

**Exchanges at Goldman Sachs**  
**From Crisis to Confidence: How Women Entrepreneurs**  
**Fared During the Pandemic**  
**Asahi Pompey, Global Head of Corporate Engagement, President of**  
**the Goldman Sachs Foundation, Goldman Sachs**  
**Candice Tse, U.S. Head of Market Strategy, Strategic Advisory**  
**Solutions, Goldman Sachs Asset Management**  
**Mantsha Pheeha, Entrepreneur, South Africa**  
**Host, Allison Nathan**  
**Recorded: June 10th, 2021**

**Allison Nathan:** This is Exchanges at Goldman Sachs. And I'm Allison Nathan, a Senior Strategist in Goldman Sachs Research.

In this week's episode, we'll be looking at how women entrepreneurs fared and repositioned themselves during the pandemic. To do that I'm joined by Asahi Pompey, Global Head of Corporate Engagement, and Candice Tse from our Asset Management division who just published new research on this topic. And later on in the program we'll be speaking with Mantsha Pheeha, an entrepreneur from South Africa who'll share her experiences during COVID and how she transformed her business as a result.

Asahi and Candice, welcome to the program.

**Candice Tse:** Thanks so much, great to be here.

**Asahi Pompey:** Thank you.

**Allison Nathan:** Asahi, let's start with you. This new study, which was just released today, looks at the experiences of women entrepreneurs who are alumni of the firm's 10,000 *Small Businesses* and 10,000 *Women* program. How did the idea of the study first come about?

**Asahi Pompey:** First of all, Allison, I want to say thanks for having me. It is fantastic to be in conversation in person with you and Candice, who's been a terrific coach and mentor to our 10,000 *Small Businesses* graduates.

So, in terms of how the idea for the study came about, we realized that we were uniquely positioned. We'd worked with women entrepreneurs for over a decade. And we had an opportunity to really hear their voices, to hear their experiences, to understand any trends, any lessons learned from the pandemic, any strategies that they had employed. And now, to level set for

folks that are listening, we launched our *10,000 Small Businesses* program over a decade ago dedicated to women entrepreneurs. Now in the US, in France, and the UK. Think of it as sort of a mini MBA free of charge from Goldman Sachs to growth-oriented entrepreneurs.

In terms of our *10,000 Women* program, we launched that 13 years ago when lots of people were not talking about women entrepreneurs in developing markets. But we knew that there was real opportunity and growth potential there. And we, frankly, wanted to be a part of it.

So, here comes along the pandemic. And we said, what if we went out to the entire *10,000 Women* and *10,000 Small Businesses* population and we asked them a number of questions about their experience? And so, we heard back from 1,100 women from 37 countries. We conducted this research in February and March. And it's been incredible what we're hearing and finding back from them. We wanted to understand their experience. But more importantly, we wanted to get a sense of their attitude, their mindset, their confidence level, their views on bigger issues like sustainability, giving back to the community, future of work. It's not just a big business issue, small business cares about future of work too and how it's impacting them. So, that really gives you a sense of how this all came about.

**Allison Nathan:** And such a differentiated data set that you have collected because of this experience. Really interesting.

Candice, let me turn to you. You focus on global capital market research and macroeconomic strategy in our asset management division. How did you get involved in this research?

**Candice Tse:** Thank you, Allison, for having me. And Asahi, it's great to be with you again. In fact, one of the last times that I was with Asahi before this pandemic started, we were in California presenting at a conference for female leaders in Silicon Valley. So, I'm very happy to be with both of you to continue our very important conversation on women.

So, back in March in honor of Women's History Month, we published a paper called "Empowering Women: COVID-19's Impact on the Gender Gap." And today's paper was a natural evolution of our research on women, taking it a step further to examine the pandemic's impact on women entrepreneurs, specifically a look into our Goldman Sachs *10,000 Women* and *10,000 Small Businesses* women alum.

So, I just wanted to take a moment to give a shout out to Wendy Lin and Jennifer Prosser from my team who partnered with me on this research. And for me personally, this has been so rewarding because I've been focused on empowering women for many years. I created an investment framework for the firm called Empower the Female Investor, a mnemonic representing seven steps to help female investors gain confidence in investing and take control of their finances. I've also been active, as Asahi mentioned, in volunteering with our *10,000 Women* and *Small Business* programs, serving as a mentor to entrepreneurs for our New York cohort, for our *10,000 Small Businesses* owners at Queens College. And basically, helping them perfect their three minute rocket pitches to ask investors for funding. And also served as a mentor to women entrepreneurs from Kenya and Nigeria.

So, it's been truly an honor for me to be able to be part of this initiative, to analyze how COVID-19 has impacted our women entrepreneurs in our programs.

**Allison Nathan:** So, let's talk a little bit more about the study itself. What were some of your key findings?

**Candice Tse:** We found that our alumni were deeply affected by COVID-19, as was the rest of the world. And our women alumni experienced challenges as small business leaders, regardless of which region they were from, industry, or their experience. Nearly all graduate respondents experienced some level of difficulty in running their small businesses. The most significant challenge reported was financial, with about 60 percent of respondents reporting declines in revenues. A close second was related to caregiving and responsibility for running families and businesses. So, many of our women entrepreneurs really had to spread their time, energy and focus throughout this pandemic.

But in response to the pandemic, 70 percent of alumni pivoted or changed their business models in ways that many expect will be permanent. A major trend in particular that we saw that's been helpful for our entrepreneurs during this time was greater digital adoption. All in all, we noticed narratives that were consistent with broader research on women business leaders. For example, we saw similarities in regard to capital, caregiving, and sector challenges. But we also saw resilience. 86 percent of our *10,000 Women* and *10,000 Small Businesses* basically said they were still doing business. Another 8 percent have temporarily closed their businesses since COVID-19. And 3 percent

permanently closed. But despite the challenges they faced, 78 percent remain optimistic in their future business prospects.

**Allison Nathan:** There was an interesting point about COVID creating booms and busts, and women are the ones who are bearing the brunt of the bust. Can you tell us a little bit more about that?

**Candice Tse:** Yes. To level set, in general, more than half of the women entrepreneurs' activity around the world is related to wholesale and retail trade. And women are most likely to start businesses in health, education and social service sectors. On the flip side, women are underrepresented in industries like agriculture, mining, technology. So, they're less likely to benefit from the acceleration in those fields. And that's just a general statement.

What we found is that this has been very consistent with the experience of our *10,000 Women* and *Small Business* women entrepreneurs. The lockdowns, the income loss, both have really stopped normal spending activity. And this has disproportionately hurt service-driven businesses, which many of our women are in. Yes, we did have a number of women-run businesses whose revenues increased since the start of COVID-19. These businesses have benefited from the boom. They were in industries that were exposed to healthcare, that use technology, and they were businesses that could operate remotely. Unfortunately, our women entrepreneurs were underrepresented in those sectors and types of companies that fared well. And overrepresented in recreation, services and trade industries that were hit a lot harder by this pandemic.

So, because of that, most of our women entrepreneurs have borne the brunt of the bust while not benefiting from the booms that COVID-19 has created. What we did see, however, that shows a lot of promise was the power of digital technology and how it helped some entrepreneurs. We did see a move online. COVID-19 accelerated the use of things like online marketing and online sales platforms across businesses. And the entrepreneurs have seen the benefits of technology enabling them to be effective in their businesses and efficient in balancing their personal lives.

**Allison Nathan:** So, we all know that the pandemic has been challenge in itself. But for women, in particular, it's really compounded existing challenges when it comes to childcare. What did you find related to these issues?

**Candice Tse:** The COVID-19 experience exacerbated existing challenges that many women entrepreneurs face. Our alumni cited, one, family and personal matters; two, difficulty assessing financing; and three, gender biases and societal attitudes were challenges in running their businesses, even before the pandemic. We also found parallels between the challenges faced and the business conditions that entrepreneurs experienced. For example, individuals that felt they faced a greater challenge running a small business during the pandemic were primarily caregivers as well. These women experienced greater challenges because of the caregiving responsibilities compared to those that weren't caregivers and those that didn't feel challenged in this environment.

Now, it's understandable that these entrepreneurs may have experienced capacity constraints in trying to run their business because they had to tend to their family's needs at the same time. So, on the whole, 43 percent of entrepreneurs reported an increased impact from family and personal commitments as a result of COVID-19. And they said that this has impacted their abilities to manage their business.

So, not surprisingly, this experience is consistent with that of broader women professionals around the world. The Boston Consulting Group actually conducted a survey in May last year and found that across 3,000 working parents in five developed countries, the US, UK, France, Germany, and Italy, 68 percent of respondents indicated receiving no outside help in caring for and educating their children. Because of this, split responsibilities led parents to an additional 27 hours a week on household and childcare responsibilities. Along the same lines, a Fed study that we sourced in our prior paper also highlighted similar patterns domestically too. Where at the most severe point of the pandemic, we saw mothers leave the workforce at higher rates relative to fathers due to a lack of childcare supports. This creates hurdles for women to return back to the workforce.

So, the stretch responsibility also led 58 percent of our cohort to feel as if their work performance had declined. Because 69 percent of our women entrepreneurs are primary caregivers. And 76 percent reported a greater focus on family or personal commitment as a result of COVID-19.

**Allison Nathan:** And what about access to capital?

**Candice Tse:** On top of being physically limited by time and capacity constraints, access to financing was yet another important challenge. It was one of the most cited challenges for women entrepreneurs. And depending on your business, it impacted your business differently depending on how the pandemic impacted your revenues. For example, businesses that saw a decline in revenue were 10 percentage points more likely to report financing challenges relative to program graduates that were able to expand their revenues. These constraints have placed an even greater strain on small and medium sized businesses, which even before the pandemic were underserved by traditional financial institutions.

So, this is particularly true for those operating in emerging economies where the room for federal fiscal support and social safety nets may not be as generous as our developed market peers.

**Allison Nathan:** The research also focuses on environmental and social issues, which of course have been top of mind. Asahi, how did COVID affect the way these entrepreneurs engaged with ESG and with their communities?

**Asahi Pompey:** Allison, we were really curious about this finding in particular. Why? Because we know that nine out of ten of our graduates pay it forward.

So, here comes the pandemic. How did the pandemic impact that? Now, we did in fact see a 13 percent decrease in contributions to the community. The main reasons given vary along the lines of what Candice explained were financial constraints and time pressures, not surprisingly. Here's the fundamental thing. There wasn't a change in terms of how women see the importance of ESG and the importance of impact. In particular, more than 70 percent of women entrepreneurs globally still agree that business must have a purpose beyond profit. 86 percent of them, in fact during the pandemic continue to give back to their community. And in certain regions it was even higher. The United States: 95 percent. We even have terrific examples of women who've, in fact, increased their level of giving during the pandemic. A great example is Amanda Obidiki from Nigeria. She saw what she called "social exclusion" exploding among women and girls, in particular with schools being closed and certain social activities being constrained. So, she built an accessible online STEM curriculum for girls.

Another great example from the Philippines, Jocelyn Reyes. In

particular, she is a farm produce seller. Her revenues were hit by a whopping 75 percent during the pandemic. She decided to ramp up training for millennial women in the farming industry. She saw that the farming population is, in fact, an aging population in the Philippines. And she wanted to empower women to get more involved in that industry. And if that weren't enough, she decided, you know, why not launch a YouTube channel on women and girls in farming? And so, those are a few examples of the ways in which we're seeing women increasing and diversifying their impact in communities.

**Allison Nathan:** That's so inspiring that people were empowered to do these things in such a difficult time. So, I'll just say that.

Candice touched on this, but we've all seen how the pandemic has accelerated the adoption of digital behaviors. What did you see among women entrepreneurs in this regard?

**Asahi Pompey:** We saw a number of things. One is the headline is technology helped women entrepreneurs. Right? And so, obviously, business operations had to be moved online for the first time. A lot of our entrepreneurs said that was, frankly, overwhelming. That being said, when the economy turns down, entrepreneurs ramp up. Right? They're nimble. They pivot. And we saw that among our population as well. 74 percent of women have invested or will invest in more technology training for their employees. 70 percent of them say that technological skills will now be an even greater priority than it previously had been. And in particular, they point to two things. One, they think they'll be more effective in running their business. And frankly, they'll be more efficient in managing their personal lives and their business. In places like China, women report this by up to 90 percent of them saying, look, this technology is going to have the most profound impact on my business.

I know, Allison, that a little bit later you're going to be talking to Mantsha, who says that technology completely changed the way in which she operated. So, that's definitely one of the key themes. But I think the point that Candice made is particularly important, mainly that women entrepreneurs, they got more of the bust than they have of the boom. And so, we've got to do more to level the playing field. And in particular, Goldman Sachs is launching a new course as part of our *10,000 Women* program focused on this in particular: digital tools, digital solutions, social marketing and enhanced online sales.

**Allison Nathan:** So, as economies start to emerge from lockdown, Candice, how are women feeling about their near-term prospects? And what might this mean for small business activity?

**Candice Tse:** So, the good news is that many of our entrepreneurs remain optimistic about their future business prospects, even though we did see a decline relative to the sentiment pre-COVID-19. Confidence about future prospects was positive among 78 percent of respondents, showing that even under current circumstances, the majority of the respondents felt that the pandemic did not meaningfully shift their outlook on their business performance and their ability to lead them. So, we think this is in line with broader consensus expectation that the global economic deterioration may be short lived.

However, I do want to point out the fact that there were regional differences that existed in the data leading to a wide variance of perspective on the business outlook.

**Allison Nathan:** So, tell us more about those regional differences.

**Candice Tse:** So, confidence levels amongst business owners from Latin American economies, in particular, declined the most. Though the impact varied widely depending on which country you were talking about. So, for example, in absolute level, only 48 percent and 46 percent of business owners in Mexico and Brazil, respectively, felt confident about future business prospects. And that's compared to the higher levels they had before COVID-19.

Meanwhile, if you look at business owners in Asia and emerging market countries, notably China, they saw a higher level of confidence relative to their peers. The fact that 34 percent of entrepreneurs feel less confidence in their business and that 21 percent feel less confidence as a business leader than before the pandemic really poses short and long-term challenges, especially with respect to growth potential. So, the degree of confidence matters because it can impact the likelihood to grow a business' footprint. It can shape how one goes about expansion. It can also define an entrepreneur's desire to seek out more funding to carry out new, innovative ideas.

And I emphasize this because the psychological burden coming out of COVID-19 can impact individual perceptions of risk. And it may lead them to be more conservative in their business decisions, leading them to, more likely, maintain a status quo



type of mindset to survive, rather than to seek out growth opportunities.

Ultimately, we hope that the economic recovery will spark a renewed sense of assurance. We hope that entrepreneurs may feel more comfortable growing their businesses again as they see growth and activity normalize. And having overcome the challenges of COVID-19, this will help reinforce the capabilities of women business leaders.

**Allison Nathan:** So, what potential solutions could help overcome some of the difficulties women have been facing?

**Candice Tse:** So, continued support for women entrepreneurs may require a number of things. And that includes, one, promoting women's training and education in technology, as Asahi mentioned. Two, enhancing childcare availability and affordability. Three, providing advanced access to capital and financing for women entrepreneurs. And four, fostering networks of women so that they can support each other, especially in unique challenges that women face. Because the evidence from our analysis made it really clear. Women are resilient. They're great business leaders. But in order for them to thrive, we can't let the pandemic undo decades of progress in closing the gender gap. By strengthening Womenomics, by supporting women's leadership opportunities, and providing women entrepreneurs with access to training, capital, networks, and mentorship, we can actually foster growth for families, communities and the global economy.

Empowering women is no longer an option. It's vital for the economy and for businesses. And we truly believe that when women do better, we all do better.

**Allison Nathan:** Asahi, let me turn back to you. With all of this data about how women are faring and what they need, what's next?

**Asahi Pompey:** Allison, I think what's next really depends on all of us. Because I think Candice has clearly laid out what women need. They need capital. They need network. They need better childcare affordability. And so, I think the question for all of us is, what do we intend to do about that? And certainly, at Goldman Sachs through our programming is taking measures to help. But I think we need broad support of women. Otherwise, we're going to undo a lot of the progress that's been made over a number of years. And so, I would issue a call to action around the urgency of the need to support women entrepreneurs around

the world through capital, through networks, and through broader systems.

**Allison Nathan:** This was amazing and so inspiring. Thank you so much for being on the program Asahi and Candice.

Asahi Pompey: Thank you.

**Candice Tse:** Thanks for having us.

**Allison Nathan:** We'll now turn to Mantcha Pheeha from Johannesburg who was forced to remake her business during the pandemic. Mantcha is a graduate from the firm's *10,000 Women's* program. Mantcha, welcome to the program.

**Mantcha Pheeha:** Thank you for having me, Allison.

**Allison Nathan:** Mantcha, you're featured in the report where we learn just how damaging COVID has been for in-person businesses. Start by telling us a little bit about who you are and what you do.

**Mantcha Pheeha:** So, as you correctly said, my name is Mantcha Pheeha. I live in South Africa, Johannesburg. Originally, I come from one of the provinces in the north. We share a border with Zimbabwe. It's called Limpopo. And I came down to Johannesburg to study. I did chemical engineering at [UNINTEL] University. After completing my chemical engineering, I worked as a chemical engineer and as a management consultant. And then I started a content creation company.

So, I write books. And the way that my business works is I sell the books. I do training based on the books. I do coaching based on the books. And then I also do a lot of corporate speaking.

So, last year the events ended. So, as you can hear, my entire business model was centered around events and around in-person meetings. So, up until last year that was my business model. It was going very well, especially around key dates in the country, one of them being this month. And then the second one being the International Women's Month and also our local, the South African Women's Month in August. So, in the main, in those three months would be my busiest months where I'm traveling all over the country, doing events, speaking and selling books.

**Allison Nathan:** So, how did COVID impact your business then? So you couldn't hold these events?

**Mantcha Pheeha:** Yeah. So, I mean, I actually remember this very well. One day, the president appeared on one of the public TV channels and announced that from three days from his speech, there would be no interest in events, there would be no church, people won't go to work, there will be no school. And at that time, I already had events booked. Some of them had already paid deposits. Some of them had already paid me the full amount.

So, literally I moved from having a secure business to owing people back their deposits. And some of them I had already spent. And what that also meant is I didn't have a very strong online selling platform. So, I was just depended on I would be there in person to sell the books. So, that was something. I couldn't really sell my books with the business model that I had.

So, occasionally, I also have management consulting projects. But at the time I didn't even have a management consulting project. So the revenue for my business, and that was in lockdown of around four months, in that four months, the revenue went right to zero.

**Allison Nathan:** So, how did you survive?

**Mantcha Pheeha:** You know, every time when I tell this story I say, the first three weeks of that lockdown I was literally depressed. I stayed in bed. I was, like, what type of problem is this?

**Allison Nathan:** Understandable. Sorry to interrupt, but it'd be so understandable.

**Mantcha Pheeha:** Yeah. And all my other colleagues, we were all in the same boat. And funnily enough, after three weeks a friend of mine said to me, "There's something called crowd funding." And he said to me, he thought it was something that I could get involved with. And I started a crowd funding campaign.

So, two things that the crowd funding campaign taught me. One, as part of that crowd funding, if you gave me financial support, I pledged services. Either I pledged books, or I pledged coaching services, which then--because I couldn't do the coaching services in person--I pledged online coaching services. So, from that crowd funding idea, I can actually continue to do coaching online. One. And the second thing, I can actually record courses online. And since there is no interest in

meeting, I can sell the online. And then I should be serious about using my social media platform to sell books.

So, I started to, I'd go on social media. I got my graphic designer to do some promos for me. And I was pleasantly surprised. And in the month that I became serious about selling books, I sold more books online than I ever did on person. So, right then I decided, okay, there's actually another business model that I can employ, which is different from what I'm doing.

And what I've been doing since then, concentrating on the online selling, concentrating on doing as much as I can online. And once the world opens, because our world still hasn't opened 100 percent, once the world opens, I will then do both. And one thing that I learned; I will concentrate on both equal.

**Allison Nathan:** Right. So, as we start to engage in more in-person activities, this is going to become a more permanent aspect of your business model.

**Mantcha Pheeha:** Yes, definitely. And I think during this time, also, I mean, just little things. I know the importance of things like studios, lighting, sound. And all those things that just make your social media and your online presence that much more appealing. So, during this time then, I've had partnerships. I had a partnership with one of the more established churches here. They have a very good studio. And I do my recordings at their studios. And even post the pandemic, I will still do that.

And when I do in-person events, now I'm very clear that I want to record all my events so that I can put them up for consumption later. Because lessons that I learned during this time is you create content once, and it gives you residual income. So, I've been killing myself every time when I'm supposed to make a speech, I'm preparing the speech from scratch. Every joke I'm preparing it from scratch. But now I've learned. You prepare the content once. You record it appropriately. And after that you can sell it as many times as possible. So, even when I'm old and I'm 80, I'll still be selling some of the content that I created today.

**Allison Nathan:** That is amazing. You just mentioned what you learned professionally. What have you learned personally about yourself from this experience?

**Mantcha Pheeha:** That I'm a good cook. I didn't know that. So, in

that four months restaurants closed. So, every time when I wanted a good meal, it was a no brainer. You just get into your car and go to the restaurant. But all of the sudden, all those gourmet meals that I used to eat at the restaurant, YouTube was my friend. I would be like, "Siri, how do you make duck? Siri, how do you make salmon?" So, that's the one thing. And I continue to cook now. So, we don't go out as much as we used to as a family. And we are eating better quality meals. So, I think everyone is very happy with that.

Then the second thing, which I think I'm still learning, is delegating low-level work. So, when I'm working, I just feel like I can do the dishes quickly, I can do the laundry quickly. And I find that instead of focusing on the higher-value work in between my work, I'm doing this low level work that takes my attention away from what I should be doing for the business. So, I have to be very disciplined to say, "Mantcha, leave that laundry alone. Leave the dishes alone and focus on work."

**Allison Nathan:** I could learn that lesson too. Let me just say, like, as you've gone through and you're at the far side of this experience, ultimately, do you feel more confident as a businessperson post this experience?

**Mantcha Pheeha:** Definitely. I think, especially compared to at the beginning of this pandemic. So, when it started, I actually thought, oh my God, I'm going to be bankrupt. I won't be able to buy food. But actually, I learned during this time just how resilient I am. And I mean, the growth fellowship is one of the things. I think when I was going through the growth fellowship, I actually remember the one day when we were brainstorming my growth opportunities. And I think we were sitting around the table. There were lots of intelligent, senior people from Goldman Sachs. And every single one of us, I think we were about eight or nine, and every single one of us, we were sitting thinking about how to take my business forward. Thinking about what to do next for my business.

And I actually realized something that the pandemic sort of gave me as a person. To say, you know what, as much as I'm in Africa, as much as I'm sitting here in a corner somewhere in Johannesburg, I have access to this, you know, global mind that chances are if it had not been for the pandemic, I wouldn't be this familiar with MS Teams. I wouldn't be this familiar with Zoom. So, I'm really so much more comfortable. And I feel I can partake at any stage in the world. And I think this was brought to me by the pandemic. So, I'm definitely more confident.

**Allison Nathan:** I'm so happy to hear that, Mantcha. And just want to thank you for sharing your story with us.

**Mantcha Pheeha:** Thank you so much, Allison.

**Allison Nathan:** That concludes this episode of Exchanges at Goldman Sachs. Thanks for listening. And if you enjoyed this show, we hope you subscribe on Apple Podcasts and leave a rating and comment.

This podcast was recorded on Thursday, June 10th, 2021.

This transcript should not be copied, distributed, published or reproduced, in whole or in part, or disclosed by any recipient to any other person. The information contained in this transcript does not constitute a recommendation from any Goldman Sachs entity to the recipient. Neither Goldman Sachs nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this transcript and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. The views expressed in this transcript are not necessarily those of Goldman Sachs, and Goldman Sachs is not providing any financial, economic, legal, accounting or tax advice or recommendations in this transcript. In addition, the receipt of this transcript by any recipient is not to be taken as constituting the giving of investment advice by Goldman Sachs to that recipient, nor to constitute such person a client of any Goldman Sachs entity. This transcript is provided in conjunction with the associated video/audio content for convenience. The content of this transcript may differ from the associated video/audio, please consult the original content as the definitive source. Goldman Sachs is not responsible for any errors in the transcript.