THE IMPACT OF COVID-19 ON WOMEN BUSINESS OWNERS and their Companies in Latin America

Date of survey: April 10, 2020
Total number of respondents: 139

99% of respondents are at least 51% owned, managed and controlled by one or more women.

93% of respondents have been impacted negatively by COVID-19.

BUSINESS LOCATION

Mexico 35%
Chile 17%
Colombia 16%
Peru 10%
Brazil 5%
Costa Rica 5%
Guatemala 3%
Honduras 3%
Argentina 1%
Panama 1%
El Salvador <1%
Uruguay <1%
Venezuela <1%

INDUSTRY SECTOR

Retail Trade 2%
Travel/Tourism 6%
Food Services 5%
Manufacturing 10%
Education 6%
Technology Service 4%
Construction 4%
Health Care 4%
Agriculture 2%
Food & Beverage 12%
Arts/Entertainment 4%
Human Resources 4%
Professional Services 16%
Other 19%

(*) Business Support and Architecture: 1% each

BUSINESS SIZE

1-4 employees: 48%
5-9 employees: 27%
10-49 employees: 20%
50-300 employees: 5%

IMPACT ON BUSINESS FROM COVID-19 (January to March)

46% Can’t move inventory that is sitting idle due to decreased demand
40% Losing customers as face-to-face business goes digital
33% Inability to source raw materials and inputs for my products due to supply chain disruptions
21% Increased anxiety about the situation has reduced my productivity/time spent on business
27% Increased care demands (children, elderly, other loved ones) have reduced the time I spend on my business
22% Employees can’t work causing delays in meeting client needs
20% Need to shift to digital business and not sure where to start
2% Not sure where to go for advice and guidance
42% Other (i.e. Client and partner shutdowns lead to a trickle-down effect)
### IMPACT ON EMPLOYEES

<table>
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<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>44%</td>
<td>Have seen a decrease in employee morale, while 4% have noted an increase in morale.</td>
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<td>36%</td>
<td>Have had to furlough their employees (i.e. place them on unpaid temporary leave).</td>
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<tr>
<td>33%</td>
<td>Of respondents have had to decrease their employees’ hours due to the decrease in their revenue.</td>
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<td>28%</td>
<td>Of respondents indicated their employees are unable to work remotely due to lack of technology or internet access.</td>
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76% of women business owners have used social media to accommodate the health and safety of their families and employees. This is higher than the global average.

### IMPACT ON SALES OR REVENUE

95% of women business owners have seen a significant decrease in sales or revenue from January - March 2020.

Of those that saw a decrease in sales or revenue:

- 36% anticipate decreased sales between April and July 2020, 65% of those anticipate decreases of more than half and 29% of those anticipate sales will stop completely.

- 76% anticipate decreased sales.

- 20% anticipate a 51% - 70% decrease in sales/revenue.
- 19% anticipate a 31% - 50% decrease in sales/revenue.
- 15% anticipate a 11% - 30% decrease in sales/revenue.
- 9% anticipate a 1% - 10% decrease in sales/revenue.
- 2% anticipate sales/revenue have stopped completely.

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NEW FINANCIAL CHALLENGES

- Can’t cover operational costs such as rent: 50%
- Delay in payments for products or services already rendered: 47%
- Have to access my savings: 47%
- Need to seek new sources of capital: 47%
- Cancellation of contracts or booked revenue: 46%
- Need capital and don’t know where to go: 45%
- Margins are thinning and can’t meet existing budget: 37%
- Can’t pay employees: 36%
- Inability to apply for/receive loans, investment or other capital: 28%
- Lack of access to necessary inputs (products or services): 27%
- Buyers extending payment terms: 26%
- Increased cost of inputs (products or services): 25%
- Delay in pledged contracts or revenue: 23%

NEEDS BASED ON LEVEL OF IMMEDIATE CONCERN

1. Adjusting products or services to remain relevant in response to economic changes
2. Securing immediate funding to remain operational
3. Funding for the organization to remain fiscally stable
4. Adjusting delivery of products or services at a time of social distancing
5. Adjusting internal operations during social distancing
6. Directly responding to or supporting customers, suppliers and other critical business partners dealing with the crisis
7. Responding to immediate potential or actual health needs of employees

88% need tax relief through delayed or canceled payments
58% of respondents are in need of support with employee wages
29% of respondents are in need of extensions of credit or penalty waivers from banks
19% are accessing or in need of government funded healthcare for COVID-19
THE BRIGHT SIDE: Women are adapting to optimize or refocus their businesses

- 69% reported identifying and cutting unnecessary expenses
- 33% have shifted to a digital business model
- 26% are growing an area of business in response to local or global needs
- 29% identified new business opportunities
- 6% have seen an increase in demand of products or services
- 14% have launched a new product or service early
- 5% found that clients want to move quickly to sign contracts
- 26% are creating a new business line in response to local or global needs

"The world will not be the same after this crisis and neither will you or your business. Use technology to learn how to implement new tools for your business. Talk with your team to keep them united so when this crisis is over you end up with allies and not with labor problems. Take care of yourself but also be thankful that this has forced you to do what you were postponing. This is a collective problem, so get involved with your surroundings as the times call on us to act as a community."

"Continue to move forward and stay focused on your goal. Difficult times are also a time of opportunity to reinvent ourselves. Women are very creative. The same week that all of our product orders were canceled we moved to social media. We didn’t know how to make a graphic banner but we are learning and it has been a success. The new strategy has allowed us to pay our employees. We hope to further develop our dormant creativity. “While there is life, there is hope”.

HOW YOU CAN HELP
How can WEConnect International and its member buyers support women-owned businesses in the next 1-3 months?

- Increased contract opportunities
- Increased business opportunities with other women-owned businesses
- Increased networking opportunities with other women business owners
- Increased access to finance
- Increased access to investment
- Increased meet the member virtual events
- Increased business training
- Increased mentorship
- Increased training on COVID-19 survival strategies
- Accelerate finalization of contracts with member buyers
- Improve the terms of existing contracts with member buyers

WEConnect International intends to pursue a quarterly survey over the course of one year to understand the scope and nature of the impact of COVID-19 on women business owners and their companies worldwide. The results of the survey have been self-reported by women business owners within the WEConnect International network and partner organizations.

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