay it back.

So the takeaways – one, it's significant. It's certainly going to help a lot of businesses and individuals. Businesses are hyper-focused on cash flow and this is one answer.

The key questions are around the infrastructure -- how and where businesses actually get the money.

So I mentioned earlier the size of \$349 billion. The program is currently structured to use an existing lending program under the Small Business Administration called 7(a), which is typically much smaller. Taking 2019 as an example \$20 billion was lent over the entire year. For the paycheck protection program, the current goal is to get \$350 billion out the door in less than 3 months. As you can imagine, that's causing a lot of anxiety for borrowers who have been told it is first come, first served, and for lenders who are trying to move at 50x their typical pace on a lending program where the rules are still evolving by the day.

So to go back to the take aways – it's a valuable solution, but \$349 billion wont be enough and the implementation and access will be key.

JAKE SIEWERT

So your team moved pretty quickly in New York and Chicago to stand up with the mayors of cities on loan programs for small businesses in Chicago, New York, you're also announced this past week, a big \$250 billion program explain what those problems are and how it works, since Goldman isn't traditionally been a small business lender itself.

MARGARET ANADU

Sure. And we have actually since doubled that commitment from \$250 million to \$500 million! Our goal across the board has been to get capital to small businesses and to do it as fast as possible. Our \$15 million in New York City and \$10 million in Chicago are both great examples. We worked directly with city leadership in both cases to set up facilities that could deploy capital fast. We partnered with community driven lenders to design simple loan products that would be straightforward for borrowers and would provide attractive loan terms like upfront deferment given the level of distress these businesses are facing. In both cases, those facilities had thousands of applicants within days so we know that there is enormous demand.

Another key goal other than speed is of course getting these businesses the best capital available. And so I mentioned earlier the paycheck protection program and its attractive features, but complicated delivery. The largest eligible lenders under the program are the large commercial banks. For the 44% of small businesses who do not have a small business lending relationship with a bank, they face an uphill battle in securing this really important loan product that they are eligible for. And that 44% figure is just small businesses. That doesn't even count all of the independent contractors and self-employed folks who are also eligible for paycheck protection loans. And so that is what we're focused on with our \$500 million commitment to fund community development financial institutions and other mission driven lenders to make these loans. We wanted to make sure that that \$349 billion was going to get to the widest swath of businesses -- those without a bank relationship, those in underserved communities and rural areas, businesses run by folks who are disadvantaged in the normal course

without the additional pandemic-related concerns. So in getting at that, we focused on CDFIs because they have a proven record, some of them 20, 30, 40 years old of working in communities and getting to the smallest of businesses, minority and women-owned businesses and so getting capital from Goldman Sachs to those CDFIs just ensures that they have the liquidity to serve those businesses. The other piece we're focused on is making sure that these CDFIs have the operational support needed to get these loans out and so we also committed \$25mm of philanthropy to bolster their infrastructure so they can answer this important call.

JAKE SIEWERT

So beyond what you've described in terms of the small business lending programs. How else can cities and communities help their small businesses right now?

MARGARET ANADU

On the local level, for starters, they can increase awareness of what options are available to small businesses. I mentioned earlier that two-thirds of the businesses we surveyed don't know how to access the relief efforts that are out there. Navigating the emergency loan options can be incredibly complex, especially given the level of urgency that's involved. And so as businesses and individuals turn to their cities for help, being able to provide clear information on what's available in layman's terms, is incredibly valuable. These businesses are facing incredible challenges and the level of confusion and not knowing where to turn only makes matters much worse.

JAKE SIEWERT

So obviously we're all from this podcast to everything we do, we're all learning to do our day jobs very differently. What was it like trying to set up these loan facilities and work at partnerships with cities, in a remote fashion and during a time of crisis?

MARGARET ANADU

You know, we are all moving so urgently. There's nothing like a crisis like this to really just see people's best efforts, and passion. I think there's just a level of urgency that you almost don't stop to notice that you weren't sitting in a room together or working in the way that you usually do.

And another big takeaway for me working across all of these loan facilities in different cities is that real sense of shared purpose. There's no one who doesn't frequent small businesses, who doesn't know a small business owner personally or who isn't concerned about all the health issues and sometimes its touching your own direct families and so being able to work on something, whether it's, the folks at the city of the folks at our community lender partners, or even the senior leadership within our own firm. Everyone's collective efforts are humbling. But it also just speaks to the depth of the crisis we're in, because I don't think anyone would say that they are completely untouched.

JAKE SIEWERT

Thanks so much for joining us today. I know you've been very busy.

MARGARET ANADU

Thanks for having me.

JAKE SIEWERT

For those of you would like more information on this topic and Goldman Sachs efforts. You can check out our website [GS.com/smallbusiness](https://www.gs.com/smallbusiness). And there's plenty of information there and additional resources as well. Now, over the next portion of the episode with three small business owners to hear about how the pandemic has affected their lives and their businesses.

Our entrepreneurs are Erin Andrews of Indi chocolate, a Seattle-based chocolate factory, Ellen McNulty-Brown of Lotuff Leather, a Rhode Island-based leathermaker and Matt Jozwiak of Rethink Food, a New York City-based nonprofit. Erin, Ellen and Matt all graduated from Goldman Sachs' 10,000 Small Business program which helps entrepreneurs create jobs and economic opportunity by providing greater access to education, capital and business support services. To date, more than 9,100 business owners have graduated from the program across all 50 states. Welcome to the program everyone, and thanks for making time despite all that's going on..

ERIN ANDREWS

Thank you.

JAKE SIEWERT

So let's start with a quick overview on all your businesses. Erin, you run Indi chocolate, a chocolate factory in Seattle.

Tell us a little bit about that.

ERIN ANDREWS

Yes. It was started almost ten years ago. It'll be in October ten years old when I started making lotion and lip balms in my kitchen for my daughter's sensitive skin that thankfully people wanted to buy.

I was already a chocolate maker, but I started the company based on the cocoa butter-based body care because it had lower barriers to entry, higher margins, and it allowed us to buy the equipment and start making the chocolate that we're now famous for. The reason I started it with the body care was because of the better economic drivers for that, but it also is the reason why I like to say it's the most backwards chocolate company of all time because we didn't even start with chocolate, but Indi is named after my daughter, Indi.

And as part of the Goldman Sachs growth plan that I had from the 10,000 Small Business program was the buildout of our chocolate factory and café in Seattle's iconic Pike Place Market where we not only have our factory and café, but we also have what we now ironically call The Gathering Space where we have classes and events regularly held except for this time during COVID-19 and social distancing, but it's all located right in the heart of Seattle in the iconic Pike Place Market where the fish are thrown and the tourists generally throng, and that is our only location outside of our website sales, and we have had 12 employees, and we are now struggling to keep three employees because the impact has been so strong for the business.

JAKE SIEWERT

All right. Thank you, Erin. Ellen, tell us a little bit about Lotuff Leather.

ELLEN MCNULTY-BROWN

Great. Lotuff is a family-owned business that was founded in 2012 by the Lotuffs, and our designer and creative director, Lindy McDonough.

We have a team of 21 here in Providence where we

Handmake some of the most exquisite leather bags that I think you can find anywhere in the world. I

ended up joining the team in 2015. They brought me on to help grow and scale the business, and we were lucky enough to be a part of cohort number one for 10,000 Small Businesses out of CCRI in Providence, Rhode Island.

JAKE SIEWERT

Great, and Matt, a little bit about Rethink Food.

MATT JOZWIAK

Rethink was started in 2017. I'm a chef by trade. I worked at restaurants like Eleven Madison Park and Noma, and towards the end of my career realized that there was an excessive amount of food that was being thrown away. So I worked with partners such as the corporate cafeteria at Goldman Sachs, the Conrad Hilton to collect this excess food and provide free catering services to nonprofits, community centers all over Brooklyn.

Post COVID-19 we realized that centralized food production was probably not the wisest idea during this time and risk of infection, so we decided to launch a program which we radically pivoted towards where we supply capital to small restaurants in order to keep their staff employed where they create single-serving meals and

distribute them through vehicles like Meals on Wheels and our own distribution networks.

JAKE SIEWERT

Great. So Erin, you already mentioned a little bit of the impact of COVID-19 on your business. Explain a little bit, obviously, the retail space is probably shut down, but how is ecommerce holding up in this environment, and how are you thinking about the business so far?

ERIN ANDREWS

Well, we are thankfully able to continue to have our doors open because making something that makes people happy is essential even in a crisis, but for now it's only take-way, curbside pickup and delivery. Because we are located in Seattle's iconic Pike Place Market, we felt the effects of COVID-19 pretty much immediately, and the impacts have only gotten worse, and we've seen that continue. The cruise ship industry is really a big part of our revenues for not only Indi Chocolate but the over 500 businesses in Pike Place Market. The first cruise ship was supposed to be coming into port on Wednesday. That will not be happening now obviously. So we look at this impact as not just what we've already in fact have the impact with but for us, we are now supposed to be heading into our busy season with the cruise ship industry, and summer season is coming on board, but that's really thrown into peril. So what we've done is we have done a lot of the marketing towards online sales. We have also created an online menu for order ahead so people can take up and do take out and do curbside pickup, and we are working with new delivery companies as well as we've created a care package that can be both bought, gifted and donated, and those are the areas that we're going to really be pivoting

our business with as part of our chocolate recovery program.

The purchase of 100 of those care packages will keep one employee employed for one month at Indi Chocolate.

JAKE SIEWERT

So Matt, obviously a lot of restaurants are closed and offices, office cafeterias are scaled back. How have you been trying to adapt your business model?

MATT JOZWIAK

We've kind of realized that we really have to change drastically, and our concern is now the cost of acquisition. Obviously the majority of our food was donated, but as major farms, small farms start going under and the supply chain starts to break down in the food sector, we need to be dynamic and able to kind of provide solutions. So right now we're working towards because providing grants to restaurants, so that they can actually purchase food which is going to be extremely important, because if you can imagine, every farm not having restaurants to sell food to has pretty dire consequences.

JAKE SIEWERT

Ellen, what's been the impact on production and manufacturing in Rhode Island, and how are you making sure that your workforce is safe on the job?

ELLEN MCNULTY-BROWN

So if you talked to me two weeks ago, I would have still been speaking in terms of luxury leather briefcases, duffel bags and handbags, but as of 72 hours ago, we received our establishment

registration with the FDA, and we now have cleared the way for our team to manufacture face shields and to assist in the response to this public health crisis.

So we did make the determination that we wanted to focus our efforts on healthcare workers, people within our own community who were in dire need of quality protective equipment, and the healthcare industry in Rhode Island is such an important piece of our local economy. One hospital system is about 70 percent of all health care in Rhode Island, and if we could even be a small piece of the solution, then we were looking to ... to assist and, honestly, we found the response both locally and regionally to be very positive and somewhat eye-opening because the fact that Lotuff, a leather goods company that had no prior experience in health care or medical devices, would be able to get traction as quickly as we have, It's incredibly encouraging, but it also just emphasizes how dire the need is and that anything that we can do to help should go a long way.

JAKE SIEWERT

Well, so we did a survey a couple weeks back now that said that 51 percent of small business owners said they would not be able to stay in business beyond three months if these conditions persist. I'd like to take you one at a time, but is that how you're feeling about your own business, and where's the economic pain hitting the most? Let's start with you, Ellen.

ELLEN MCNULTY-BROWN

So a day or two into it really getting very bad, I was talking to a friend, and the first thing I said was, "I don't know how we're going to cover payroll." We invested over five years in building form a team of

three back in 2015 to a team of 21 now, and they are highly skilled artisans, and we've invested a ton in training and development. So for us, when the sales just stopped, this was entirely unlike anything that I've ever seen before I think just due to the volatility and the uncertainty of it all. For us, March 6th hit, and the cash register just stopped ringing.

So for us and at least in the last week, it was really a scramble for how we could create still doing meaningful work but just for a product that the market really needed right now more than luxury leather bags and handbags. And I would say we're not deviating or stopping our growth in leather goods, but we are very focused on in the near 90 days, 120 days how we can actually take what we believe will be extra bandwidth and apply it towards helping to meet the demands of this public health crisis.

JAKE SIEWERT

Erin, obviously you've got valuable commercial real estate, and you mentioned you've had to scale back your staff. How do you feel about the forward of the business right now?

ERIN ANDREWS

I think if you talk to any small business owner, we all have the same pain point, and that's cash flow. Full stop. I was recently on a conference call in which the speaker was talking to a group of small businesses, and they kept saying, "You are not alone. We're in this together," and they kept saying the word alone and alone and alone over and over again, and the thing that I realized is that really what we need are not loans. What we need is access to cash, access quickly and preferably grants, because those are what really allow us to

do what we need to go for our business

immediately, and those I think are really going to address the pain points of the small business.

What we need also right now is sales directly to our business. I would encourage everyone to do things like pay for shipping on packages and pay directly from the small maker, because that is what keeps the money in the business to allow them to recover and move quickly and frees up that cash flow for the business.

JAKE SIEWERT

Matt, obviously big challenges all the way around. What's been the biggest challenge in continuing to access and distribute food?

MATT JOZWIAK

The biggest challenge for Rethink has definitely been trying to get the foundations to realize the severity of the issue. There's a significant lack of trust in the philanthropy community that has kind of been a major problem for a really long time and has actually in a lot of situations, and very well-documented, perpetuated a circle of poverty, and this is becoming more true more than ever. Soup kitchens are closing, and social unrest is the next step. We really need to take drastic action, and there's not time for a six-month, eight-month granting process. We don't have time till next grant cycle. We need to get cash into the hands of business owners now, and there just needs to be a higher level of trust and dependency on each other, and I really believe that philanthropy like always is kind of leaned on to solve social problems and create a social net, like a social safety net, but we're also required to jump through

some pretty ridiculous hoops, and also executive directors have a thing called negative grants where you actually have to spend more money to get the grant and to return the information back to the foundation, than the grant is. And this just has to stop, and it has to stop at this ... at this time. So I'm optimistic actually that a lot of these things that we're battling will lead to more systemic change in the philanthropy community, because it's ultimately been pretty problematic and led to some pretty serious problems.

JAKE SIEWERT

Economics aside, what have been the hardest personal challenges you're facing at this time as a business owner? Erin, I'll start with you.

ERIN ANDREWS

Well, Indi Chocolate is a community-based business, and it's all about the people. The Pike Place Market community includes a food bank, low-cost medical clinic, low-income and senior housing, a preschool and senior center as well as a community center. I miss seeing our regulars, many of whom fall into high-risk class, and I miss seeing them on a daily basis. Indi chocolate also works with farmers around the world for the beans we use to make our chocolate in Pike Place Market. Lower chocolate sales and cash flow can impact when I'm buying beans and how much I'm buying at a time. I have had cacao sourcing trips to both Hawaii and the Solomon Islands already canceled because of COVID-19, and I personally miss seeing the folks that make Indi Chocolate a business based on community.

I want to bring back all my team back to work, but I also want to open

the doors fully so people can gather again and come to classes and events and all the other things that we do in Indi Chocolate. So I really look forward to a time when we can really be about people and about community in a non social distancing working environment.

JAKE SIEWERT

Ellen, how about you? What are some of the personal challenges you've been facing?

ELLEN MCNULTY-BROWN

I think I'd have to say it's the uncertainty and the volatility of the market was probably the largest challenge over the last few weeks, and then when we did actually observe industry leaders in France and Italy repurpose their manufacturing operations to move from changing from bags to either face masks or sanitizer in an effort to create meaningful work for their employees, we only had about a week, a week and a half to figure out how. How would we do it? So the biggest challenge honestly has been not just the volatility but figuring out how we would enter an entirely new business and get up and running -- we've done it in under ten days, and to me that is the craziest thing I've ever had to do in 25 years of working, and medical devices – while I really appreciate what we're doing is good and essential in the middle of this public health crisis – I wouldn't have ever picked this industry as something I would love to do. It's really, really tedious and hard.

JAKE SIEWERT

I can only imagine. Matt, how about you?

MATT JOZWIAK

I think that the biggest personal challenge is that like everybody is pretty

scared. Everybody's pretty shaken up down to the people who drive the trucks, the people who cook the food and all the different aspects and also our partners and also my family and my fiancée. People are scared and having to kind of wear that mask of 'It's going to be all right. This is the way forward. Let's do this. We got it.' It's hard, and you have to kind of hold a lot back. So that's definitely been the most non-economic, challenging part for me, but luckily our chair and actually somebody at the firm, Marshall Smith and Julian Baker, have been really instrumental in, you know, just taking time to chat with me and kind of chat through those things. So it's been great to get close to them but, at the same time, it's definitely frightening.

JAKE SIEWERT

So late last week and over the weekend, the Congress approved a big stimulus package. I know you're not all legislative specialists, but what are the most helpful provisions you've seen included in that, and were there things you'd like to see added? Let's go Matt, Ellen, then Erin.

MATT JOZWIAK

I really would have said like, you know, really like to see something for small business owners especially in the food space. I don't think that this has ever been properly recognized, but the next step below a restaurant or a food provider is basically workforce development. We are entry levels into our economy. These are the first jobs people can get without a skill set, without even language skills. They can get a job washing dishes, minimum wage, two meals a day, and it's a great starting point. It's how I started. I

started washing dishes in Kansas when I was 18 years old. When these jobs are gone, there's no second rung. There's no other place. It's directly into poverty, and we're not going to have the time, the space like we did, and I know

there are some issues, with the financial crisis. It's not bankers losing their jobs. It's working folk, and it's going to lead to a huge problem. So what needs to happen is that these

restaurants, these employers should have just -- "grants" is exactly the word. It's not a loan. It should be here's 75,000 bucks. Keep you staff employed. Get some work done. Make meals for

community centers. They need them. Senior citizens need meals.

Make them for that. That's exactly what should have happened. We should have utilized our infrastructure that we already had

and the workforce that we already had to solve another problem and been a little more organized about it. So that's what Rethink is trying to do is we're trying to gain access to capital so we could

give capital to restaurants. Have them create emergency meals and get them out to the folks who need them.

JAKE SIEWERT

Ellen?

ELLEN MCNULTY-BROWN

So the truth is we're really only just getting our heads around this bill.

Between moving from leather goods to medical devices in a week, there's a lot for us to pretty much take in

and figure out how we're moving forward on a day-to-day basis. What we know right now, it does seem like initially the small business support is good, and that there may be an ability based on

what we're seeing to ensure that the way we approach the loan would

afford us loan forgiveness at the end of the year if we're able to retain our workforce and move forward.

So from our perspective, that's a positive because instead of simply taking on debt to get through this, someone did at least have the foresight to attempt to think about how it would be less burdensome. So having the loan forgiven would be a huge benefit for us in particular, and beyond that, I mean we were also encouraged to see that there's support in there for public transportation, childcare. These are all of the things that will just help keep our team together.

JAKE SIEWERT

Erin?

ERIN ANDREWS

The number one most helpful provision for small businesses is getting access to cash. This is what small businesses need right now, and I mean right now, and any way that this access to cash can be expedited is really helpful. I would like to see the grants given instead of the forgiveness of loans that's included in this program. To be an entrepreneur means that you're willing to take certain risks. The Goldman Sachs *10,000 Small Businesses* program has helped entrepreneurs take smarter risks than actions for their business.

We are pivoting as small businesses during COVID-19, and having access to quick cash and grants makes the pivoting and survival much easier and effective.

JAKE SIEWERT

Okay, so taking it one day at a time, what's one goal, big or small, that

you have for your business for the week ahead? Erin?

ERIN ANDREWS

My goal this week is actually to really focus on our care packages, because our care packages are a part of our chocolate recovery program in that 100 care packages keeps one employee employed for a month. So it's a really easy online sale, or we have the ability to deliver in Seattle as well, and so our focus is really doing what's going to keep both our doors open and our employees employed, and hopefully we'll sell enough of them to bring back the rest of our team, because that is who I miss and really so much of what I'm working for right now.

JAKE SIEWERT

Ellen, how about you?

ERIN ANDREWS

For us it is really just going to be about getting our team back to work. We are about our people, and everybody always talks about small businesses being the backbone of the economy, and it's true.

JAKE SIEWERT

And Matt, how about this week? What's your biggest goal?

MATT JOZWIAK

Our biggest goal this week is to prove the model. So we're opening up a couple variations of the restaurant response program, one at Eleven Madison Park, and then we're actually trying to do one in Seattle with Erin here.

And we can make a huge dent in the emergency food need for less than what the city of New York is contracting people out to make meals which is around six dollars a meal. If we can get it down to five, we will have proven that the model works. Five-dollar meals, five

employees, 50,000 bucks goes a really long way. So if we're able to do this and execute this, then what we really want is for this to become a federal program where restaurants all over the country can rehire their employees and meet the demand of what is ultimately going to be a pretty major recession.

JAKE SIEWERT

Well, obviously a lot of us are stuck at home or working from home. What can we be doing to support small businesses in our local communities? Start with Ellen.

ELLEN MCNULTY-BROWN

Well, I think you said it's best. It's all about the local community. So let's buy local. Keep our investments local. If you need a book, skip Amazon and go to your local bookstore, and for us in particular, two weeks ago people would come and invest 700 to up to 12,000 for a bag, and rationally we fully understand that that's not even an expectation on our part today. So for a business like Lotuff, if you have our bag, think about writing a review. If you don't follow us on social media, then start following us on social media, and simple things like that go a long way

JAKE SIEWERT

And Matt?

MATT JOZWIAK

Echoing that, I would say that, one, support your local business, but at Rethink I think that it's time for philanthropist who have time, and if it's a hundred bucks, if it's five bucks, it doesn't matter, but take the time to look into a couple of organizations and donate your money. If you have capital, if you have a little cash on hand, it's more

important than ever to donate cash. But take the time. Don't give it to some big foundation and say, "Hey, you figure out what to do with it." It'll be six months before it hits anybody on the street. So take the time. Donate to your local charities. Help your local community, and we feel like that would be most beneficial.

JAKE SIEWERT

Erin, what could we do to help a small business like yours?

ERIN ANDREWS

Look for ways to help people. So look for ways that you can directly put your dollars into the economy of small business by directly, not through third parties, pay for shipping. Shipping is a cost that small businesses have, and by paying for the shipping, you're keeping more of the bottom line and more of the cash that's needed for the business in the business itself. Buy local. Buy direct. Support them on social media as well, and just keep on keeping on, and look out for your neighbors as well and see how they can use assistance when you can give that.

JAKE SIEWERT

All right, well, some very consistent themes there. Obviously an extremely challenging time for all of us but especially for those of you in small business. Is there anything you've seen as a small business owner that's left you feeling optimistic? Erin, we'll start with you.

ERIN ANDREWS

Yes. The thing that I find really the most optimistic and heartwarming right now is seeing community come together, and we've seen that in

our local community right in Pike Place Market as far as local businesses coming together to create delivery services, and also working with community-based organizations to deliver our care package so that they get a part of the proceeds in the delivery as well, and we've been working with local farmers so that we can sell their flowers for them in the market. The farmer that we're working with has been selling flowers in the market for 28 years and is now not able to sell because of the conditions in Seattle and shutting down many of the businesses. But because we're a food-based operation, we can have people buy both flowers and chocolate together. So having those communities come together and supporting one another is really encouraging, and I think it's really encouraging for small businesses as well.

I really appreciated the fact that cream always rises to the top, and we've had people just come out and help, and I really am so appreciative that our customers have bought online. That makes a really big help for us to keep our doors open, and I'm extremely thankful for that.

It is really appreciated, and it really does make a difference.

JAKE SIEWERT

All right. Matt, any signs of hope?

MATT JOZWIAK

Yeah, honestly a lot, definitely community. I actually think that there's a huge opportunity ultimately to streamline emergency food service. If we can get excess food that would normally be

thrown into the trash directly to restaurants and have some of them produce catered meals for ... for nonprofits, it, one, could be an extra revenue source for restaurants which I know definitely in New York City is more than needed. The quality of the food could go up, and we have a real chance to change things for the better. So that's what keeps us going at Rethink. That's what keeps us optimistic is that I think once the dust settles, we'll actually be ... it'll be really challenging, but we're going to be left with a more efficient food system which had a lot of problems going into this thing.

JAKE SIEWERT

And Ellen, I'll close with you. Where are you seeing some hopeful signs?

ELLEN MCNULTY-BROWN

You know I have to echo everything that was said by Erin and Matt, and at the end of the day it's, you know, how do we define our community, I guess. For us it's been the locals, people who are here and have wrapped around us, everybody from our landlord who has been extremely helpful in terms of giving us a breather on rent. Our governor has worked really hard to keep as many businesses open as possible. The customers who have been with us for years who can afford to buy, they're purchasing with us now, and that support is huge. And honestly, the move we've had to make in the last week to try and enter an entirely new business and deal with FDA registrations and everything else, I can't even tell you how many people have helped.. We've built this network of people over the years, and now that we had to figure out how can we repurpose ourselves to keep our people employed by working on face shields. Everybody has jumped in to make a call to a hospital.

Really it is honestly that how many people have just jumped in to help, and not the least of which truly has been Goldman Sachs where they've been a tremendous resource for us where we said, "We don't know who to talk to. How do we actually get set up with our FDA registration?" Where do we go to get going and make certain that if we're operating, we're operating in a way that is going to be safe and sustainable as we head into the coming weeks with COVID? And all I can say is these people have been incredibly helpful to us.

JAKE SIEWERT

All right, well, Erin, Ellen, Matt, thank you very much for joining us today and for taking the time to share your stories, and best of luck as you continue to navigate this challenging time.

Thank you all of us for joining us today and best of luck as you continue to navigate what's a very challenging environment. That concludes this episode of *Exchanges at Goldman Sachs*. Thanks for listening, and if you enjoyed the show, we hope you subscribe on Apple Podcasts and leave a rating or a comment. But more importantly, do what you can to support these small businesses today and tune in for our weekly markets update Friday morning when leaders around the firm provide a quick take on markets and what's driving the current volatility. Thank you.

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