

WOMENOMICS: COVID-19'S IMPACT ON GOLDMAN SACHS 10,000 WOMEN AND 10,000 SMALL BUSINESSES ALUMNI

EXECUTIVE SUMMARY

COVID-19 disrupted the world. It sparked the sharpest global recession in recent history, upended personal and professional lives, and will forever change the way we operate. We also know that the pandemic had a disproportionate impact on women, as we addressed in ["Empowering Women: How COVID-19 has Affected the Gender Gap."](#)

We checked in with the global cohort of women who have participated in the Goldman Sachs 10,000 Women and 10,000 Small Businesses programs since inception², to understand their experiences through these unprecedented times. We found that these alumni were deeply affected by COVID-19, as was the rest of the world. Our key observations include:

- Our 10KW and 10KSB women alumni experienced challenges as small business leaders, regardless of region, industry, or experience. Nearly all graduate respondents experienced some difficulty in running their businesses.
- The most significant challenge reported was financial, with ~60% of respondents reporting declines in revenues. A close second was related to caregiving and responsibility for running families and businesses, as many entrepreneurs had to spread their time, energy, and focus.
- COVID-19 created disruptions that led to booms in some sectors and busts in others. Women entrepreneurs are overrepresented in the industries most adversely impacted by COVID-19 – namely recreation, services, and trade – and as such, women have borne the brunt of the busts, while missing out on most of the booms.
- In response to COVID-19, 70% of alumni pivoted or changed their business model in ways that many expect will be permanent. Greater digital adoption was a major trend, and 70% reported that the shift in digital solutions and working patterns during the pandemic has made leading a business easier or more accessible as women entrepreneurs.
- Despite the challenges, 78% remained optimistic in their future business prospects. The majority of respondents felt that the pandemic did not meaningfully alter their business outlooks, neither in performance nor in their abilities to lead. About 86% of respondents said they were still doing business, and 81% reported that the 10KW and 10KSB programs had been useful for adapting to COVID-19 and positioning for future growth. Just as important, we found that confidence deteriorated for 34% of the graduates relative to pre-pandemic levels, a potentially concerning shift especially with respect to growth potential.
- The global focus on environmental, social, and governance issues is a priority for smaller businesses. About 78% cited the importance of having a "purpose beyond profit." Still, COVID-19 introduced uncertainty around community involvement of business.
- The evidence from the COVID-19 experience is clear: women are resilient and are great business leaders. But in order for them to thrive, we must not let the pandemic undo decades of progress towards economic gender equity. Empowering women is no longer an option, it is an economic and business imperative. At Goldman Sachs, we believe that when women do better, we all do better.

Womenomics¹:
noun /'wʊmən' əmiks/
The impact and contribution of women to the global economy

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¹ Womenomics is a term originally coined in 1999 by the Goldman Sachs Japanese Portfolio Team in Global Investment Research from the report "Womenomics: Buy the Female Economy." In 2020, the European Portfolio Strategy Team published "Womenomics: Europe moving ahead."

² Goldman Sachs 10,000 Women (10KW) is a global initiative that fosters economic growth by providing women entrepreneurs around the world with a business and management education, mentoring and networking, and access to capital. Goldman Sachs 10,000 Small Businesses (10KSB) is a program that helps entrepreneurs in the US and UK create jobs and economic opportunity by providing access to education, capital and business support services.

WOMENOMICS AND WOMEN ENTREPRENEURS

"Womenomics" refers to the significant impact and contribution that women make to an economy, and women entrepreneurs are a powerful piece of the puzzle. According to the World Bank, there are more than 12 million women-owned firms in the US that contributed nearly \$3 trillion annually to the economy. In developing countries, women's entrepreneurship is rising and there are roughly 10 million small-and medium-sized enterprises with at least one woman owner³.

Women have successfully been driving commercial outcomes, but gender barriers in entrepreneurship still exist. Globally, only 1 in 3 businesses are owned by women⁴. And according to the OECD, 5.3% of women are involved in business creation, compared to 7.9% of men⁵. With less representation, role models, and natural networks, only 43.4% of women report their capability to start a new business, a confidence gap of 12.2% relative to men⁶.

One major challenge that women entrepreneurs face under normal circumstances, let alone a crisis environment, is access to capital. An OECD study found that women entrepreneurs typically start businesses with less capital than their male counterparts, often relying on self-financing instead of bank funding. Even when women seek financing through traditional channels, they often receive less than men, with gender-biased credit scoring and investors' gendered preferences being common roadblocks⁷. In emerging markets, many women lack access to basic financial services. According to World Bank data, less than 40% of women in emerging markets have access to financial institutions⁸. Access to capital markets can be hard to come by as well; one research report cited that emerging market startups with a woman on their founding team received just 11% of all seed capital from venture capital firms in 2018⁹. A separate study analyzing US startups found that only 12% of women-owned companies are backed by venture capital, with gendered-biases explaining 35% of the differential relative to male-owned companies. Importantly, after receiving funding, women-owned businesses have been equally as likely to achieve successful exit outcomes such as IPO or acquisition¹⁰. Without financing, many women entrepreneurs are unable to realize their full potential.

COVID-19 exacerbated many of the challenges that women already faced, including access to financing, industry segmentation, family commitments, and confidence. The sectors in which women disproportionately work were hurt most by the pandemic, and the tightening of capital reserves amplified the financing gap. COVID-19 also intensified caregiving challenges, as school closures meant balancing a business with full-time parenting. Together, this all chipped away at confidence.

³ World Bank: Female Entrepreneurship Resource Point - Introduction and Module 1: Why Gender Matters

⁴ World Bank: Women Entrepreneurs Needed - Stat

⁵ Organisation for Economic Co-operation and Development: The Missing Entrepreneurs 2019 Policies for inclusive entrepreneurship

⁶ Global Entrepreneurship Monitor: 2018/2019 Women's Entrepreneurship Report

⁷ Organisation for Economic Co-operation and Development: Do women have equal access to finance for their business?

⁸ World Bank: The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution

⁹ International Finance Corporation: 2020 Venture Capital and the Gender Financing Gap: The Role of Accelerators

¹⁰ Guzman, Jorge and Kacperczyk, Aleksandra, Gender Gap in Entrepreneurship

86% of 10KW and 10KSB women entrepreneurs are still doing business, despite the challenges of COVID-19

IMPACT OF COVID-19

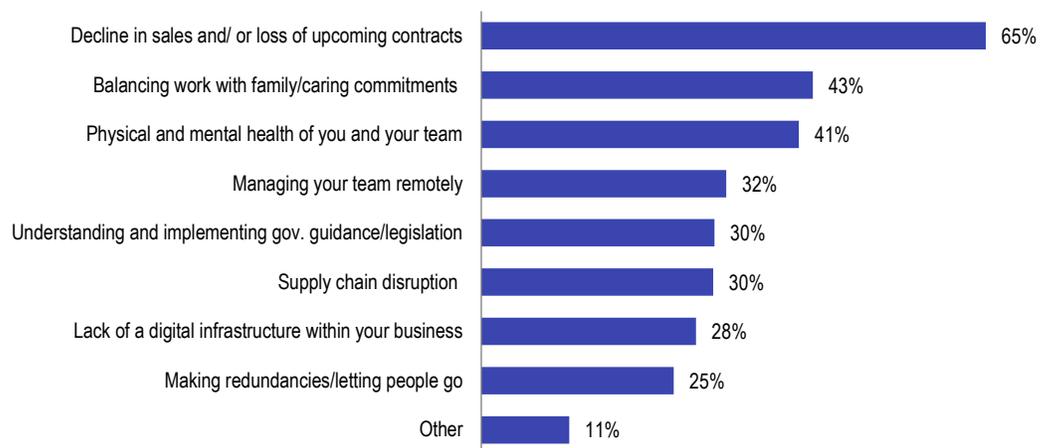
March 2021 marked a full year since the World Health Organization declared COVID-19 a global pandemic. Since then, 86% of 10KW and 10KSB women alumni respondents said they were still doing business. Another 8% have temporarily closed their business since COVID-19, and 3% permanently closed up shop.

Around the world, operating status was uneven. In China, where the pandemic was addressed more swiftly, 94% of women were continuing to do business and less than 1% had permanently closed. In the US and UK, where robust policy responses supported business, 95% of respondents were continuing to do business and no one had closed permanently. But respondents were hit harder in Brazil, where a slower response and more virulent variants have posed challenges. We found that 12% of 10KW businesses in Brazil permanently closed, with 84% still in operation.

Regardless of region, industry, or experience, the 10KW and 10KSB women alumni reported consistent challenges with respect to their own health and wellbeing and the health of their businesses, as shown in Exhibit 1.

Exhibit 1: Key Challenges as a Result of COVID-19

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



Source: Goldman Sachs Asset Management. As of May 31, 2021.

Sector Challenges

COVID-19 created disruptions that led to booms in some sectors and busts in others. The 10KW and 10KSB women entrepreneurs, consistent with the experience of many women globally, have borne a disproportionate degree of the busts, but not the benefits from booms. The combination of global lockdowns and income loss put a pause on normal spending activity, hurting service-driven businesses in which women play a prominent role. For example, global data shows that more than half of women's entrepreneurship activity is related to wholesale and retail trade, and women are most likely to start businesses in health, education, and social service sectors. On the other hand, women are underrepresented in industries like agriculture, mining, and information and communications technology,¹¹ and are less likely to benefit from acceleration in those fields.

Across industries, a look at our program graduates reflects that nearly all respondents have experienced some difficulty in running their small businesses. Roughly 75% of respondents

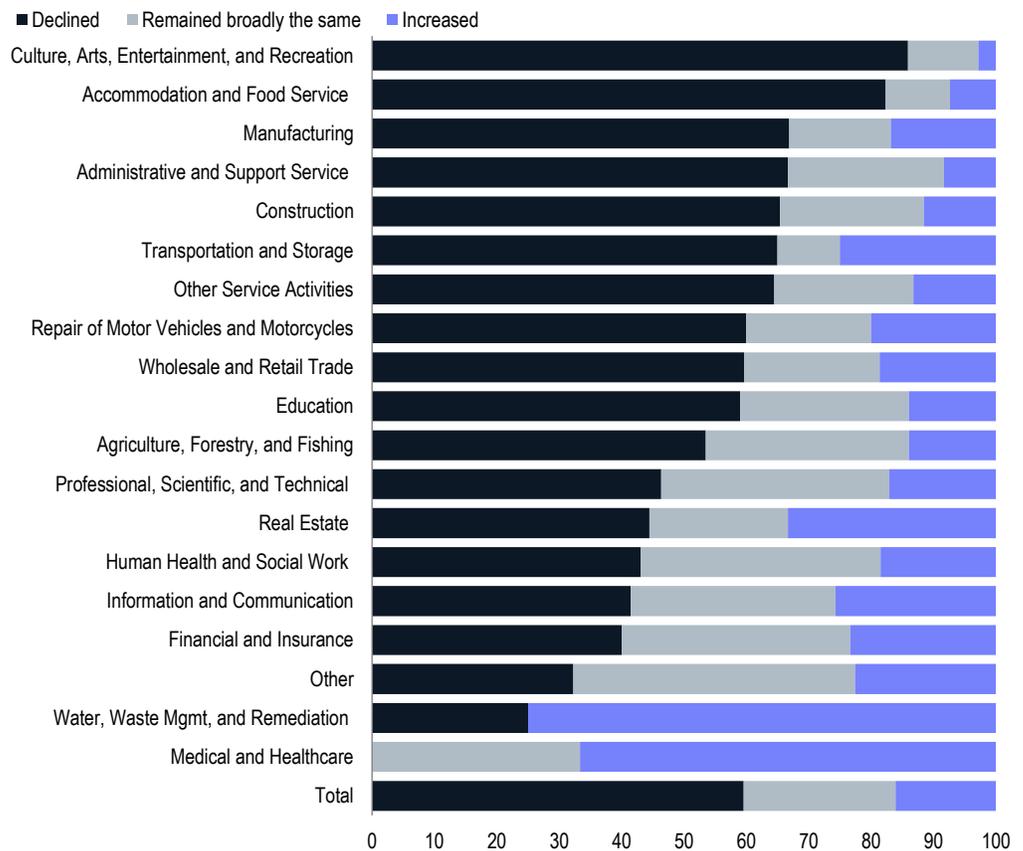
¹¹Global Entrepreneurship Monitor: 2018/2019 Women's Entrepreneurship Report

indicated that their businesses were influenced by factors beyond their control, with an even greater share citing COVID-19 as a significant factor.

The foremost challenge, according to respondents, was overwhelmingly financial. While we heard from women facing liquidity and contractual issues, most respondents said the pandemic affected revenues the most. As Exhibit 2 shows, nearly 60% of respondents reported a decline in revenues, while 24% said they remained broadly the same and 16% reported an increase. Some 93% of those whose businesses closed temporarily or permanently reported a decline in revenues. Most of those who reported a decline in revenues saw declines between 20% to 50%. Roughly one-third reported declines of more than 50%, and 6% reported a 100% decline in revenues. Many of the women-run businesses whose revenues increased since the start of COVID-19 were in industries that are exposed to healthcare, use technology, or can operate remotely—all characteristics that proved beneficial for companies in 2020. Unfortunately, women are often underrepresented in these sectors and types of companies and overrepresented in the recreation, services, and trade industries that were hit harder by the pandemic.

Exhibit 2: COVID-19 had a Significant Impact on Revenues

Proportion of sector's revenue impact due to COVID-19 (%)



Source: Goldman Sachs Asset Management. As of May 31, 2021.



JOCELYN REYES
Philippines
Joyful Garden Farm

As CEO of Joyful Garden Farm, a Philippines-based seller of farm produce, Jocelyn is representative of the significant proportion of women entrepreneurs around the world who work in the sectors hardest-hit by COVID-19.

Jocelyn’s business has grown from running her own farm to expanding to support other local farmers and suppliers, generating employment opportunities in her community. In the context of COVID-19, Joyful Garden had been considered an “essential service,” crucial to local food supply chains. While her community relied upon continued delivery of rice, vegetables and livestock, Jocelyn had to ensure the safety of her workers, and navigate major transportation stoppages, store closures and supplier limitations. Joyful Garden initially saw a 75% reduction in revenue.

Despite “silently struggling,” Jocelyn was motivated to stay in operation by the hundreds of workers, farmers, suppliers and clients relying on her. She initially began selling to relatives and neighbors to stem the losses, and eventually began to fill the market gap created by major store closures.

COVID-19 has had a major impact on Jocelyn’s approach to the future of workforce. She has ramped up a training program for millennial women in farming work, in an effort to get ahead of the ageing farming population, while also empowering young women. She delivers agricultural skills training and provides seeds to foster a new generation of farmers and suppliers, and has created a YouTube channel to support young women in organic farming.

Jocelyn is determined not to focus on the negatives, but concedes that she is still in “survival mode,” unable to develop long term strategy while focusing on the day to day challenges.

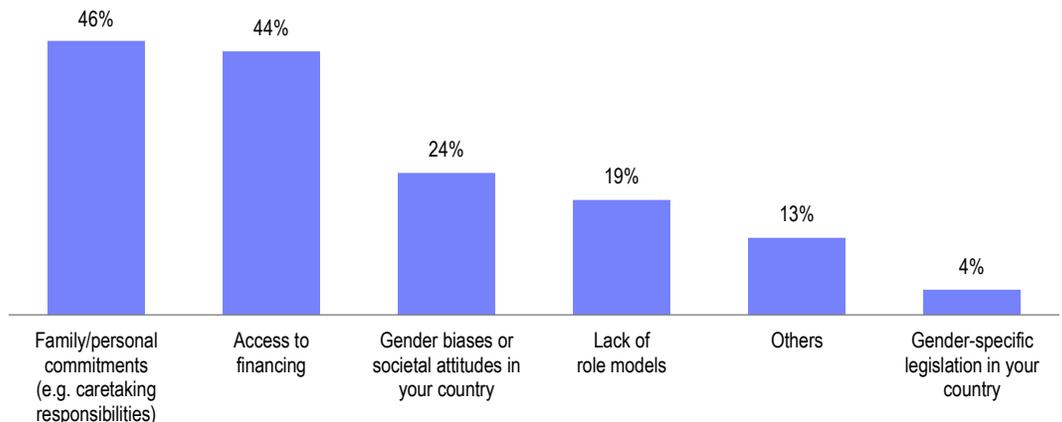
“Everything is unplanned and unexpected – you need to be extraordinary in order to survive.”

Compounding Challenges in Caregiving and Capital

The COVID-19 experience compounded existing challenges that many women entrepreneurs face. Alumni cited family/personal matters (45%), difficulty accessing financing (44%), and gender biases or societal attitudes, as shown in Exhibit 3, as challenges to running their businesses irrespective of the pandemic.

Exhibit 3: Common Challenges that Women Entrepreneurs Face

What do you find are some of the most challenging aspects of running a small business, as a woman entrepreneur?



Source: Goldman Sachs Asset Management. As of May 31, 2021.

69% of alumni are primary caregivers, with challenges amplified during the pandemic

We see parallels between the challenges faced and business conditions presented. Individuals who felt greater challenges running their businesses during the pandemic were predominantly primary caregivers, too. In fact, a 9 percentage point differential exists between women who experienced greater challenges due to caregiving responsibilities compared to those who were neither caregivers nor felt challenged in this environment. Understandably, these entrepreneurs may have experienced capacity constraints in both servicing their businesses and attending to family needs. On the whole, 43% of entrepreneurs reported that an increased impact on family/ personal commitments as a result of COVID-19 impacted their abilities to manage their businesses.

Unsurprisingly, this experience is consistent with that of broader women professionals around the world. A survey conducted by the Boston Consulting Group in May 2020 found that across 3,000 working parents in five developed countries (US, UK, France, Germany, and Italy), 60% of respondents indicated receiving no outside help in caring for and educating their children. As a result, split responsibilities have led parents to spend an additional 27 hours a week on household and childcare duties. Stretched responsibilities also led 50% of this cohort to feel as if their work performance had declined¹².

With 69% of 10KW and 10KSB women being primary caregivers and 76% reporting a greater focus on family/personal commitments as a result of COVID-19, we believe that providing support to caregivers is critical – in the pandemic and beyond. Access to affordable childcare and normalizing flexible work arrangements is an important step to supporting women business leaders in our view.

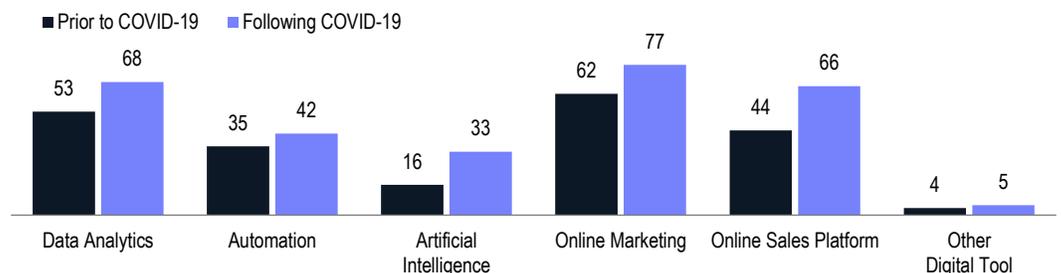
In addition to being physically limited by time and capacity constraints, access to financing is another important challenge that we believe should be addressed. It was the second most commonly-cited challenge for women entrepreneurs, and it affected businesses differently based on how the pandemic affected 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 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. This was particularly true for those operating in emerging economies where room for federal fiscal support and social safety nets may already be limited.

Digital Developments

In response to COVID-19, many of the 10KW and 10KSB women alumni adjusted their business strategy. Half had to reduce the number of people employed, many increased their digital presence, and 70% of respondents pivoted or changed their business models in ways that many expect to be permanent. One such shift was the move online, as Exhibit 4 shows. COVID-19 accelerated the use of online marketing (77%) and online sales platforms (66%) across businesses.

Exhibit 4: Digital Tools Employed

Have you used any of the following? (%)



Source: Goldman Sachs Asset Management. As of May 31, 2021.

¹² Boston Consulting Group: Easing the COVID-19 Burden on Working Parents

As a result of COVID-19, 74% of women have invested or intend to invest more in training for employees to ensure they can harness the potential efficiency and productivity gains from technological innovation, and nearly 70% report that technological proficiency will be more of a core priority when recruiting new employees. Again, we see that empowering women with the right skillsets will be key to ensuring their potential. Digital tools can help women be more effective in their businesses, and more efficient balancing with their personal lives. Technical training can help in traditional industries and increase women's participation in science, technology, and engineering sectors that are poised to benefit in a post-COVID world. Additionally, studies suggests that pairing mentorship alongside technical training may have an even greater impact on women entrepreneurs¹³, which bolsters our belief in fostering networks of support systems for women.



MANTSHA PHEEHA

South Africa

Talent Unleashed

Mantsha's Johannesburg-based career development firm, Talent Unleashed, had always relied on a self-perpetuating cycle of in-person content delivery. At speaking engagements and other events, Mantsha would have the opportunity to sell her books to attendees and obtain referrals for future work. As COVID-19 and lockdown restrictions suddenly became a reality, upcoming business dried up and Mantsha was in "despair" about the future of her company.

Mantsha recognized the urgent need to pivot her tried-and-trusted business model, in order to survive. Through a steep learning curve of self-teaching via free online resources, calling out to women in her network for technical help, and much trial-and-error, Mantsha began to shift her services to a digital model.

Beginning with a handful of webinars and a greater focus on her previously dormant social media accounts, Mantsha has since created a dedicated YouTube channel for content delivery and digitized her marketing. She has started selling her books directly onsite – a move she sees as a positive outcome of COVID-19, having previously relied on third party sellers and incurred prohibitive costs.

"COVID-19 forced me to move in to entirely new spaces. I no longer think of myself as a speaker or an author, but a digital content creator."

With a focus on building out a digital presence, Mantsha is facing the challenges of having a capital-intensive business for the first time, with high up-front production costs. Mantsha believes the changes are here to stay, and that she will continue to focus on tech-enabled solutions even when in-person events return.

THE BUSINESS FUTURE

70% of alumni reported that the shift in digital solutions and working patterns has made leading a business easier or more accessible as a women entrepreneur

While 67% of our entrepreneurs found that COVID-19 amplified the challenges of running a women-owned small business, we believe the greater adoption of technology has served as a counterbalance. On the whole, 70% of alumni reported that the shift in digital solutions and working patterns as a result of COVID-19 has made leading a business easier for women entrepreneurs. Importantly, we saw major gains here for entrepreneurs in emerging economies. In China, for example, more than 90% of women reported that leading their business has been easier as a result. In India, nearly 80% of women agreed. These two countries also had the leading pick-up rates in digital strategies. To us, this highlights the value of putting the right training and technology in the hands of woman.

¹³ The Brookings Institution: What types of interventions promote women's entrepreneurship?

Changing Confidence Levels

Many entrepreneurs remained optimistic about their future business prospects, though we did see a decline from pre-COVID-19 estimates. Still, confidence about future prospects was positive among 78% 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 businesses' performance or their ability to lead them. We think this sentiment is in-line with the broader consensus expectation that the global economic deterioration may be short-lived.

Regional differences do exist in the data. Confidence levels among business owners from Latin American economies declined the most, though the impact varied widely across countries (partially influenced by a smaller regional sample set). For instance, on an absolute basis, only 48% and 46% of business owners in Mexico and Brazil, respectively, felt confident about future business prospects. Compared to before COVID-19, 68% and 45% of entrepreneurs felt less confident, respectively, in these countries. Meanwhile, business owners in Asian emerging market countries, notably China, saw a higher level of confidence relative to their peers.

We should note that confidence levels were likely affected by the current COVID-19 situation and each country's ability to address virus risk. As a result, the speed at which sentiment reverts to pre-pandemic levels may be uneven across regions, leading to a wide variance in perspectives on the business outlook.



SISSY YANG

China

XIXI STYLE STRATEGIST LTD.

After founding a style design studio in Wuhan, China, 15 years ago, Sissy (Tao) Yang maintained a large group of loyal customers with her bespoke in-person fashion consultation services. The COVID-19 outbreak just before the Chinese New Year in 2020 not only posed devastating impacts for people in Wuhan, but also turned Sissy's business upside down, facing the enormous strain of continuing to pay employee wages while business orders dropped down to zero.

"When I was forced to take a break and take a step back, I was able to see the light through the darkness and where my next opportunity is."

Without in-person contact with her customers or the ability to produce in her factory, Sissy was pushed to reframe how she thought about her business. She came to realize that her business's core value is not just service, but her knowledge of style design. Gradually, Sissy leveraged the forced quarantined time to develop an online course on style design and was able to sell it through an emerging online platform. Subsequently, she attracted a larger group of customers and her revenue also grew significantly thanks to the expanded market share.

Having seen the benefit of building an online presence, Sissy has since focused her business model on online knowledge sharing and digital content development, and continues to enhance her competitiveness in this extraordinary landscape.

Exhibit 5: Business Confidence in Aggregate

78% report that they feel confident about the future of their business

34% feel less confident about the future of their business than before COVID-19

21% feel less confident as a business leader as a result of the pandemic

	Less Confident Relative To Pre-Covid-19 (Count)				Percent
		Yes	No	N/A	
Feel Confident About Future Business	Yes	206	667	0	78%
	No	152	19	0	15%
	N/A	26	6	44	7%
	Percent	34%	62%	4%	

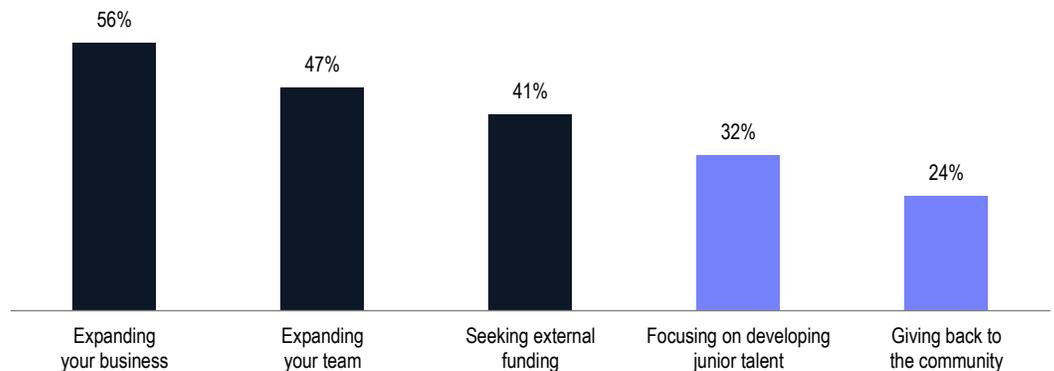
Source: Goldman Sachs Asset Management. As of May 31, 2021.

Still, the 34% of entrepreneurs who feel less confident in their businesses, and the 21% who feel less confident as business leaders than before the pandemic, pose short- and long-term challenges, especially with respect to growth potential. While 65% of the alumni did not see lower confidence levels as a hindrance to carrying out their business objectives, the balance of the population felt that a decrease in confidence has impaired the potential for expansion initiatives. As Exhibit 6 shows, for those feeling less confident, 56% are less likely to expand their business, 47% are less likely to expand their team, and 41% are less likely to seek more funding. The industries that anticipate seeing the highest degree of business setbacks were manufacturing, wholesale and retail trade, and education.

These findings show that beyond the physical impact of COVID-19, the psychological burden may have heightened individual perceptions of risk and may lead to more conservative business decisions. How long this potential behavioral shift might endure is unknown. But entrepreneurs in countries that experience prolonged challenges may be more likely to maintain the “status quo” to survive rather than seek growth opportunities. For example, during the pandemic, 50% of our women entrepreneurs decreased the number of people they employed, while 12% increased, and 37% remained stable.

Exhibit 6: Headwinds Influencing Business Objectives

Reduced business confidence decreases the likelihood of...



Source: Goldman Sachs Asset Management. As of May 31, 2021.

How can we help to improve confidence? Ultimately, we hope that economic recovery will spark a renewed sense of assurance. As growth and activity normalize, entrepreneurs may be more comfortable growing their businesses again. Having overcome the challenges of COVID-19 should help to reinforce the capabilities of women business leaders. Additionally, studies suggest that creating networks of women entrepreneurs can also help to enhance confidence by seeing successful role models, knowing that women entrepreneurs can succeed, and supporting each other through these challenges¹⁴.

¹⁴ Global Entrepreneurship Monitor: 2018/2019 Women’s Entrepreneurship Report

THE WAY FORWARD

We remain optimistic on the trajectory of the recovery, and think that the path to normalcy will be clearer for businesses in the current environment than it has been after past crises. In particular, small- and medium-sized enterprises are better positioned today compared to after the Global Financial Crisis, when weak consumer demand and tight credit supply weighed on both topline revenues and access to the capital needed to stay afloat. This time around, the crisis was medically-induced with limited structural imbalances, making economic repair relatively more straightforward. Considering the substantial levels of relief that many developed economies extended to small businesses, we believe that a swift economic rebound is possible, though scarring effects may persist.

We believe that small businesses are an important engine for job creation and are critical to lifting economic measures such as employment, consumer spending, and confidence. They are also a reflection of their communities. As business profitability builds, we expect a greater focus on growing sustainably with considerations made for all stakeholders, including employees, customers, and communities.

Purpose Beyond Profit

The global corporate focus on environmental, social, and governance issues has found its way to smaller businesses. About 78% of the 10KW and 10KSB women alumni indicated the importance of having a “purpose beyond profit.” The majority of those women (86%) also had given back to their communities before the COVID-19 pandemic. Interestingly, on the opposite end, entrepreneurs who did not agree with businesses having a motive beyond profit still contributed to their communities at a high proportion of 68%. To us, this indicates that women-led businesses play an important role in their communities, regardless of personal views.

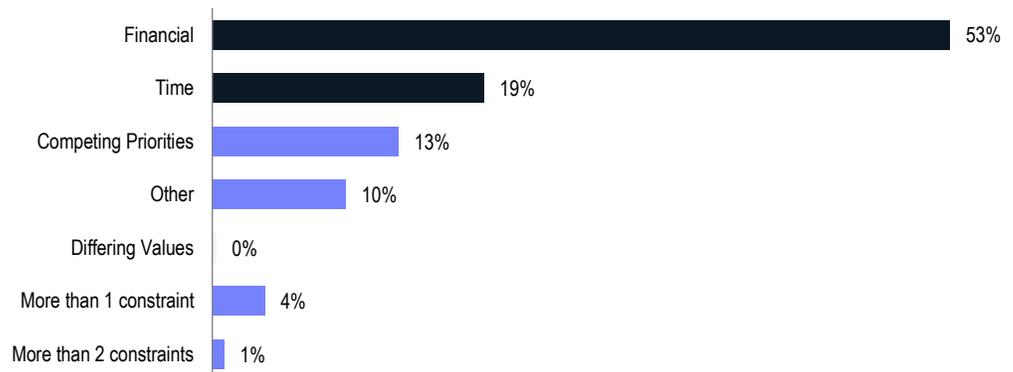
COVID-19 introduced greater uncertainty around community involvement of business. Based on survey data in March, program participants that continued to contribute to their communities fell to 65%, a 13pp decline from pre-COVID levels. The main reasons cited for the decline in community activity were financial and time constraints, as shown in Exhibit 7.

78% of 10KW and 10KSB women alumni agree that business should have a “purpose beyond profit”

86% of them have given back to their community

Exhibit 7: Headwinds to Businesses Giving Back

Commonly cited reasons for why business does not give back to the community

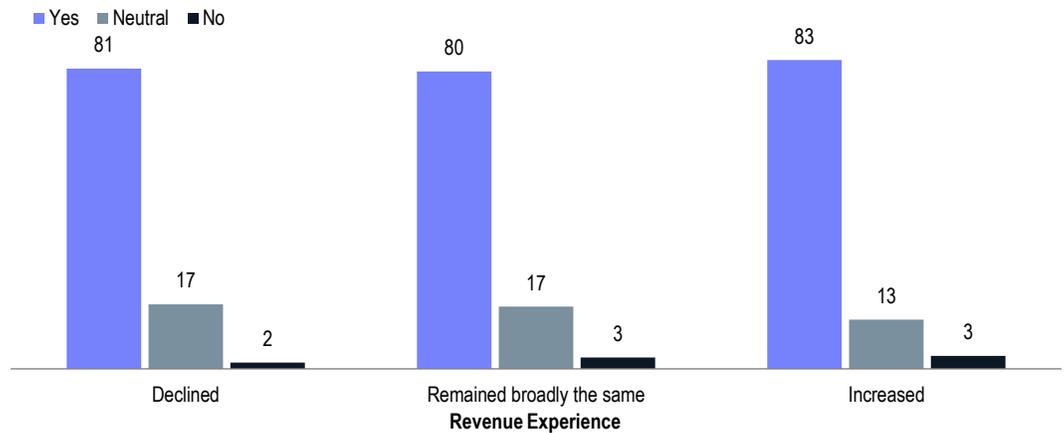


Source: Goldman Sachs Asset Management. As of May 31, 2021.

Even though financial constraints were reflected as the greatest hurdle to giving back, a business’s financial prospects did not meaningfully change opinions about the importance of having purpose beyond profit. Even controlling for recent revenues, sentiment on “having purpose” was consistent across responses. Businesses that saw declining, range-bound, and increasing revenues all emphasized the value of “purpose” with marginal differences, at 81%, 80%, and 83%, respectively.

Exhibit 8: Purpose Irrespective of Profitability

Business ascribes to purpose beyond profit (% , Aggregate)

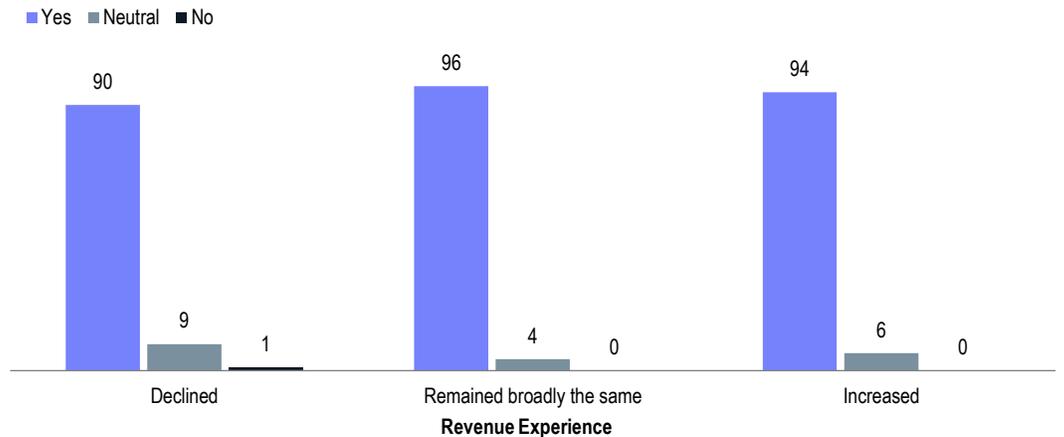


Source: Goldman Sachs Asset Management. As of May 31, 2021.

Deviations exist at the regional level. In the US (as shown in Exhibit 9), a greater percentage of entrepreneurs said their purpose extended beyond profits. Overwhelming majorities of US respondents felt this way in each of the three groups—those that saw revenue decline, those that saw little change and those that experienced a revenue increase. This illustrates a 4pp to 11pp increase relative to the aggregate data. The enthusiasm may be attributed to fewer entrepreneurs responding as “neutral.”

Exhibit 9: Purpose Irrespective of Profitability in the US

Business ascribes to purpose beyond profit (% , US)



Source: Goldman Sachs Asset Management. As of May 31, 2021.

In Brazil, responses were also skewed positively, with 94% of respondents highlighting the value of having purpose. Meanwhile in China, the results were significantly different, with greater variation across revenue experiences. Only 47% of businesses that saw revenues decline said having purpose was important. More businesses where revenues were unchanged or increased said purpose was important. “Neutral” views also made up a significantly greater chunk of the survey results, with 36% of all Chinese-owned business respondents versus 17% at the aggregate level and 8% for the US.



AMANDA OBIDIKE

Nigeria

STEMi Makers Africa

After struggling to find a job upon leaving university—lacking the technical skills demanded by many employers—Amanda decided to establish STEMi Makers Africa in 2018 to help other young people enter the workforce. For two years, Amanda worked to address the underrepresentation of girls in STEM by providing mentorship and digital literacy skills, a goal which became even more important at the outset of COVID-19.

In response to an “explosion in social exclusion” upon lockdown with girls not in school, she ramped up her commitment to community impact. Amanda built a learning management system which required minimal internet access, aiming to provide an accessible remote education platform through lockdown restrictions. She also rolled out a new mentorship program, connecting high school students with final year university students for motivational tips and inspiration.

“Helping women and girls became an urgent need and a national worry... though a huge challenge, my mantra became ‘impact first, profit second.’”

Amanda also tapped into the critical role networks play for women in Nigeria, particularly in times of crisis. Wanting to find a way to help friends and colleagues who were experiencing worry and trauma, Amanda shared a newsletter with 5,000+ subscribers in which she profiled women’s stories and called out specific ways subscribers could provide support.

Environmental Sustainability Considerations

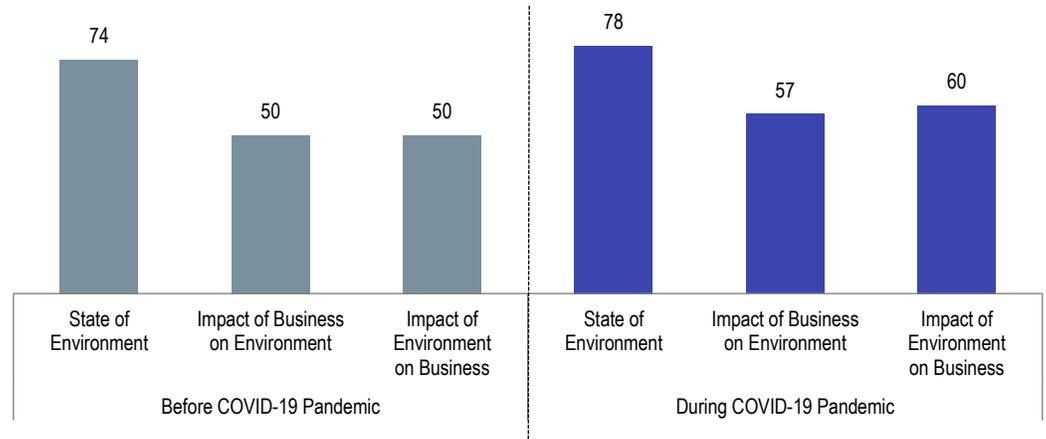
Beyond community engagement, environmental factors also play a role in business operations. Nearly 75% of respondents expressed concerns around the state of the environment, though when asked about the environment’s impact on businesses or vice versa, respondents were less concerned.

The level of concern may be due partly to how environmental impact is perceived. It is possible that small-and medium-sized business owners may see their relatively smaller carbon footprint as having less impact on the environment. Another potential explanation may have to do with the heavier representation of 10KW and 10KSB women-led businesses in trade, services, and education—typically less capital-intensive business models.

While the focus on the “E” in ESG did not meaningfully increase during the pandemic, it did not wane, either, even as businesses faced financial pressures.

Exhibit 10: The “E” in ESG

Businesses concerned about environmental considerations (%)



Source: Goldman Sachs Asset Management. As of May 31, 2021.



PAULA PEROTTI

Colombia
Valorable

Paula’s decision to establish her e-commerce platform, Valorable, was driven by a decades-long passion to create change in how we care for the planet. More than just an online platform for 800+ eco-friendly products, Valorable promotes responsible and conscious consumption through education, and offers training to her largely eco-friendly, women entrepreneur suppliers.

Paula saw great potential in providing an alternative for people who want to make consumer choices that help the environment—a trend Paula observed as increasing prior to the outset of COVID-19.

With the outbreak of COVID-19 Paula was faced with dual challenges – a decline in overall consumption, and the need to maintain momentum of the sustainability focus with so much attention on economic survival. Paula also had to tackle increased logistical challenges that come with e-commerce and which were heightened through the pandemic.

Leveraging a Spanish phrase—“in moments of difficulty, you light a fire” – Paula designed an aggressive campaign to keep up the conversation about sustainability and seek new customers. She ramped up marketing, press and social media, and saw her business grow every month through 2020. Paula cites her position as an online business, and her existing savings, as helping her to weather the storm better than some peers in the region.

For Paula, COVID-19 has reinforced that her business is a long term project – a marathon not a sprint – and that success lies in how she handles the stable times as much as she handles the “fires.” Despite the global move to e-commerce in light of COVID-19, Paula is in fact now planning to establish her first brick-and-mortar store to harness what she predicts will be a high desire for in-person connections.

EMPOWERING WOMEN ENTREPRENEURS

The evidence from the COVID-19 experience is clear: women are resilient and are great business leaders. But they can also face unique challenges associated with caretaking responsibilities, the limitations of so-called “traditional” vocations, and cultural biases, all of which were amplified during this period. Our Goldman Sachs *10,000 Women* and *10,000 Small Businesses* programs seek to address these issues and provide a platform for women to support one another and thrive. We hope that our programs have helped our entrepreneurs in their journeys. Most are still running their business. Some 90% report that having participated has transformed the way they run their business, with 88% reporting that it changed their leadership style and 81% reporting that it was useful for adapting to COVID-19 and positioning for future growth.

These are encouraging statistics. But we know there is more to be done. Continued support for women entrepreneurs may require:

- Promoting women’s training and education in technology
- Enhancing childcare availability and affordability
- Providing access to capital and financing for women entrepreneurs
- Fostering networks of women to support each other in the unique challenges that women face

By strengthening womenomics, supporting leadership opportunities for women, and providing women entrepreneurs with access to training, capital, networks, and mentorship, we can foster growth for families, communities, and the global economy. Empowering women is no longer an option – it is an economic and business imperative. At Goldman Sachs, we believe that when women do better, we all do better.

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